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PATENTS

THE COURT DISALLOWS THE SALE OF EXISTING STOCKS OF THE INFRINGING PRODUCT; SAYS IT MAY DAMAGE THE RIGHTS OF A PATENTEE[1]

The High Court of Delhi ("Court") dismissed the application of the Indo-Swiss Chemicals Ltd. and Anr. ("Defendant") and held that intellectual property has its own sanctity. The Court established that the infringer cannot be permitted to sell or flood the market with the existing stock of the infringing product which would cause damage to the rights of Patentee.

The Court through an ex-parte injunction order dated 23 October 2020, restrained the Defendant from directly and indirectly dealing in and infringing the patented fungicidal composition ("Patent") of Willowood Chemicals Pvt Ltd ("Plaintiff").

The Defendant submitted that the stock of the product, manufactured before the injunction order has a shelf life of two years, which would expire soon, resulting in financial loss to the Defendant. The Defendant therefore pleaded before the Court, to vacate the injunction order and till the application under Order 39, Rules 1 and 2 of the Code of Civil Procedure, filed by the Plaintiff and the application under Order 39 Rule 4 of the Code of Civil Procedure, filed by the Defendant, were adjudicated upon, so that the Defendant may be permitted to dispose of the existing stock in the market.

While opposing the application of the Defendant, the Plaintiff pleaded that the Defendant cannot be permitted to continue to violate the Plaintiff's rights in the Patent and submitted the following:

- the Defendant ignored the legal notice as sent by the Plaintiff and continued to manufacture the infringing product with impunity at its own risk;
- the Defendant sold 2,48,255 litres of the infringing product worth INR 16,97,95,804/-, preceding the grant of the injunction order and hence, the Defendant took the risk of manufacturing the infringing product although the same infringed the Patent, which was objected to by the Plaintiff, causing irreparable loss to the Plaintiff.
- any further violation of the rights of the Plaintiff would be in violation of Section 48 of the Patents Act, 1970.

After hearing the case and in-depth perusal of the facts, the Court opined that no grounds were made out by the Defendant to allow the present application. The Court dismissed the application and held that it would hardly be

[1] Willowood Chemicals Pvt. Ltd. v. Indo Swiss Chemicals Ltd. Anr.

appropriate to allow the Defendants to further flood the market with stocks worth INR 3,00,00,000/-, as had sought to be done by the application. Introducing such a large stock in the market would surely damage the rights of the Plaintiff. It is pertinent to mention, that the chart filed by the Defendants in the present application, regarding existing stock, shows that lot of production of the impugned product took place after 20 July 2020, i.e. post the filing of the pre-grant opposition which was filed by Haryana Pesticides Manufacturers Association, against the Plaintiff's Patent, which was subsequently dismissed and the Patent was granted. The Defendant being a member of the Haryana Pesticides Manufacturers Association was very well aware of the existence of the Plaintiff's Patent and knowingly attempted to manufacture the infringing product. Hence, the production that continued thereafter was at the Defendant's own risk.

BAJAJ HEALTHCARE LIMITED SEEKS COMPULSORY LICENSE FROM IPO, FOR COVID-19 TREATMENT DRUG

Amid the devastating pandemic, the Indian drug manufacturing Company Bajaj Healthcare Limited ("BHL") approached the Indian Patent Office ("IPO") with an application for Compulsory License under Section 92 (1) and Section 92 (3) of the Patents Act, 1970 for manufacturing and supply of "Baricitinib" Active Pharmaceutical Ingredient ("API") and formulation.

"Baricitinib", a drug to treat rheumatoid arthritis ("RA"), acts as an inhibitor of Janus Kinase ("JAK") blocking the subtypes JAK1 and JAK2. In India, a patent for "Baricitinib" API had been granted to Incyte Holdings Corporation ("Grantee") vide patent no. 270765 for the invention titled "Azetidine and Cyclobutane Derivatives as JAK Inhibitors" ("Patent") and Eli Lilly & Company ("Licensee") distributed drugs, through an agreement between the Grantee and the Licensee.

In November 2020, the United States Food and Drug Administration, granted an Emergency Use Authorization, to "Baricitinib" in combination with "Remdesivir" to treat COVID-19.

The Central Drugs Standard Control Organization also declared in March 2020, that any drug, approved anywhere in the world for Emergency Use Authorization would be entitled to the same status through a Special Regulatory Pathway in India.

The Indian Drug Regulatory Authorities granted restricted emergency use for "Baricitinib" in combination with "Remdesivir" to the Licensee. Also, permission to manufacture and marketing of "Baricitinib" API and 1 mg, 2mg and 4mg tablets has been granted to Natco Pharma Ltd. for Emergency Use in the COVID-19 pandemic.

Pursuant to the refusal of voluntary license requests of BHL by the Grantee/Licensee, the BHL approached the IPO and while relying on the Statement of Working of the Patented Invention on Commercial Scale ("Statement") filed on Form 27 regarding the Patent, argued that the price of "Baricitinib" tablet imported by Grantee/Licensee is INR 3230/- (for one tablet) which affected the availability and affordability of the drug to Indian patients. BHL claimed that it can produce the same drug for INR 14/- (for 1mg), INR 18/- (2 mg), and INR 28/- (4 mg) tablet, thus remarkably reducing the cost of the 14 days medication for COVID-19 treatment from the present cost of INR 45,220/- per patient. In the said application, BHL also showed interest to pay a royalty of 7% on the net profits.

However, any notification or official communication has not been issued by the IPO to date.

DESIGN

SIKKO INDUSTRIES RESTRAINED FROM USING REGISTERED DESIGN[2]

UPL Limited ("Plaintiff") mainly manufactures and markets agrochemicals, industrial chemicals, chemical intermediates, and offers crop protection solutions.

The Plaintiff sells Aluminium Phosphide or ALP, a fumigant, in the form of tablets, pellets, granules, or dust. Phosphine is released from Aluminium Phosphide, which is extremely harmful to insects and human life too. Therefore, the product is required to be stored in an airtight container during transport and its utilization to avoid any exposure of the Aluminium Phosphide to atmospheric moisture, which would also reduce the efficacy of the product.

The Plaintiff, therefore, developed a container that was airtight and possessed an aesthetic appeal and secured a registration for the same in class 9 under the Designs Act, 2000, in India.

The Plaintiff alleged before the High Court of Delhi ("Court") that Sikko Industries Ltd. ("Defendant") promoted Aluminium Phosphide under the mark "SIKPHOS" in a container, the design of which was confusingly similar to that of the Plaintiff's registered design, and was, therefore, an obvious and fraudulent imitation. Therefore, the Plaintiff approached this Court seeking an injunction against the Defendant.

The Plaintiff submitted that the registered design of the Plaintiff had three special characteristics:

- the cap of the container cannot be

[2] UPL Limited v. Sikko Industries Ltd.

opened without using a special device, specially designed to avoid exposure of ALP to moisture;

- the shape of the container, which is straight, uniform, and consistently cylindrical, which enables easy access to the product contained; and
- the grooves and rings at the neck of the container above the consistently uniform cylindrical body, which enables the container to be handled and held easily.

Registered design of the Plaintiff	Plaintiff's product in the market	Defendant's infringing product
		

The private investigations which were conducted by the Plaintiff revealed that the Defendant had not commercially launched its product, but was at the verge of doing so shortly.

While passing the injunction order in favour of the Plaintiff, the Court considered the facts of the case and compared the infringing product of the Defendant with registered design of the Plaintiff, and opined that the Plaintiff had established the grounds for grant of injunction. Hence, the Court restrained the Defendant from releasing, in the market, any product, including "SIKPHOS" in the allegedly imitative container without restraining the Defendant from manufacturing the containers and further clarifying that the Defendant may do so at its own risk and peril and no equities could be pleaded as a consequence.

TRADEMARKS

COURT SETTLES THE POSITION ON THE ARBITRABILITY OF TRADEMARK DISPUTES[3]

In a suit of restraint against unlawful termination of a supply agreement instituted by The Golden Tobie Private Limited ("Plaintiff)", Golden Tobacco Limited ("Defendant") filed an application under Section 8 of the Arbitration and Conciliation Act, 1996 for referring the dispute between the parties to the arbitration.

The Plaintiff stated that the parties had entered into a Master Long Term Supply

[3] Golden Tobie Private Limited v. Golden Tobacco Limited

Agreement which enabled the Plaintiff to gain an exclusive, non-assignable, non-transferable license to manufacture the Defendant's product exclusively at the Plaintiff's factory. The products manufactured by the Plaintiff included Golden's Gold Flake, Golden Classic, Taj Chhap, Panama and Chancellor.

The Plaintiff argued that the in spite of the Plaintiff spending huge capital and operational expenditure on advertisement and promotion to increase the availability on the Defendant's products, the Defendant had unilaterally terminated the Trademark License Agreement and the Master Long Term Supply Agreement and further demanded timely payment in terms of the agreements. Consequently, a suit was filed by the Plaintiff before the High Court of Delhi ("Court").

Conversely, the Defendant argued that under Clause 12 of the trademark license agreement, an arbitration clause existed between the parties and that the disputes between the parties should be referred to an Arbitrator who would be appointed in terms of the Clause 12 of the agreement.

The Court, relying on the four fold test postulated by the Supreme Court in the '*Vidya Drolia and Ors. v. Durga Trading Corporation*' case, observed that actions in rem including grant and issue of patents and registration of trademarks are exclusive matters falling within the sovereign and government functions and have *'erga omnes'* effect. Such grants confer monopolistic rights, and are not arbitrable in nature. However, the infraction as allegedly committed by the Defendant was not the provisions of the Trade Marks Act, 1999, but the provisions of the Master Long Term Supply Agreement and the Trademark License Agreement in question. Thus, the proceeding between the Plaintiff and the Defendant was held to be arbitrable and the Court referred the parties to arbitration.

CNN FILES A SUIT AGAINST TRADEMARK INFRINGEMENT[4]

Cable News Network Inc. ("Plaintiff") approached the High Court of Delhi ("Court") against the infringing use of the Plaintiff's "CNN" trademark(s) by City News Network ("Defendant").

The Plaintiff claimed that since 1980, an English news channel under the trademark(s) "CNN" was being run by the Plaintiff, which was popular amongst the general public. In 1985, CNN International Network was launched by the Plaintiff post which the CNN channel was made available in India for the first time in 1989. In 1995, the Plaintiff became the first private broadcaster

[4] Cable News Network Inc v. City News Network & Ors.

to be allowed on an Indian satellite and subsequently had its trademark "CNN" registered in 1999.

The Plaintiff submitted that it came across the Defendants' infringing activity in April 2021, while conducting the routine internet search of the trademark "CNN" and post the preliminary investigation, the Defendants' infringing activities were confirmed wherein the Defendants operated news agencies, websites, social media pages and YouTube channels under the "CNN" trademark.

Plaintiff's Trademarks	Defendant's Trademarks
CNN CNN CNN.com CNN	CNN CITY NEWS NETWORK CNN सिटी न्यूज नेटवर्क

The Plaintiff filed an application under Order 39 Rules 1 and 2 of the Code of Civil Procedure ("CPC") and sought an order of ex parte ad-interim injunction from the Court, restraining the Defendants and those acting for and on their behalf, from using the trademark "CNN" of the Plaintiff, or that may be identical with or deceptively similar to Plaintiff's "CNN" trademark(s), as the said usage by the Defendants is likely to cause confusion or deception amongst the general customers, thus amounting to infringement and/or passing off of the Plaintiff's registered trademarks.

The Plaintiff further sought an order from the Court, directing the Defendants to remove all the videos and/or content/ information published and/or uploaded on the Internet on any link displaying the use of the Plaintiff's "CNN" trademark(s), and to remove and delete all other links on the internet including across all channels, social media pages, blogs, trade listings etc., bearing the Plaintiff's "CNN" trademark or any other variant, name, logo, monogram or label including the Plaintiff's "CNN" trademark, and that is or may be to identical with or deceptively similar Plaintiff's "CNN" trademark and its variants.

Moreover, the Plaintiff sought for a Court order directing the Domain Name Registrar of the Defendants website, to reveal the details of and suspend the following domain names during the pendency of the suit, in view of the rampant infringing activities being undertaken on the websites hosted on the said domain names:

- cnnnewsnetwork.com,
- citynewsnetworks.in,
- cnnnewsnetwork.com, and
- citynewsnetworks.in.

Accordingly, the Court granted an injunction in favour of the Plaintiff and against the Defendants.

PEPSICO INC. SECURES RIGHTS OVER TAGLINE "FOR THE BOLD"[5]

Pepsico Inc. & Anr. ("Plaintiff") moved to the High Court of Delhi ("Court") with a suit for permanent injunction against Parle Agro Private Limited ("Defendant") claiming trademark infringement over the use of the tagline "For the Bold". The Plaintiff instituted the suit to restrain the Defendant from infringement, passing off and for damages, under Sections 27 and 29 of the Trade Marks Act, 1999.

The Defendant launched a new beverage "B-Fizz" in October 2020 with the tagline "For the Bold". The tagline "For the Bold" is a globally registered trademark of the Plaintiff for its brand Doritos since 2013, which is the flagship brand of its food business unit Frito-Lay in North America.

The Plaintiff had sought a permanent injunction restraining the Defendant and all those acting in concert with it or on its behalf, from using the tagline "For the Bold", and/or any other expression identical to and/or deceptively similar to the Plaintiff registered mark/tagline "For the Bold", in relation to its products or in any manner whatsoever, which would result in "violation of the statutory and exclusive proprietary rights" of the Plaintiff and to restrain the Defendant from any such use which amounts to passing off.

Separately, the Plaintiff sought an order for delivery up for destruction of all products including bottles, cans, packing material, stationery, carry bags, price stickers, visiting cards, billboards, brochures, promotional material, point of sale material, letterheads, cash memos, signboards, signposts, leaflets, cartons or any other items of whatsoever description and nature, bearing the expression/tagline "For The Bold" and an order and final decree of damages of INR 2,00,00,000 (approx.), in favour of the Plaintiff and against the Defendant.

Without any observations on the merits or demerits of the submissions that had been made on behalf of either side, the Court granted an opportunity to the Defendant to file the written statement along with response to the application under Order 39 Rule 1 & 2 of the Code of Civil Procedure.

HIGH COURT OF DELHI GRANTS AD INTERIM INJUNCTION AGAINST THE USE OF "FRANFINN" TRADEMARK[6]

In a suit for permanent and mandatory injunction filed by Frankfinn Aviation Services

[5] Pepsico Inc. & Anr v. Parle Agro Private Limited

[6] Frankfinn Aviation Services Private Limited v. Frankfinn Creations & Ors.

Private Limited ("Plaintiff'), the High Court of Delhi ("Court"), till the next date of hearing, restrained Frankfinn Creations ("Defendant") from using the trademark "FRANKFINN" on their website or for advertising its management services.

The Court observed that the trademark "FRANKFINN" was coined and adopted by the founder of the Plaintiff in 1980 to impart training in the field of Aviation, Hospitality, Travel Management and Customer Services and had several other businesses, with the largest network of "State of the Art" centres across India being run under the trademark "FRANKFINN" and "FRANFINN INSTITUTE OF AIR-HOSTESS TRAINING". Additionally, the Plaintiff secured registration with respect of its trademarks for its services since 2006. The documents submitted by the Plaintiff showed that the Defendant was using the name "FRANKFINN" spelt in the exact same manner as that by the Plaintiff. While weighing the balance of convenience, the Court further observed that the Plaintiff has been in the field since 2006 whereas the Defendant began their business in July 2020 only. Considering the prolonged and prior use of the trademark "FRANKFINN", by the Plaintiff and the subsequent "goodwill" acquired by the Plaintiff, the Court observed that if there is any dilution, passing off and infringement of the said trademark by the Defendant, the Plaintiff is likely to suffer "irreparable loss and injury". Accordingly, the Court issued an interim injunction and appointed a local commissioner for the inspection of the trademark infringement.

COPYRIGHT

HIGH COURT OF DELHI GRANTS PERMANENT INJUNCTION AGAINST STREAMING OF INTERNATIONAL CRICKET SERIES[7]

The High Court of Delhi ("Court") granted an interim injunction against websites for live streaming of the India – England International Cricket Series, 2021 (India Tour of England, 2021) as well as the India – Sri Lanka International Cricket Series, 2021 (India Tour of Sri Lank, 2021). The application was filed by Sony Pictures Network India ("Plaintiff") for restraining multiple websites such as <www.sportsala.tv> ("Defendant") from transmitting/ communicating to the public/making available any match footage, clip, audio including providing live score updates play-by-play and/or textual and/or audio only commentary, through any website, application and/or any other digital

[7]Sony Pictures Network India Private Limited v. www.sportsala.tv and Ors.

platform through internet, mobile and/or radio delivery.

The Plaintiff submitted that it had acquired from England and Wales Cricket Board Limited ("ECB") and Sri Lanka Cricket ("SLC") an exclusive license to broadcast/communicate to the public in the territories of India, Pakistan, Afghanistan, Sri Lanka, Nepal, Bangladesh, Bhutan, Myanmar and the Maldives for the India Tour of England, 2021 and worldwide, excluding Sri Lanka in respect of the India Tour of Sri Lanka, 2021.

The Court observed that the Plaintiff had exclusive media rights from ECB and SLC, a prima facie case was made out in favour of the Plaintiff to have protection against the illegal transmission, broadcasting, communication, telecast and unauthorized distribution of any event, match, footage, clip, audio-video, audio only of India Tour of England, 2021 scheduled from 4 August 2021 till 14 September 2021 and the India Tour of Sri Lanka 2021 scheduled from 13 July 2021 to 27 July 2021.

The Court further observed that in case the Plaintiff is not granted an injunction protecting its rights against the Defendants, the Plaintiff is likely to suffer an irreparable loss and injury, which cannot be compensated in terms of money which may be later paid to the Plaintiff. While appointing two local commissioners to ascertain the unauthorised distribution by the Defendants, the Court issued an interim injunction restraining the Defendants from hosting, streaming, reproducing, distributing or communicating to the public any cinematograph work, content, programme and show or event in which the Plaintiff has a copyright.

HIGH COURT OF BOMBAY HOLDS STATUTORY LICENSING FOR PUBLISHED WORK AS AN ABSOLUTE MANDATE[8]

A suit for infringement was filed by Sony Music Entertainment India Private Limited ("Plaintiff") against broadcasting organisation KAL Radio Limited & Ors. ("Defendant") claiming that the Defendant had failed to comply with the provisions of statutory licensing and royalties while illegally broadcasting recordings from the Plaintiff's repertoire in March 2021.

Notably, Section 31-D of the Copyright Act, 1957, read with Rule 29 of the Copyright Rules, 2013, states that any broadcasting organisation desirous of communicating to the public any published literary, musical work or sound recording, is required to give

[8] Sony Music Entertainment India Private Limited v. KAL Radio Limited & Anr.

prior notice stating the duration and territorial coverage of the broadcast and is required to pay royalties to the copyright owner in a manner prescribed by the Copyright Board. The broadcasting organisation is also required to give notice of its intent to the copyright holder and the Registrar of Copyright before a period of 5 days in advance of such communication to the public and shall pay the amount of royalties due.

Similarly, a broadcasting organisation is required to pay the compulsory licensing fee in accordance with the order of the Copyright Board dated 25 August 2010. Subsequently, on 31 December 2020, the Intellectual Property Appellate Board ("IPAB"), now disbanded, determined the royalty rates and payment mechanisms for statutory licensing of FM radio broadcast.

It was the case of the Plaintiff that the Defendant emailed the Plaintiff seeking information about its copyright-protected works and had thereafter emailed a notice to the Plaintiff claiming entitlement to a statutory license and forwarded a cheque of INR 64,750 (later increased to INR 67,514) quantified without any basis and thereafter began broadcasting the Plaintiff's copyright protected works. The Plaintiff argued that the Defendant failed to comply with the provisions of the Copyright Act, 1957 and did not seek the statutory license before the broadcast. Particularly, the notice provided by the Defendant did not contain any names of the programmes in which the copyright protected work would be included nor included the details of the time slots or duration, as mandated under Rule 29 of the Copyright Rules, 2013. The Defendant only stated that the works "will be used in various radio programmes" and provided the cheques without any apparent logical basis of its computations.

The High Court of Bombay ("Court") observed that grant of license is of rather a matter of compliance to a statutory regime rather than that of a contractual transaction between the parties. A copyright owner may assign its work in whole or part subject to conformity to the copyright provisions, discussed above, thereby depriving the copyright owner the freedom of choice in licensing. The Court further observed that such provisions must be strictly construed and there can be no room for a liberal or more free-wheeling interpretation of the kind suggested by the Defendant. The Court also dismissed the argument of the Defendant that an FM Radio is incapable of disclosing details of time-slots, durations and program periods. Finally, the Court was of the opinion that the Defendant had admittedly attempted to broadcast parts of the Plaintiff's protected work without a valid licence or notice which cannot be permitted to continue.

In view of the above, the Court issued a time-limited ad-interim injunction against the Defendant and its representatives from broadcasting/communicating to the public the Plaintiff's copyright protected works i.e., its Indian and International repertoire without complying to Section 31D of Copyright Act 1957 and Rule 29 of Copyright Rules 2013.

REGISTRAR OF COPYRIGHTS REGISTERS M/S RECORDED MUSIC PERFORMANCE LIMITED AS A COPYRIGHT SOCIETY

Vide order dated 18 July, 2021 the Registrar of Copyrights issued a certificate of registration to M/s Recorded Music Performance Limited, as a copyright society under Section 33(3) of the Copyright Act, 1957 and is now permitted to commence on the copyright business in 'SOUND RECORDING WORKS'. Consequently, it can now issue or grant licenses in respect of musical works registered with the said society, in which copyright subsists under the provisions of the Copyright Act, 1957.

DOMAIN NAME

TATA GROUP FILES A DOMAIN NAME DISPUTE COMPLAINT BEFORE DHC[9]

Tata Sons Private Limited ("Plaintiff"), registered owner of the trademark "TATA", "TATA" and domain name www.tatacliq.com, filed a suit against the domain name www.tatacliqsmart.com registered by M/S Electro International & Ors. ("Defendant") before the High Court of Delhi ("Court"). The Plaintiff argued that the Defendant was advertising various products of the Plaintiff on its website amounting to infringement of the Plaintiff's registered trademarks and copyright. The Plaintiff further contended that the Defendant, through its website www.tatacliqsmart.com, is selling various TATA products at throw away prices and there is a likelihood that by using the word TATA, the Defendant would be selling products which are not actual products of TATA but are fake products. The Plaintiff further argued that the mere addition of the word "smart" does not create a distinguishing factor between the domain name of the Plaintiff and the domain name in question.

Relying on the evidence provided by the Plaintiff including various screenshots of the contents displayed on the domain name of the Defendant and the results of the independent search conducted by the Court, the Court observed that the Defendant removed the contents of its website only because the suit had been filed.

[9] Tata Sons Private Limited & Anr v. Electro International & Ors.

Accordingly, the Court issued an interim injunction to the Plaintiff till the next date of hearing of the matter.

GENERAL

DISSOLUTION OF IPAB NOTIFIED

The Department for Promotion of Industry and Internal Trade, on 30 June 2021, has made available the official public notification regarding dissolution of the Intellectual Property Appellate Board ("IPAB"). Vide the said notification uploaded on the official website of the Office of the Controller General Patents, Designs & Trade Marks, it has been notified that the IPAB stands dissolved with effect from 4 April 2021, drawing end to the eminent institution constituted on 15 September 2003.

Disclaimer: IPTimes.Law has been shared with the intent to provide a general overview of the IP developments in India. This should not be taken as a substitute for any legal advice in a specific situation (which can only be given after being formally engaged and familiarizing ourselves with all the relevant facts).

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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