

India Intellectual Property & Information Technology Laws Newsletter

Vol. II, Issue I, October, 2008



From the Editor's Desk...



Dear Readers,

We are pleased to bring the 1st issue of 2nd successive volume of our IP & IT Laws News Letter. It is a pleasure to share that the format and content of this news letter has been widely appreciated and acknowledged. Our endeavor has been to give a bird's eye view of Indian IP & IT laws scenario in a crisp and composite manner, without unnecessary technical details.

In this issue we have taken the opportunity to explain Data Protection Policy and Laws in India and the grounds on which data can be intercepted by the Government of India. We have tried to cover Data Protection Law in India from different legal perspectives. Data protection in India is a matter of great concern worldwide, and in this era of growing internet and electronic governance, this issue has become more relevant.

Besides Data Protection, we have provided case law on Patents, Trade Mark and Copyright reflecting judicial mindset of judges in India.

We invite our readers to send their comments, input and suggestions. In case you have any queries about Indian IP & IT laws, please write to us.

With Regards.

Vijay Pal Dalmia
Head IP & IT Division
vpdalmia@vaishlaw.com

In This Issue: -

SOUND MARK REGISTRATION IN INDIA

Indian IPR Decisions

ERLOTINIB PATENT

HOFFMANN-LA ROCHE LTD. VS. CIPLA

HARRY POTTER Vs. HARI PUTTAR

OFFICER'S CHOICE Vs. ORIGINAL CHOICE

MERE TRADE MARK APPLICATION, DOES
NOT GIVE CAUSE OF ACTION AGAINST
PASSING OFF - SUPREME COURT OF INDIA

CYBERSQUATTING AND CYBERFLYING

MCAFEE, INC VS. CHEN SHENGLU

DATA PROTECTION LAWS IN INDIA



DATA PROTECTION
AND VARIOUS LEGISLATIONS IN INDIA

GROUND ON WHICH GOVERNMENT
CAN INTERFERE WITH DATA

REGISTRATION OF SOUND AS A TRADE MARK & THE FIRST TRADE MARK REGISTRATION OF SOUND IN INDIA

“Yahoo Inc.'s three-note Yahoo yodel”



In a milestone trade mark registration, for India as well as Yahoo, the country's trade marks registry, on August 18, 2008, granted registration to India's first “sound mark” to Sunnyvale, California-based Internet firm Yahoo Inc.'s three-

note Yahoo yodel. By doing so, the Trade Mark Registry has acknowledged global realities and opened up new avenues for Indian entrepreneurs to register their brands under the sound marks category.

A sound trademark is a non-conventional trademark where sound is used to perform the trademark function of uniquely identifying the commercial origin of products or services.

In times where rivals have to compete fiercely to ensure identification of their products, sounds are being increasingly used as a popular means of identification in the marketplace. However, it has traditionally been difficult to protect sounds as trademarks through registration, as a sound was not considered to be a 'trademark'.

This issue was addressed by the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights, which broadened the legal definition of trademark to encompass “any sign...capable of distinguishing the goods or services of one undertaking from those of other undertakings” (Article 15(1)).

“Trade mark” as defined under the Trade Marks Act, 1999 of India 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.

Despite the recognition which must be accorded to sound trademarks in most countries, the graphical representation of such marks sometimes constitutes a problem for trademark owners seeking to protect their marks, and different countries have different methods for dealing with this issue.

One of the land mark cases in the arena of the registration of sound as a trade mark is that of Harley-Davidson's attempt to register as a trademark the distinctive “chug” of a Harley Davidson motorcycle engine. However, after six years of litigation, with no end in sight, Harley Davidson withdrew their application.



Some of the companies who have been successful in registering their distinctive sounds are:

MGM and their lion's roar;

NBC chimes; famous basketball team ;

Harlem Globetrotters and their theme song

"Sweet Georgia Brown" and

Intel and the three-second chord sequence used with the Pentium processor;

INDIAN IPR DECISIONS



PATENT

HOFFMANN-LA ROCHE LTD. VS. CIPLA

2008 (37) PTC 71 (DEL)

In one of the high profile and news making patent litigation in India, Swiss Pharma company, Hoffmann La Roche, moved Delhi High Court seeking an injunction against a plan by the Indian generic rival, Cipla Ltd., to market a copycat version of a lung cancer drug known as ERLOTINIB in chemical terms, patented by Roche. The drug was granted a patent in India in the year 2007. It is sold under the brand name Tarceva by Roche at about INR 4,800 a tablet and Cipla had said it would launch a low-cost version of this drug in India, which it has done at INR 1,600 a tablet.

The Defendant, Cipla, contended that

- o the Plaintiff's patent claim lacks an inventive step;
- o the patent does not reveal any obvious inventive step;
- o alleged non-working of the patent and that it is new patent, less than six years old, and

- o not commercially worked in India thus disentitled to exclusive protection

On 19th March, 2008 the Court dismissed Roche's application for injunction and held that the Courts while deciding applications seeking interim injunction, involving claims for infringement of patents, especially when life saving drugs are involved, have to strike a balance between the imponderables such as the likelihood of injury to unknown parties and the potentialities of risk of denial of remedies.

Cipla's product ERLOTINIB is marketed at one third of the cost of the Plaintiff's product. Between the two competing public interests, that is, the public interest in granting an injunction to affirm a patent during the pendency of an infringement action, as opposed to the public interest in access for the people to a life saving drug, the balance has to be tilted in favour of the latter. Injury to the public while depriving them of the Cipla's product, may lead to shortening of lives of several unknown persons, who are not parties to the suit, and damage cannot be restituted in monetary terms, for it being uncompensatable and irreparable. Irreparable injury to the public would be caused if the injunction sought for is granted and the Plaintiff is therefore not entitled to claim an ad-interim injunction.

Note: Hoffmann La Roche has filed an appeal before the Delhi High Court challenging the order of single bench that refused to restrain Cipla from manufacturing and selling anti-cancer drug 'Tarceva', alleged to be a copy of the former's patent.

TRADE MARK

HARRY POTTER Vs. HARI PUTTAR !!!

(Issues involved- Phonetic similarity, Delay, Laches, Acquiescence)



The Delhi High Court in a recent case dismissed Warner Brother's plea for an interim injunction restraining the release of the movie "Hari Puttar". The Warner Brothers alleged infringement

of their trademarks against the producers of Hari Puttar, for naming their movie Hari Puttar--a name visually and



phonetically similar to Harry Potter, the adolescent wizard created by British author J K Rowling.

Court held Harry Potter and Hari Puttar to be as different as chalk and cheese. The Court held that the possibility of an illiterate or semi-literate movie viewer, watching a film by the name of Hari Puttar, would never be able to relate the same with a Harry Potter film or book.

The court further said that Warner Bros. could have taken up the case three years ago as they were aware of the title of the film since 2005. Instead, Warner Brothers waited for the movie to be completed and then filed a case; hence, it deserved no relief.

OFFICER'S CHOICE Vs. ORIGINAL CHOICE !!!

2008 (37) PTC 569 (DEL)

Two suits, were filed in the High Court of Delhi in respect of the trademark, i.e, 'OFFICER'S CHOICE'. The suits were filed against John Distilleries Ltd seeking injunction against the use of the mark, 'ORIGINAL CHOICE'. Both the marks are used for the very same product, i.e. whisky and both were registered under the provisions of Trade Marks Act, 1999.



Taking a prima facie view in the matter, by an order dated July 11, 2008 held that it did not appear as if the defendants' label and bottle could be passed off as that of the plaintiff's. Consequently, the very first element of misrepresentation, which is essential for an action of passing off, was, prima facie, missing and hence the plaintiff was not entitled to any interim injunction. Apart from the element of misrepresentation, the question of non-disclosure of material facts and delay were also held to be an insurmountable hurdle for the plaintiff for the purposes of the grant of an interim injunction.

CYBERSQUATTING AND CYBERFLYING

Mcafee, Inc vs. Chen Shenglu

2007 (34) PTC 298



The issue in the present matter was what constitutes Cyber squatting, and is the malafide use of a trademark or the registration of a similar domain name enough to constitute cyber squatting?

It was held that the disputed domain name (www.mcafee.co.in), was identical to and confusingly similar to the trade mark, trade name, service mark and domain name of McAfee Inc. and the respondent held no right or legitimate interest in the same. It was further held that the respondent misrepresented himself in the course of trade to unwary Internet users, made active use of the domain name on account of bad faith registration. The respondent as a reseller obtained registration of various other domain(s) consisting of well known trademarks in bad faith so as to profiteer from squatting.

It was held that the disputed domain name was to be transferred to Macfee Inc as the same was squatted by the respondent. It was further held that the incorporation of a company by the name of "MCAFEE LTD" in UK by the respondent after filing for the complaint and blocking the website by the Registrar of Domain Names was mala fide and to circumvent the .IN Domain Name of the Rules of Procedure and the .IN Domain Name Dispute Resolution Policy, and is a typical case of "cyberflying".

K. Narayanan Vs. S.Murali

MIPR 2008 (3) 0001

Note: Mere Trade Mark Application does not give cause of action against passing off Supreme Court of India

In the above mentioned case the Supreme Court of India has decided that mere filing of an application for registration of a trade mark does not constitute a part of cause of action in suit for passing off. So, no suit can be filed against a person for passing off, based only on claims made in the trade mark application.

LAW OF DATA PROTECTION IN INDIA



India does not have any specific law governing privacy. Confidential information is a sub species of the right to privacy protected under Article 19(1)(a) Freedom of speech and expression, 19(1)(g) Right to practice any profession or

carry on any occupation, trade or business and Article 21 right to life and personal liberty, of the Constitution by way of judicial pronouncements.

It is pertinent to note that the Government of India protects the right of a person (entity) to carry on business and trade, which is a constitutionally protected right falling in the category of

Fundamental right under Article 19 (1) (g) of the Constitution of India. There is no interference by the Government of India until and unless the information sought by the Government falls in any one of the category of exceptions provided under the Constitution.

These Fundamental Rights under the Constitution of India are subject to reasonable restrictions given under Article 19(2) of the Constitution that may be imposed by the State[1]. These reasonable restrictions include:

- o in the interests of the sovereignty and integrity of India,
- o the security of the State,
- o friendly relations with foreign States,
- o public order,
- o decency or morality,
- o in relation to contempt of court,
- o defamation, or
- o incitement to an offence.

Where the information is such that it ought to be divulged in public interest, the Government may require disclosure of such information. Information relating to anti-national activities which are against national security, breaches of the law or statutory duty or fraud may come under this category.

Acts enacted by Parliament, Act of Government and agencies working under it including the Police are subject to the scrutiny and jurisdiction of Indian Courts. Moreover any action of the Government has to be subject to recordal of reasons by the Controller under Sec. 69 of the Information Technology Act, 2000 or the concerned government officer as the case may be.

1. Govind v. State of Madhya Pradesh, (1975) 2 SCC 148; Sharda v. Dharampal, (2003) 4 SCC 493.

DATA PROTECTION AND VARIOUS LEGISLATIONS IN INDIA

The Information Technology Act 2000:

The Information Technology Act 2000 (hereinafter referred to as the "IT Act") is an act to provide legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "electronic commerce", which involve the use of alternative to paper-based methods of communication and storage of

information to facilitate electronic filing of documents with the Government agencies. The Act applies to the whole of India.

Grounds on Which Government can Interfere with Data

Under Sec. 69 of the Information Technology Act, The Controller, appointed by the Government can direct a subscriber to extend facilities to decrypt information in following manner and circumstances

(1) If the Controller is satisfied that it is necessary or expedient so to do in the interest of the sovereignty or integrity of India, the security of the State, friendly relations with foreign States or public order or for preventing incitement to the commission of any cognizable offence, for reasons to be recorded in writing, by order, direct any agency of the Government to intercept any information transmitted through any computer resource.

(2) The subscriber or any person in-charge of the computer resource shall, when called upon by any agency which has been directed under sub-section (1), extend all facilities and technical assistance to decrypt the information.

(3)

Section 29- Access to computers and data

Under Sec. 29 of the Information Technology Act, 2000 the Controller or any person authorized by him shall, if he has reasonable cause to suspect that any contravention of the provisions of this Act, rules or regulations made there under has been committed, have access to any computer system, any apparatus, data or any other material connected with such system, for the purpose of searching or causing a search to be made for obtaining any information or data contained in or available to such computer system.

Penalty for damage to computer, computer systems etc. under the Information Technology Act, 2000

Section 43 of the Act imposes a penalty of INR 10 Million inter alia, for downloading data without consent. The same penalty would be imposed upon a person who inter alia, introduces or causes to be introduced any computer contaminant or computer virus into any computer, computer system or computer network.

Tampering with computer source documents as provided for under the Information Technology Act, 2000

Section 65 of the Act lays down that whoever knowingly or intentionally conceals, destroys, or alters any computer source code used for a computer, computer programme, computer

system or computer network, when the computer source code is required to be kept or maintained by law for the time being in force, shall be punishable with imprisonment up to three years, or with fine which may extend up to INR two lakh, or with both.

Hacking with Computer system

Section 66 of the Information Technology Act, 2000 regulates hacking. The Act defines the term 'hacking' as - whoever with the intent of cause or knowing that is likely to cause wrongful loss or damage to the public or any person destroys or deletes or alters any information residing in a computer resource or diminishes its value or utility or affects it injuriously by any means, commits hacking. The Act further provides that whoever commits hacking shall be punished with imprisonment up to three years, or with fine, which may extend up to INR two lakh, or with both.

Penalty for breach of confidentiality and privacy

Section 72 of the Information Technology Act, 2000 provides for penalty for breach of confidentiality and privacy. The section provides that any person who, pursuant to any of the powers conferred under this Act, Rules or Regulations made there under, has secured access to any electronic record, book, register, correspondence, information, document or other material without the consent of person concerned, discloses such material to any other person shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to one lakh rupees or with both.

Existing framework under the Indian Contract Act, 1872

The Indian Contract Act (hereinafter referred to as the "Contract act") is an act to define the law relating to contracts.

Under the provisions of the Contract Act, no particular form is necessary to enter into contract. As a matter of fact no written document is also necessary for creation of contract. As regards processing and access requirements and also the data transfer policy between the parties, it would solely be governed by the contractual understanding between them.

Relationship between Private Parties & Data Protection

As of now, India relies solely on individual contracts negotiated between the foreign company and the Indian service provider to address data protection issues. India's data protection currently falls under the Information Technology Act 2000, which includes some data protection provisions, but does not define personal data.

The Indian Telegraph Act, 1885

This Act, particularly applies to Postal and Telegraphic messages. Even when not directly applicable to Data Protection, Secrecy and Privacy some analogy can be drawn from this Act, to understand the nature of possible interference and control by Government

Section 5. Power for Government to take possession of licensed telegraphs and to order interception of messages

(1) On the occurrence of any public emergency, or in the interest of the public safety, the Central Government or a State Government or any officer specially authorized in this behalf by the Central Government or a State Government may, if satisfied that it is necessary or expedient so to do, take temporary possession (for so long as the public emergency exists or the interest of the public safety requires the taking of such action) of any telegraph established, maintained or worked by any person licensed under this Act.

(2) On the occurrence of any public emergency, or in the interest of the public safety, the Central Government or a State Government or any officer specially authorized in this behalf by the Central Government or a State Government may, if satisfied that it is necessary or expedient so to do in the interests of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States or public order or for preventing incitement to the commission of an offence, for reasons to be recorded in writing, by order, direct that any message or class of messages to or from any person or class of persons, or relating to any particular subject, brought for transmission by or transmitted or received by any telegraph, shall not be transmitted, or shall be intercepted or detained, or shall be disclosed to the Government making the order or an officer thereof mentioned in the order:

Provided that press messages intended to be published in India of correspondents accredited to the Central Government or a State Government shall not be intercepted or detained, unless their transmission has been prohibited under this sub-section.

Existing framework under the Indian Penal Code 1860

The Indian Penal Code codifies the substantive criminal law.

Section 405 of the Indian Penal Code, 1860 ('IPC') imposes liability for criminal breach of trust on a person in whom confidence is reposed as to the custody or application of

particular property whether it be by legal authority or private contract or consent, and who dishonestly misappropriates such property. In other words, in criminal breach of trust, a person is placed in a position of trust and there is dishonest use of the property. Section 406 of the Act provides for punishment for criminal breach of trust.

Section 420 of the IPC deals with cheating and dishonestly inducing delivery of property.

Existing framework under the Specific Relief Act 1963

The Specific Relief Act, 1963 aims at making available such remedies which are not available in other enactments, or where the remedies or reliefs available under other provisions of law do not constitute adequate relief in the matter. For instance, on the breach of contract the remedy available under the law of contract is that of 'damages'. When there is no standard for determining actual damage on the breach of contract, or compensation in money does not afford adequate relief, the remedy by way of damages does not serve the purpose, and in such a case the Specific Relief Act enables the plaintiff to seek specific performance of the contract.

The above-mentioned provisions have origin in the reasonable restrictions given under Article 19(2) of the Constitution. By enacting such provisions the Government has conveyed in equivocal terms that it has the right to interfere and seek access to confidential information in the interest of the sovereignty or integrity of India, the security of the State, friendly relations with foreign States or public order or for preventing incitement to the commission of any cognizable offence or in cases of public emergency.



We may be contacted at:

DELHI

10 Hailey Road, # 5-7,
New Delhi - 110001, India
Phone: +91-11-42492525
Fax: +91-11-23320484
delhi@vaishlaw.com
ipit@vaishlaw.com

MUMBAI

DGP House, Ground Floor,
88C, Old Prabhadevi Road,
Mumbai - 400 025, India
Phone: +91-22-42134101/24384101
Fax: +91-22-24384103
mumbai@vaishlaw.com

GURGAON

803, Tower A, Signature Towers
South City-I, NH-8,
Gurgaon - 122001, India
Phone: +91-124-4541000
Fax: +91-124-4541010
gurgaon@vaishlaw.com

UNSUBSCRIBE

Note : - If you do not wish to receive this News Letter in future , kindly send us an email with the word “unsubscribe” in the Subject of e-mail , else just reply this mail with the word Unsubscribe in the subject of the mail

Editor: Vijay Pal Dalmia

Editorial Team: Megha Mehta, Hameer Singh Rajvi

Disclaimer:

While every care has been taken in the preparation of this News Bulletin to ensure its accuracy at the time of publication, Vaish Associates assumes no responsibility for any errors which despite all precautions, may be found herein. Neither this bulletin nor the information contained herein constitutes a contract or will form the basis of a contract. The material contained in this document does not constitute/substitute professional advice that maybe required before acting on any matter.

* COPYRIGHT NOTICE: - © 2008, India. All Rights reserved with Vaish Associates Advocates,
10 Hailey Road, New Delhi -110001, India