

# Intellectual Property & Information Technology Laws News Bulletin



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From the Editor's Desk...



Dear Readers,

In continuation of our earlier IP & IT laws news letter, which was widely appreciated for its easy presentation and relevant content depicting the present legal scenario of Indian IP & IT laws, we are pleased to put forth the present issue covering a wide spectrum of Indian IP laws. We have tried to preserve the “easy to understand” flavour of our news letter.

“Indian IPR Decisions”, is targeted to give the reader a bird's view of the IPR decisions by the Indian courts, which at times appear to be contradictory. However, in our opinion, the contradiction is because of the continuous process of IP engineering by the courts to rationalise the law for protecting valuable IP rights in India. The beauty of Indian courts lie in the fact that while deciding the IP cases, they are not hit by nationalistic approach but their decisions are truly based on Indian law and international perspective.

We are also covering a topic “What can not be patented in India” which is again based on our experiences with our clients, who wish to know a lot about Indian Patent laws. We have also felt that there is a lack of awareness about the Indian Patent Design laws, as such we have tried to cover the same from an industry perspective.

We welcome, as always, your views, comments and input.

With Regards.

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**IMPORTANT PATENT NOTIFICATION**

**INDIA**

The Controller General of Patents, Designs and Trademarks of India, by its notification dated 24.12.2009, has called all Patentees and Licensees to furnish information in Form No. 27 on working of patents as prescribed under Section 146 of the Patents Act (as amended) read with Rule 131 of the Patents Rules 2003 (as amended). Attention of the Patentees / licensees are also invited to provisions of Section 122 of the Patents Act, 1970 (as amended) wherein penalty is prescribed for non-submission of such information.

Therefore, all Patentees and Licensees are now required to comply with the above provision of law by filing the information in Form 27, i.e. STATEMENT REGARDING THE WORKING OF THE PATENTED INVENTION ON COMMERCIAL SCALE IN INDIA.

([http://www.ipindia.nic.in/iponew/publicNotice\\_24December2009.pdf](http://www.ipindia.nic.in/iponew/publicNotice_24December2009.pdf))

**What is NOT Patentable In India**

**(Section 3 of the (Indian) Patents Act, 1970)**

The following are not patentable in India:-



- 1) An invention, that is frivolous or that claims anything obviously contrary to well established natural laws;
- 2) An invention, the primary or intended use of which would be contrary to law or morality or injurious to public health;
- 3) The mere discovery of a scientific principle or the formulation of an abstract theory;
- 4) The mere discovery of any new property or new use for a known substance or of the mere use of a known process,

machine or apparatus unless such known process results in a new product or employs at least one new reactant;

- 5) A substance obtained by a mere admixture resulting only in the aggregation of the properties of the components thereof or a process for producing such substance;
- 6) The mere arrangement or rearrangement or duplication of known devices, each functioning independently of one another in a known way;
- 7) A method of agriculture or horticulture;
- 8) Inventions relating to atomic energy.
- 9) Any process for the medicinal, surgical, curative, prophylactic or other treatment of human beings or animals.
- 10) Plants and animals in whole or any part thereof other than microorganisms.
- 11) Mathematical or business method or a computer program per se or algorithms.
- 12) literary, dramatic, musical or artistic works, cinematographic works, television productions and any other aesthetic creations.
- 13) Mere scheme or rule or method of performing mental act or playing game.
- 14) Presentation of information.
- 15) Topography of integrated circuits.
- 16) An invention which in effect, is traditional knowledge or is based on the properties of traditional knowledge.



**LAW OF PATENT DESIGNS In India**



The TRIPS Agreement, provides for the minimum standards of protection for the Industrial Designs. India has already legislated to provide for such standards. The purpose of the [Indian] Design Act, 2000 (the “Design Act”) is to afford

protection to original and aesthetically appealing designs capable of being applied commercially. The Design Act is in consonance with the changes in technology and economic advances.

Functionality aspects of a design are not protected under the Design Act as the same are subject matter of patents.

Features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article, whether in two dimensional or three dimensional or in both forms, can be registered under the Design Act.

### Registration, Cancellation & Enforcement of Designs

Design of an article is not registrable in India, if it –

1. is not new or original
2. has been disclosed to the public any where in India or in any other country by publication in tangible form or by use in any other way prior to the filing date or priority date of the application;
3. is not significantly distinguishable from known designs or combination of known designs;
4. comprises or contains scandalous or obscene matter.

Registration of a design can be cancelled on any of the above grounds, in addition to the above-mentioned grounds:-

1. the design has been previously registered in India
2. it has been published in India or in any other country prior to the date of registration.

Under the new designs law, the remedy is available against piracy of a registered design under section 22(2) (a) of the Design Act. In a suit for infringement of a registered design, the abovementioned grounds can also be pleaded as a defence. Besides Injunction, monetary compensation is recoverable by the proprietor of the design either as contract debt (speedier remedy) or by suit for recovery of damages subject to applicable statutory cap as prescribed.

### Tenure of design

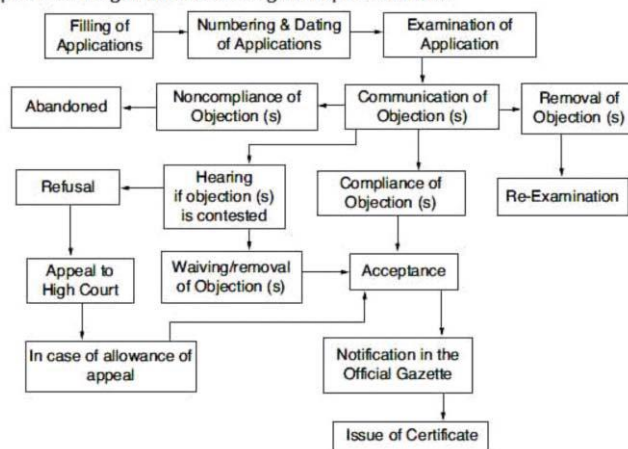
Initially, a protection of 10 years is given to the proprietor of a registered design with regard to exclusive rights to sell, make or import the articles and initiating an action against an infringer. This

initial period of 10 years can be further extended by a period of 5 years on the payment of renewal fees.

The Design Act also introduces international system of classification for registration. Restoration of lapsed designs or renewal of expired registration is also permitted under the Design Act.

#### Process of Registration of Design

The process of registration of a design is explained below



### Indian IPR Decisions

#### BOON

#### FOR IP LITIGATION in India

**Bajaj Auto Limited**

**Vs.**

**TVS Motor Company Limited**

**JT 2009 (12) SC 103**

#### Dispute over Patent for the Use of Twin-Spark Plug Engine Technology



The Supreme Court of India by this landmark judgment has directed all the courts in India for speedy trial and disposal of intellectual property related cases in the courts in India.

In a nearly two-year-old dispute involving two companies, which have been locked in a patent dispute over the use of a twin-spark plug engine technology, the Supreme Court observed that suits relating to the matters of patents, trademarks and copyrights are pending for years and years and litigation is mainly fought between the parties about the temporary injunction. The Supreme Court directed that hearing in the intellectual property matters should proceed on day to day basis and the final judgment should be given normally within four months from the date of the filing of the suit. *The Supreme Court further directed to all the courts and tribunals in the country to punctually and faithfully carry out the aforesaid orders.*



**Bayer Corporation**

**Vs.**

**Union of India**

**162(2009) DLT 371**

**Patent Linkage**

This is a very interesting case attempting to create controversial Drug-Patent Linkage mechanism as provided in the USA to the legal regime in India.



Bayer Corporation, instead of filing a suit for infringement, filed an inventive writ petition in the Delhi High Court desiring that since the applications of Cipla "SORANIB" allegedly infringe its patent, its (Cipla's) marketing approval application under the Drugs Act should not even be processed or entertained. It is for the first time that an attempt is made to link drug approval to patent infringement in India. However, the Delhi High Court, denying the injunction, imposed a substantial cost of Rs. 6.75 Lakh to deter any such future attempts.

Bayer relied on the argument that a combined reading of Section 2 of the Drugs and Cosmetic Act along with Section 48 of the (Indian) Patent Act, 1970 establishes a Patent Linkage Mechanism



under which no market approval for a drug can be granted if there a patent subsisting over that drug. It also claimed that CIPLA's "SORANIB" is a "Spurious Drug" as defined under the Drugs Act, for which market approval cannot be granted.

The Hon'ble High Court of Delhi held that there is no Drug-Patent Linkage mechanism in India as both the Acts have different objectives and the authority to determine patent standards, is within the exclusive domain of the Controller of Patents. Moreover, the patent linkage will have undesirable effect on the India's Policy of Public Health. It further held that the market approval of a drug does not amount to infringement of patent. Therefore, the patent infringement cannot be presumed, it has to be established in a court of law. Such adjudication is beyond the jurisdiction of Drug Authorities.

On the issue of "SORANIB" being a spurious drug, the court held that CIPLA's "SORANIB" cannot come under the category of spurious goods as there is no element of passing off like deception or imitation present in CIPLA's drug".

**Clinique Laboratories LLC and Anr.**

**Vs.**

**Gufic Limited and Anr.**

**MANU/DE/0797/2009**

**CLINIQU vs. CLINIQ**

**Suit for infringement by a registered trade mark owner against a registered trade mark holder: Conditions**

The present dispute was between the registered trade mark of the plaintiff as well as defendant. It is interesting to note that before filing the suit the plaintiff i.e. Clinique had filed a cancellation petition before the Registrar of Trade Marks, India, against the defendant for cancellation of the defendant's trade mark CLINIQ. As per the Section 124(1) (ii), of the (Indian) Trade Marks Act, 1999 a suit is liable to be stayed till the cancellation petition is finally decided by the competent authority.



However, under Section 124(5) of the Act, the court has the power to pass interlocutory order including orders granting

interim injunction, keeping of account, appointment of receiver or attachment of any property.

In this case, the court held that a suit for infringement of registered trade mark is maintainable against another registered proprietor of identical or similar trade mark.

It was further held that in such suit, while staying the suit proceedings pending decision on rectification/cancellation petition, the court can pass interim injunction restraining the use of the registered trade mark by the defendant, subject to the condition that the court is prima facie convinced of invalidity of registration of the defendant's trade mark. In this case the court granted an interim injunction in favour of the plaintiff till the disposal of the cancellation petition by the competent authority.

**The Coca-Cola Company**

**Vs.**

**Bisleri International Pvt. Ltd**

**Manu/DE/2698/2009**

**Infringement: Export: Threats: Jurisdiction**



The Delhi High Court held that if the threat of infringement exists, then this court would certainly have jurisdiction to entertain the suit.

It was also held that the exporting of goods from a country is to be considered as sale within the country from where the goods are exported and the same amounts to infringement of trade mark.

In the present matter, the defendant, by a master agreement, had sold and assigned the trade mark MAAZA including formulation rights, know-how, intellectual property rights, goodwill etc for India only. with respect to a mango fruit drink known as MAAZA.

In 2008, the defendant filed an application for registration of the trade mark MAAZA in Turkey and started exporting fruit drink under the trade mark MAAZA. The defendant sent a legal notice repudiating the agreement between the plaintiff and the defendant, leading to the present case. The plaintiff, the Coca Cola Company also claimed permanent injunction and damages for infringement of trade mark and passing off.

It was held by the court that the intention to use the trade mark besides direct or indirect use of the trade mark was sufficient to give jurisdiction to the court to decide on the issue.

The court finally granted an interim injunction against the defendant (Bisleri) from using the trade mark MAAZA in India as well as for export market, which was held to be infringement of trade mark.

**INJUNCTIONS GRANTED!!!**  
**INJUNCTIONS REFUSED!!!**

Under this regular head of our news letter, we give you a very brief description of decisions of Different High Courts and the Supreme Court of India w.r.t. Trade Marks in capsuled form, which will give the reader a fair and quick idea about the mind set of Indian Courts, in IP matters.

In the following cases **INJUNCTIONS** have been **GRANTED**.

LEPASSAGETOINDIA.COM (Tours & Travels)	Vs	LEPASSAGEINDIA.COM (Tours & Travels)
REVLON (Cosmetics)	Vs	REVON (Beauty Magazine)
TENDERKARE (Baby food)	Vs	TENDERKARE (Baby feeding bottles)
QILLA (Rice)	Vs	HARA QILLA (Rice)
LAY'S (Salted snack foods)	Vs	LEO (Salted snack foods)
YO! (Food Product)	Vs	MASALA YO! & CHILLY CHOW YO! (Food Product)
SECEF (Pharmaceuticals)	Vs	CECEF (Pharmaceuticals)
ROLEX (Watches)	Vs	ROLEX (Jewellery)
CHACHA CHAUDHARY (Food Product)	Vs	RAJA CHAUDHARY (Food Product)
CELLCEPT (Pharmaceuticals)	Vs	VALCEPT (Pharmaceuticals)
CLINIQUE (Cosmetics)	Vs	CLINIQ (Cosmetics)

In the following cases **INJUNCTIONS** have been **REFUSED**.

PARAGON (Footwear)	Vs	PARAGON (Steel Rods)
P.P. JEWELLERS (Jewellers)	Vs	P.P. BUILDWELL (Construction Company)
IMPERIAL GOLD (Beverages)	Vs	IMPERIAL BLUE (Beverages)



**Protection  
of  
“Foreign Works”  
in India**

Indian Copyright law is presently at parity with the international standards as contained in TRIPS. The Copyright Act, 1957 after the amendments in the year 1999 fully reflects the Berne Convention on Copyrights and the Universal Copyrights Convention, to which India is a party. India is also party to the Geneva Convention for the Protection of Rights of Producers of Phonograms and is an active member of the World Intellectual Property Organization (WIPO) and UNESCO. The works of such foreign country are thus protected in India under Section 40 of the Copyright Act 1957, read in conjunction with the International Copyright Order 1999.

Under the (Indian) Copyright Act, 1957 works of foreign authors/owners are accorded the same protection in India to which the Indian citizens are entitled under the Act.

In order to keep pace with the global requirement of harmonization, the Copyrights Act, 1957, has ushered in far-reaching changes and brought the copyright law in the country in line with the developments in the IT industry, whether it is in the

field of satellite broadcasting or computer software or digital technology. The amended law has made provisions to protect performer's rights as envisaged in the Rome Convention.

The government is also taking initiative to combat piracy in the software industry, motion pictures and the music industry along with players in the industry through their associations and organizations like NASSCOM (National Association of Software and Service Companies), NIAPC (National Initiative Against Piracy and Counterfeiting) etc.



**Copyright**

**“Work”  
Protected  
In India**

Under the (Indian) Copyright Act, 1957 following “work” are protected:

- Artistic work including
  - o a painting or a sculpture,
  - o a drawing including a diagram, map, chart or plan,
  - o an engraving,
  - o a photograph,
- A work of architecture or artistic craftsmanship,
- Dramatic work,
- Literary work including
  - o computer programmes,
  - o tables,
  - o compilations
  - o and computer databases,
- Musical work (including music as well as graphical notation),
- Sound recording and
- Cinematograph film.

The judiciary has also been active about the protection of copyright of foreign authors/ owners, which includes software and their source code, motion pictures including screen play of motion pictures and database maintained by Professional firms and business organizations.

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