

As we take you through the advancements in the field of IP in the last quarter of 2016, we take this opportunity to wish you all a very happy and prosperous 2017 ahead!

The last quarter of the year 2016 saw a few notable decisions in the Indian IP arena. While the High Court of Karnataka gave an interesting perspective on misappropriation of confidential information revolving around the issues of patent and trademark infringement, the High Court of Bombay refused to grant injunction to the owners of the popular matrimonial portal “shaadi.com” against another party that uses the name “secondshaadi.com”. The High Court of Delhi following its spree of passing decisions in the copyright domain gave yet another significant judgment on the issue of infringement of broadcasting rights. On a separate note, the last quarter also saw IndusLaw being recognized as the ‘Best IP Firm to Watch’ at the 5th Edition (2016) of the Global Intellectual Property Conclave & Awards in Mumbai, India.

The important legal updates from the previous quarter are elaborated below:

NOTABLE CASE LAWS

Inphase Power Technologies Private Limited v. ABB India Limited

The High Court of Karnataka has recently passed an order confirming the misappropriation of confidential information and infringement of patent and trademark subjects of ABB India Limited (“ABB”) by Inphase Power Technologies Pvt. Ltd. (“Inphase”). The present case before the High Court was an appeal against a Trial Court order, which restrained Inphase from infringing ABB’s patent and trademark rights as well as from misappropriating their confidential information.

The issues dispensed with in this case are as follows:

a) Misappropriation of Confidential Information

ABB alleged that Inphase, a company formed by their former employees, had used and misappropriated confidential information that they had been entrusted with while in the service of ABB. Relying on a 2014 Calcutta High Court decision, the Court held that an ex-servant could not make improper use of information communicated to him in confidence and under contract, and restrained Inphase and held them liable for doing so in the matter.

b) Trademark Infringement

Inphase had applied for a trademark as 'PQC STATCON' to the Trade Mark Registry, Chennai on August 05, 2015 despite marketing their products as or under 'STATCOM' and '150-SCOM' giving a plea that 'STATCON' was a generic term. The Court dismissed their arguments on the matter as their conduct of applying for said trademark went against the bearing they attempted to take. The court held that such use of ABB's brand name and the other marks similar thereto amounted to trademark infringement and passing off.

c) Patent Infringement

ABB had patented its product with the Indian Patent Office and had further, made certain developments and improvements in its product (the said developments are subject matter of a pending patent application). ABB contented that Inphase unauthorisedly incorporated its patented invention in their product and markets such product as their own. Inphase pleaded that the two products had different technical specifications, which the Court dismissed. It was held that a prima facie case was made out by ABB.

The Court cited observations earlier made by the Delhi and Bombay High Courts in several judgements that - "a person would be guilty of infringement if he makes what is in substance the equivalent of the patented article, and trifling or unessential variation was to be ignored in this determination and that only the patentee of the main invention was entitled to improve, or modify the invention, or permit anyone to benefit from the main invention".

The court did not look into any copyright infringement contentions by ABB, which was also pleaded thereby against Inphase. It is noteworthy to mention that there is an ongoing CCI investigation on ABB as well, following an abuse of dominance complaint filed by Inphase

DISH TV INDIA LTD. vs GULF DTH FZ LLC

A Division Bench of the Delhi High Court has upheld the injunction order passed by the Single Judge that recognized exclusive copyright / broadcasting rights of a foreign broadcaster Gulf DTH FZ LLC ("Gulf DTH") for broadcast of certain channels in some foreign territories, namely, Middle Eastern and North African regions (MENA region).

In the suit filed by Gulf DTH before the Delhi High Court against infringement of its exclusive broadcasting rights for MENA region by Dish TV, an injunction was granted by the Single Judge restraining Dish TV from selling its set top boxes (meant for sale in India and Sri Lanka only) in MENA region, which enabled Dish TV to broadcast the said channels in the region and having monetary gains therefrom.

Facts:

Gulf DTH is a UAE based company that operates a direct-to-home (DTH) satellite subscription pay television platform in the MENA region. Gulf DTH has the exclusive license to broadcast and communicate channels to the public by DTH satellite as well as cable and IP TV networks in the territories operated by Orbit Showtime Network (“OSN” or “OSN territories”), in the MENA region. Gulf DTH is the exclusive broadcaster for OSN territories, while India’s Dish TV India Limited (“Dish TV”) is granted broadcasting rights for India and Sri Lanka. Dish TV broadcasts the licensed channels in India and Sri Lanka through 3 satellites; however, due to ‘spillover’ of signals from the 3 satellites in MENA region, Dish TV can also technically broadcast the licensed channels in OSN territories / MENA region by way of its set top boxes. Gulf TV was aggrieved by Dish TV’s commercial exploitation of the satellite signals in MENA region, as all license agreements pertaining to broadcast rights contained express provisions restricting the licensees to broadcast and communicate to public the copyrighted content within their defined territories.

In the aforesaid suit, Gulf DTH alleged that Dish TV, through its Singaporean subsidiary, derived illegal monetary gains from the sale of set top boxes, smart cards, subscription and recharge services in its exclusive OSN territory, although Dish TV was not licensed to do that for the said territory. The suit also involved consideration of issues pertaining to the alleged commercial exploitation of the satellite spillover signals by Dish TV in the MENA region, resulting in such copyright infringement.

Held:

The Single Bench held that Dish TV had indeed infringed the copyright / broadcasting rights held by Gulf DTH and inter alia restrained Dish TV from distributing set top boxes and smart cards in the OSN Territory which enabled gain of huge illegal revenues by Dish TV through its Singaporean subsidiary. While holding Dish TV liable for such infringement, the Single Bench opined that it was well within its jurisdiction to pass such an injunction.

In the words of the Single Judge;

“while under Section 54(a) of the Copyright Act, the expression ‘owner of a copyright’ includes ‘an exclusive licensee’, there is nothing to indicate that such exclusive licensee should be in respect of a copyright work in India. In the present case, the broadcasters, viz., the owners of the copyright of the Contents and the Works for the distribution of which, over TV channels, an exclusive license has been granted to the Plaintiff, can seek remedies against infringement of such copyright. Even as regards the infringement taking place in a territory which may be located outside India, while it is true that under Section 1(2) of the Copyright Act, the Act extends to the whole of India, however in a situation where the rights of such owner of copyright are not exclusive to the India territory but some other territory outside India and are being infringed by an entity in India, there is no reason why such owner of copyright, which includes the exclusive licensee, cannot come to Indian Courts to seek relief.”

In the present Appeal filed by Dish TV, the Division Bench of the Delhi High Court upheld the Single Bench's finding.

People Interactive (India) Pvt. Ltd. V. Vivek Pahwa & Ors.

The High Court of Bombay (the "Hon'ble High Court"), in its recent judgment in the case of People Interactive (India) Pvt. Ltd. V. Vivek Pahwa & Ors. on September 14, 2016, dismissed the notice of motion of People Interactive (India) Pvt. Ltd. (the "Plaintiff") to restrain V. Vivek Pahwa & Ors. (together the "Defendants") from using the domain name '*secondshaadi.com*'.

The Defendants operate *secondshaadi.com*, a matrimonial portal mainly targeted at widowed people and divorcees and the Plaintiff owns *shaadi.com*, a rival matrimonial portal. The Plaintiff approached the Hon'ble High Court to stop the Defendants from using the word '*shaadi*' in their domain name and further, accused them of passing-off their website as that of the Plaintiff's website.

The Plaintiff claimed that they were using the mark '*shaadi.com*' from 2001, had gained significant popularity, goodwill, reputation and recognition amongst the public and the word '*shaadi*' has acquired secondary meaning. The Plaintiff also contended that the Defendants were using this goodwill and success to gain business for their own benefit by using a deceptively similar domain name. Also, the Plaintiff accused the Defendants of using meta-tags to drive traffic from the Plaintiff's website to the Defendant's website in a bid to gain more business and thus, misappropriating their trademark and trade name.

In response, the Defendants' counsel submitted that the words '*shaadi*' or '*shadi*' are generic in nature and commonly descriptive and the word by itself lends no meaning other than its ordinary lexical one. Additionally, the Defendants argued that as per Sections 30 (2) (a) and 35 of the Trade Marks Act, 1999, a registered mark is not infringed where the use indicated the characteristics of the goods and services and a registered user may not interfere with the use by any person of any genuine description of the character of quality of their goods or services. Furthermore, the Defendants' counsel submitted that the Plaintiff by its own admission was aware of the Defendants' website since 2007 and had sent a cease and desist notice on July 27, 2007. The Defendants responded by refusing to do so and business continued as usual till September 28, 2013, when the Plaintiff sent another notice to the Defendants. The Defendants' counsel reasoned this by stating that because the Defendants had been small-time players in the market, they had been insignificant to the Plaintiff for the past 6 (six) years and once they gained mass appeal, the Plaintiff was threatened and took legal action. The Plaintiff contended that it was merely delayed in this regard and asked the Hon'ble High Court to grant them an injunction against the Defendants from using their mark and domain name.

On taking into account the various prayers and submissions by both parties, the Hon'ble High Court in his observations in this judgment made the following remarks and explanations:

1. Firstly, the domain name of the Defendants has the word '*second*' prominently displayed over '*shaadi.com*' and the font, stylization, logo and tagline used by the Defendants are relatively different from the Plaintiff's. The Court observed that the word '*shaadi*' is generic, has not acquired any secondary meaning, and the public did not recognize or replace the word '*shaadi*' with '*shaadi.com*' in normal parlance or usage. Further, it being an internet address which is equivalent to a terrestrial address and the primary meaning of the mark being the web address, it could never be trademarked. The Hon'ble High Court stated that monopolization of generic words like grocery, investment, secretary and others could not be allowed and were incapable of protection.

2. Secondly, with respect to the claim of acquiescence, when the Plaintiff had knowledge of its rights in respect of its trademark and trade name, and silently allowed the Defendants to progress and grow while using its '*mark*' in a manner inconsistent with the Plaintiff's rights, then later the Plaintiff could not make claims of exclusivity and demarcate its rights. In those 6 (six) years, when the Plaintiff allowed its competitor, the Defendants, to grow in the market, without taking any action or recourse against them, the Plaintiff is deemed to have affirmed its rival's use of the mark.

3. Thus, there was no proof of passing-off or deceit or misappropriation; the Plaintiff's contentions were accordingly rejected.

Thanks and Regards

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