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Putting a stop on Forum Shopping

Forum Shopping is a term used to explain the acts of parties seeking to institute a suit in the Court where the party is confident of obtaining a favorable order. Therefore, 'forum shopping' is frowned upon by Courts across the world. The East Texas Federal Court has, in the last few years obtained the status of a Court which generally rules in favor of a patent holder. It is due to this reason that it has become the court of choice to institute a suit of patent infringement even if the Defendant resides in another territory. However, the law regarding determination of jurisdiction, especially in patent infringement suits, has been clarified by the US Supreme Court in the case of *TC Heartland LLC v Kraft Foods Group Brands LLC*.

A suit for patent infringement had been filed by Kraft Foods Group (Respondent) against TC Heartland (Petitioner) in the District Court of Delaware, Texas. The Petitioner applied for moving the suit from the District Court of Delaware to District Court of Indiana where the Petitioner Company was incorporated. It was argued that the petitioner did not reside in Delaware according to Section 1400(b) of the Patent Venue Statute; the said section specifies that "*civil action for patent infringement may be brought in the judicial district where the Defendant resides or where the Defendant has committed acts of infringement and has a regular and established place of business.*" The Respondent argued that Section 1391 (c) will be applicable; the section reads as "*except as otherwise provided by law*" and "*for all venue purposes,*" a corporation "*shall be deemed to reside, if a Defendant is subject to a Court's personal jurisdiction with respect to the civil action in question*". The Federal Court upheld the applicability of Section 1391 (c) to the present matter. An appeal was filed against this order before the Apex Court of the United States of America.

The apex court ruled that the term residence, as per Section 1400(b), referred to the state of incorporation of the company. Therefore, the appropriate court before which the suit ought to have been filed is the Federal Court of Indiana. This decision may result in reducing the number of patents cases handled by the Texas Courts every year. In India, as per Section 20 of the Code of Civil Procedure, 1908 the suit should be filed at the place where the Defendant *“actually and voluntarily resides, or carries on business, or personally works for gain”* or *“where the cause of action arises”*. A suit filed for patent infringement will have to comply with the requisitions of Section 20 of the Code of Civil Procedure, 1908. Therefore, the plaintiff in a patent infringement suit, in India will still have the option of instituting the suit at a place where Defendant may not have its registered office, but the cause of action for the suit is said to arise. The law on selecting the appropriate jurisdiction for instituting a copyright/trademark infringement suit was laid down by the Supreme Court in the case of *IPRS Ltd v Sanjay Dalia* however; in case of patents the general law laid down in Code of Civil Procedure continues to be applicable. This gives patent owners in India the option of suing the Defendant at its choice of jurisdiction. It may be required that in the coming times, the Indian Patents Act, 1970 should be amended to avoid forum shopping at the time of institution of suits, which may harass the Defendant.

Most celebrated brands across the world

Forbes has released its list of the most valued brands in the world and has ranked two hundred (200) companies in its list. This list includes specifically those companies which have a substantial presence in the United States of America and not just for namesake. The list has ranked ‘Apple’ as the leading brand in the world, followed by Google and Microsoft. The difference in the brand revenue of Apple in comparison to Microsoft and Google is quite wide. It may be stated that Apple’s brand value is a reflection of the trust reposed by the consumers on its goods’ quality. Interestingly, Apple’s investment in its advertisements is lesser than that incurred by Microsoft and Windows.

According to the report released by Brand Finance, in India, the most valued brand spot is retained by the ‘Tata Group’; the Tata Group has a strong hold over the consumer base in India owing to its long standing reputation in the history of development in India. The second spot is retained by Airtel, one of the largest telecom Companies in India followed by LIC, India. The declaration of a brand as a valuable one helps the owner of such brand to differentiate its goods/services from that of its competitors; the first step towards increasing the value of one’s brand is to obtain the requisite trade mark registrations; this is followed by widespread promotion and advertisement of the products under the trademark; this helps in generating awareness among the masses and possibly helps the trademark earn a secondary meaning. Another factor that contributes to increasing the value of a brand is the quality of the goods/services provided by it.

The brand value of a company is a non-tangible asset which plays a crucial role at the time of determining the overall value of a Company’s shares as well. It is for this purpose a lot of companies also engage in CSR activities (apart from statutory compulsion), to increase their goodwill. In the present times where each corporate house is trying to carve out a larger market share it has become increasingly important to build the value of one’s brand. It is also

because of this reason that the rankings of the most valuable brands are subject to drastic rise or fall depending on the news surrounding the brand.

When free speech triumphs minority sentiments

Intellectual Property rights encourage monopoly in the society at the cost that such IP benefits the society at large, Trade Mark rights are for eternity, subject to timely renewals. This however, does not imply that entities can choose trade marks that may scandalous or hurt the sentiments of any class of persons because such marks are of a disparaging nature. The Indian Trade Marks Act, 1999 under Section 9(2)(b) resonates the above sentiment. This however, is no more the position in the United States of America.

The United States of America has always upheld the citizens' freedom of speech and expression over other rights; this is primarily because it is considered that the citizens should have the right to express themselves freely. In the recent case of *Matal v Tam* the Asian-American band 'The Slants' were involved, wherein they sought repeal of Section 2(a) of the Lanham Act which specifies that trade marks that are 'immoral, deceptive or scandalous matter or matter which may disparage' cannot be registered. The music group had submitted that its trade mark 'The Slant' though deemed as disparaging by few, was intended to 'reclaim the term and its denigrating force as a derogatory term for Asian persons'. The music group's trade mark was rejected by the USPTO, citing Section 2(a) of the Lanham Act. The matter was heard before the Federal Circuit and there it was ruled that Section 2(a) was unconstitutional since it was against the First Amendment's free speech clause. An appeal was preferred before the United States' Supreme Court. The United States' Supreme Court upheld the Federal Circuit's decision, and stated that every trade mark could not be construed as a form of government speech. It was held that if the arguments of USPTO were accepted, it would imply that documents bearing government registrations were an extension of government's speech. This would have the chilling effect of giving the government the right to restrict speech which was against the government's policies; this in turn would have an impact on the existence of democracy (of voicing different opinions). It was argued by the government that the clause on restricting the registration of disparaging trade marks was in place to prevent the registration of a trade mark that may be offensive to individuals of certain race, ethnicity etc. The Supreme Court cited the statement made by Oliver Holmes in an earlier decision where he had stated that the free speech jurisprudence also protects 'the thought that we hate'.

The decision protects free speech, but it is possible that marks that are racially hurtful will get registered. Pursuant to this decision, even the Washington Redskins may succeed in obtaining registration for their trade marks. It can be stated that the USPTO will soon be receiving applications for registration of trade marks that are profane or hurtful to certain groups of people. It will be up to these groups to oppose the registration of trade marks that they consider hurtful. Over all, this case is a reiteration of the fact that the US Courts continue to act as guardians of free speech in the country.

Protecting Patent Rights

The lack of IP awareness in India is the primary reason for the existence of imitations and plagiarized products in bulk quantity. Traders often mistake that a revolutionary product embodying a certain technology, once made available in the market is available for copying. This notion has to be removed by enforcement of IP rights in India.

Recently, in the case of *Park Jeon Tae v Hem Kund Sprayers*, the Plaintiff (Mr. Park Jeong Tae) alleged that its technology with patent No. 254374 for 'An Injection Moulded Cleaning Solution Pump Fitting for a Chemical Sprayer' was copied by the Defendant (Hem Kund Sprayers). The grant of patent rights allows an individual to prevent others from copying the technology without obtaining prior permission. The Plaintiff was selling its invention under the mark 'Super 2000 Gold Sprayer'. The Plaintiff stated that it recently came to its notice that the Defendant was not only infringing its patent no. 254374 but at the same time selling the infringing works under the mark 'Super 2000 Gold Sprayer'. The Plaintiff further stated that the Defendant had copied the packaging as well as the artistic work on the packaging on its products; thereby misleading the consumers into purchasing its goods instead of the Plaintiff's original product.

The matter was heard ex-parte and on a perusal of the prima-facie evidence and facts the Learned Judge was of the opinion that there was a clear case of patent infringement. An order for interim injunction was passed in favor of the Plaintiff. The Learned Judge also held that the present case was fit for the appointment of a Local Commissioner to visit and enter the premises of the Defendant and go down to make an inventory of the infringing products and all of its packaging materials which were infringing in nature. RK Dewan & Co. represented the Plaintiff in this matter. The enforcement of patent rights is the key to innovation and development in India; the incentive to create should not be lost to the intention to please the masses. Every patent involves years of research and painstaking efforts, if these rights are not protected the innovator(s) will be discouraged to share their learning with the society at large.

Architectural Trade Marks.

Certain architectural works become the source of identity for a particular country for instance, the statue of liberty for the United States of America, the Eiffel Tower for France and Taj Mahal for India. These buildings are protectable under Trade Marks. In the past the Eiffel Tower, the Empire State Building, Sydney Opera House, Beijing National Stadium and Burj Khalifa, Dubai have been registered as trade marks.

The first building to obtain trade mark registration in India is the Taj Palace Hotel, Mumbai bearing Registration No. 3386351. The building has gained an iconic status to the extent that it is deeply associated with the city of Mumbai. The registration of the building as a Trade Mark results in creating a monopoly with The Indian Hotels Company Limited regarding the use of image of the building in any form; a prior permission will have to be taken from the proprietor before any form of appropriation of the building. This registration may open doors for the Indian government to seek trade mark registration in other iconic buildings such as the Taj Mahal, Red Fort, Qutub Minar,

Gateway of India, India Gate etc. This will also help the Central Government earn considerable royalty from exploitation of these buildings by others and at the same time will allow the government to regulate the context in which the buildings are used. Furthermore, Apple Inc. has also succeeded in obtaining Trade Mark Registration from the USPTO for its store layouts vide registration No. 4277914. The registration was obtained to prevent other competing phone stores from creating a similar layout because of which the consumers may be confused about the store in any way being associated with Apple.

Architects also have the choice of seeking copyright protection over the building created by them. The Copyright Act, 1957 will also protect the form and the composition and arrangement of spaces of a building. It will be interesting to observe if there will be more trade marks filed for protecting buildings.



Trade mark No. 3386351

Kissa Kursi Ka

There has been a surge in trade mark, copyright and patent cases in India in the last decade however one area of IP that often gets overlooked is a party's rights in its Designs. These rights are important for parties that are engaged in industries where goods are sold primarily based on their aesthetic appeal. Recently in the case of *Nilkamal Ltd. v Sree Vari Multi Plast Pvt. Ltd.*, the Madras High Court passed an ad-interim order protecting the design rights of Nilkamal Ltd. (Plaintiff).

The Plaintiff has obtained design registration for its 'Sunday Chair's design'. It recently came to the notice of the Plaintiff that the Defendant was manufacturing and selling chairs bearing identical designs as its Sunday Chair. The Plaintiff filed a suit against the Defendant for design piracy. The Plaintiff produced its design registration certificate, the sales made of the Sunday chairs and the expenses incurred in advertisement of its products. Hon'ble Justice K. Kalyanasundaram heard the matter and passed an order of ad-interim injunction against the Defendant.

The Plaintiff in this matter was counselled by R.K. Dewan & Co. In the furniture industry where individuals purchase products based on their aesthetic appeal it is essential to 1) obtain design registration when the design is novel and 2) enforce one's design rights to prevent unauthorized imitation by any party.

When imitation is not flattering...

The fashion industry relies on establishing new trends and style in apparels and once the design of a garment gains popularity in no time one can see various rip offs in the local markets. While fashion is fleeting, it still is necessary for the fashion designers to protect their creation from being copied by a third party. Recently, designer Nida Mahmood has accused one of the largest garment and lifestyle retail chains in India of plagiarizing her design. The designer has accused the store of copying her dresses of the 'Junglee Billi' design collection with only slight difference in the colors and instead of dresses the retail store is selling kurtas bearing the identical design. This is reminiscent of designer Rohit Bal's case when he accused fellow designer Seema Mehta of copying his design and using the same model to launch her collection.

Plagiarism in the fashion industry has become fairly common and there has been a surge in such cases in recent times. One of the precedents which is beneficial for fashion designers is the case decided by Delhi High Court in *Rajesh Masrani v Tarun Tahliani* where the Court ruled that designs may be protectable as artistic work as per Section 2(c) of the Indian Copyright Act, 1957. It was also ruled that the term 'artistic work' has been included within the definition of a design, under Section 2(d) of the Designs Act, 2000 therefore, any party capable of showing that the work is an artistic work may be granted protection under Copyright Act, 1957 against infringement. This however is subject to provisions of Section 15(2) of the copyright Act, 1957 which clearly states that the Copyright in a design ceases to exist as soon as any article to which the design has been applied is reproduced more than 50 times. However, since several designers make limited copies of their designs they are allowed to claim copyright infringement in artistic work in the event a third party copies their design. In the event that there are more than 50 items on which the design has been reproduced, it will lose any copyright protection; this was also the ratio of a single judge in the case of *Ritika Private Limited v. Biba Apparels Private Limited*.

In light of these decisions, at present it is recommended that to protect a design, a design registration should be applied for prior to launching the collection in any form. Even if less than 50 items with the design imprint are to be sold, it is recommended that at least a copyright registration should be sought, this is primarily because the Bombay High Court's Nagpur bench in *Dhiraj Dharamdas Dewani vs. M/s Sonal Info Systems Pvt. Ltd.* has ruled that it is mandatory to obtain copyright registration as a prima facie proof of rights over a design.



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Established in 1942

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On the left is the dress designed by Nida Mahmood and on the right is the imitation of her design.