R. K. DEWAN & CO.
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Shape of Infringement?

Copyright infringement claims in award winning movies has become a common practice. Movie producers across the world have come under fire for copyright infringement allegations made against them. The latest movie, to join this club is the Academy Award winner 'The Shape of Water'. The suit for copyright infringement has been filed by David Zindel, the son of Pulitzer Prize winning novelist Paul Zindel who claims that the movie's story line is similar to the play 'Let me hear you whisper'.

The story of the movie revolves around a mute cleaning lady working at a military research facility where the US government has held captive a creature of the sea; this lady upon knowing that the ultimate purpose of the government is to kill the creature she decides to put in action a plan to help the creature escape. The plot of the play written by Paul Zindel is that a lonely cleaning lady at a scientific laboratory befriends a dolphin that is captive at the facility; when she realises that the dolphin may be killed she plans to help the creature escape. It has been claimed that there are almost 61 similarities between the movie and the play. It is also the case of David Zindel that the play 'Let me hear you whisper' was adapted in to TV Show therefore, it is quite possible that the producers of the movie 'Shape of Water' were influenced by the same. It has been claimed by the movie producers that 1) they did not see 'Let me hear you whisper'; and 2) the subject of an individual coming in contact with a different creature and then helping it escape its captive situation is not a novel idea; in fact it has been the subject matter of several movies such as Free Willy, Born Free, Splash etc.

This is indeed an interesting case, since it dwells into the basics of the idea-expression dichotomy i.e. the play and the movie revolve under the common idea of freeing the captive creature however, the expression involved in the two works are different. In the movie, the protagonist falls in love with the creature during the process of freeing it whereas, in the play the bond between the protagonist and the dolphin is akin to a close friendship. Furthermore, apart from the basic outline of the story, the overall narration of the two movies is quite different. It is, however possible that it may be a case of sub-conscious plagiarism i.e. the producers of the movie at some point may have seen/read or heard about the play and during the making of the movie may have re-enacted such scenes/plots based on their subconscious recollection without recalling that it is identical to the play. This case has been filed before the

United States District Court Central District of California and it will be interesting to observe the Court's ruling in this case.

Shedding crocodile tears

Crocs Inc. is a popular U.S. brand known for its unusual clog like footwear which may have a perforated or a non-perforated surface design. It is for this reason that Croc Inc obtained design registration for both its usual designs. This was followed by Croc Inc. filing multiple suits against its competitors such as Liberty, Relaxo, Action Shoes, Bata etc. to injunct them from selling footwear which were identical/imitation of Croc's registered design. Initially, Croc succeeded in obtaining an interim injunction in these cases however, the injunction orders were later vacated. These matters were heard together and recently, the Delhi High Court passed its judgment.

The Plaintiff (Crocs) claimed that the defendants (Liberty, Bata, Action Shoes etc.) were infringing on its statutory rights under Section 11 of the Designs Act, 2000 and therefore, it ought to be protected under Section 22 of the Act. The defendants argued that the Plaintiff's design was liable to be cancelled under Section 19 of the Act on the grounds that the design had been disclosed prior to Plaintiffs application for design registration; the design lacked novelty and therefore was not registerable under the Designs Act, 2000. The Defendants filed as evidence a publication of Holey Shoes dated 2002 which showed designs which were similar to that of the Plaintiff's and was created prior to the Plaintiff's application for design registration. The Defendants were successful in proving that the design applied by the Plaintiff was not new or original, in fact it was a trade variant which was not capable of protection under the Act as it did not satisfy the novelty threshold.

The High Court heard the parties and concluded that the Plaintiff's designs were variants of previously existing designs therefore no injunction could be granted in favor of the Plaintiff. Furthermore, since the Plaintiff had refused the possibility of amicable resolution with the Defendants, it was now liable under Section 35 of the Commercial Courts Act, 2016 to pay costs to each Defendant in the proceedings. This is an interesting case because the Delhi High Court took a strict interpretation for payment of costs under the Commercial Courts Act, 2015 and set a precedent against Plaintiffs filing commercial suits which lack merit.

Getting Your Priorities Right

The Indian Patents practice has come a long way vide continuous amendments, India's accession to international conventions and treaties etc. This has led to increase in the number of foreign filings in India. The amendment of rules often leads to confusion in relation to prosecution of patent applications filed prior to the amendment. For example, under the earlier Patents Rules, the 31 month deadline for entry into the national phase in India could be extended by one month, under certain circumstances, by filing a petition under rule 138. However, under the amended Patents Rules, which came into effect from 15th May 2016, the 31 month deadline for entry into the national phase in India, cannot be extended under any circumstances. The amended rules have made this abundantly clear by specifically excluding rule 24(4)(i) from the purview of the Controller to extend any prescribed time limits (by way of a petition under rule 138). Recently, in the case of *Snecma vs Union Of India And Anr.,* the Petitioner (Snecma) filed an Indian national phase patent application corresponding to PCT/FR/2014/050623 on 6th November, 2015. This application claimed its priority from a French application filed on 20th March, 2013. The then existing Patent rules, 2003 under rule 20(4)(i) also had a requirement that a patent application should enter the Indian National Phase Patent Application within 31 months of the date of priority. In the present case, the application should have ideally entered the National Phase before 20.10.2015 however, the client filed the application before Controller of Patents on 6th November, 2015. The petitioner had filed applications under Rules 137 and 138 (un-amended Rules) for correction of irregularity and for condonation of delay in filing the application for entering the Indian National Phase. This was followed by the Petitioner filing an application on 3rd March, 2017 for examination of its Patent application by the Controller of Patents; ideally, examination request is to be made within 48 months from the date of priority i.e. by 20th March, 2017. The fee was paid by the Petitioner via cheque instead of the demand draft or other modes laid down under the Rules. The Controllers rejected the application since the payment was not in the prescribed manner. The Petitioner's agent received this communication on 23rd March, 2017; it was also claimed by the Petitioner that via a return mail dated 28th March, 2017 a demand draft along with the supporting documents was dispatched to the office of the Controller. The Controller's office later communicated that the request could not be processed since it was received after the statutory time period i.e. 20th March, 2017, therefore, the banker's cheque containing the official fees was returned.

The Petitioner aggrieved by this decision of the Controller approached the Delhi High Court to seek orders directing the Controller to take record of the request for examination. The counsel for the petitioner stated that Rule 138 under the Patent Rules, 2003 will be applicable to the present case, since the application for entering the National Phase was prior to the Patent Rules, 2016 amendment. This was agreed to by the Court, it was also observed by the Court that the earlier Rule 138 specified that the Controller could permit extension of time only for a period of one (1) month and it could be granted if the application for extension was filed before the expiry of the prescribed period.

The matter was heard and Hon'ble judge ruled that in the present case the application for examination of the application was filed before 20th March, 2017 and the only grounds for rejection of the same was the fact that the fees was not paid in the prescribed mode and manner. Furthermore, the Controller himself had called upon the Petitioner's agent to re-submit the documents along with fees via a demand draft/banker's cheque or cash. Therefore, it was held that the Controller erred in ruling that the Petitioner had not filed the request for examination within the statutory time period and therefore, the application should be accepted and should be processed further. This decision permits the Controller of Patents to observe leniency in cases where the delay is due to delay in delivery of official communications etc. In matters concerning Patents, Trade Marks and Copyrights often a delay in delivery by the registered post can cause documents to be delivered after the statutory time limit, such delays should be condoned to avoid any permanent harm that maybe caused to the applicant.

Not an 'Easy' Victory

The debate regarding strict interpretation of law versus a flexible approach is never ending. The supporters of the former believe that a strict interpretation allows little room for ambiguity, whereas the supporters of the latter are resolute that a flexible approach leans more towards just ruling in each case. The provisions of the Indian Trademarks Act, 1999 concerning timelines are strict; the filing of an application for renewal of a registered trade mark should be done within one year prior to the lapse of the period of registration of the Trade Mark, however if such an opportunity is missed, the proprietor has another opportunity to renew the Trade Mark upon payment of a surcharge amount within a period of six months from the lapse of the registration. If the mark is not renewed within these 6 months, it may be removed from the register. This removed mark maybe restored by filing an application along with the payment of restoration and renewal fees, within 1 year from the renewal date of the Trade Mark. The question before Delhi High Court in the case of *M/s Epsilon Publishing House Pvt. Ltd. vs Union of India* was, if the proprietor does not pay the surcharge amount while filing renewal application after the lapse of registration, will it amount to non-filing of the renewal at all?

Epsilon is the registered proprietor of the Trade Marks 'Easy Notes', 'Easy' and 'Epsilon' in class 16. It filed a suit for trade mark infringement against Mr. Jain for using the trade mark 'Lokpriya Easy Notes'. It was claimed by Mr. Jain that he was using the trade mark 'Lokpriya Easy Notes' since 1977 and his mark was registered from 2001. Therefore, as the registered proprietor he had the right to use the Trade Mark. Epsilon then filed a Writ Petition claiming that the renewal of the Trade Mark 'Lokpriya Easy Notes' was in contravention of the Trade Mark Rules. Epsilon's counsel submitted that after the lapse of the Trade Mark registration, only upon the payment of surcharge fees within 6 months, could the registration of the mark be continued. It was submitted that Mr. Jain filed an application for renewal, 17 days after the renewal was due, without payment of the surcharge fees. The non-payment of additional amount i.e. surcharge fees was noted by the Trade Mark Registry in the year 2017 i.e. almost 6 years later and was then notified to Mr. Jain. On receiving the notice, the error was rectified by Mr. Jain, by paying the surcharge fees due and the mark 'Lokpriya Easy Notes' continued to remain on the Register of Trade Marks. Epsilon raised an objection regarding the late payment of surcharge fees and stated that under Section 25 (3), the Registrar of Trade Marks could allow the trade mark to remain on the register only upon the payment of the surcharge fees. It was also argued that under Rule 66 of 2002 Rules (and 60 of 2017 rules) the Trade Mark Registrar should have provided an opportunity to Epsilon, to be heard as third party rights had arisen in the mark due to non-renewal of the Trade Mark by Mr. Jain.

The Court observed that, if the contentions of Epsilon's counsel were accepted, it would be contrary to Section 25(3) which allows for a grace period of 6 months from the expiry of the terms of registration. Although, the Registrar of Trade Marks is bound to follow the procedure laid down under the Act, if there is a delay on behalf of the Registrar, the proprietor of a Trade Mark should not be made to suffer. Therefore, the renewal of the registration was held to be correct. Furthermore, Rule 66 of the 2002 rules (interest of third party) is applicable when the Trade Mark in question is already removed from the Register and therefore, was not applicable in this case since the mark remained on the

Register throughout. This decision sets a precedent which will be advantageous for proprietors of Trade Marks, who tend to suffer due to the delayed action of the Trade Marks Office, which is often because of the large backlog of applications that need to be attended to.

Going 'Zen'

The practice of trade marks getting the status of a 'well-known mark' has gained momentum with several renowned companies competing for the coveted status. Earlier, a mark could be declared well-known only by a competent Court or by the Registrar of Trade Marks; this would often result in proprietors of trademarks initiating civil suits/oppositions/rectification against an unauthorized party with the intention of restraining them from using the trade mark and also to be declared as a well-known mark. The new means to obtain the well-known mark status is to apply under the new Trade Mark Rules, 2017 which permit the proprietor of a trade mark too file an application for such declaration by the Registrar of Trade Marks.

Recently, Zensar Technologies a popular IT Company based in Pune filed separate suits against three entities namely, 'Zensar Media Pvt. Ltd', 'Zensar Suppliers Pvt Ltd.' and 'Zensar Mercantile' (also referred to as Defendants) for making unauthorised use of its registered trade mark 'Zensar'. It was the case of Zensar Technologies, that such unauthorised use of the trade mark 'ZENSAR' by the abovementioned three entities amounted to infringement; such use was capable of causing confusion in the minds of the purchasing public as to the origin of the goods/services provided by these entities. It was also the case of Zensar Technologies that since the mark 'ZENSAR' used by the entities respectively was identical to its registered trade mark, it was also capable of diluting the good will and reputation associated with it. Zensar Technologies through its counsel submitted that they had served copy of suit summons to the Defendants yet they did not appear before the Hon'ble District Judge.

The matter was heard by the Hon'ble Judge of Pune District Court and upon perusing the evidence produced and arguments of the counsel of Zensar Technologies, he passed a favourable order in all the three cases; thereby permanently injuncting the Defendants or its associates, distributors from using the trade mark 'ZENSAR'. He also declared the trade mark 'ZENSAR' as well known. In this case Zensar Technologies was represented by R.K. Dewan & Co. Indian IT Companies such as Zensar are globally renowned and therefore it is imperative for such companies to be vigilant against any infringement or violation of their IP rights. It is well understood that as a company earns popularity, the number of imitators will also increase and therefore, to prevent any confusion among the members of public and trade regular market checks should be done.

Not a Musical journey

The Indian Copyright Act, 1957 has risen to prominence with the advent of entities claiming to be representatives of the music labels, artists etc. by virtue of an agreement assigning them such rights. One such entity is Novex Communication Pvt. Ltd., an entity which claims to be representative of several movie producers, music producers etc. Recently, Novex filed a suit against National Restaurant Association (NRA) before the Delhi High Court for denying the copyrights of Novex.

It was the case of Novex, that NRA had sent letters dated 9th December and 22nd December, 2017 tp Novex denying its copyrights and also stated that Novex should not approach the members of the NRA for granting licenses in sound recordings in which it claims its rights or call upon the members of the NRA to show their licenses for sound recordings played by them. The members of NRA are , Essex Farms Pvt. Ltd., The Embassy Restaurant, Azure Hospitality Pvt. Ltd. and Kapco Banquet and Catering Pvt. Ltd. it was argued by the counsel for NRA that Novex could not consider the abovementioned reason to be cause of action for initiating a suit for copyright infringement. Novex's counsel argued that such an opinion/statement of NRA is directly affecting Novex's business since the members of NRA are not obtaining the licenses from it. The Hon'ble Court enquired whether an entity could be coerced into obtaining sound-recording licenses; the response of Novex's counsel was in negative. It was argued by Novex that NRA's members were playing sound recordings in their premises without the necessary licenses and therefore, it invoked Section 34 of the Specific Relief Act, 1963. Novex's counsel at the same time argued that such declaration (under Section 34) will not compel the members of NRA to obtain license from it.

The Hon'ble judge heard the matter and ruled that while the Copyright Act recognizes the rights of a rights holder to initiate action against a third party for infringement; the Act per se does not envisage a provision wherein a right holder can file a suit against an entity which denies the rights of such right holder. Novex had not made out a case for copyright infringement by NRA; furthermore, the members of NRA claimed that they were banquets and per se did not play any sound recordings and the persons availing the banquet services arranged for the sound recordings to be played. The Court ruled that Novex may have a cause of action against the members of NRA but not against NRA in this case. The suit was dismissed however, Novex could file a suit for infringement against members of NRA if there was such cause of action. This case highlights the fact that many entities holding the rights under copyright act tend to misuse the same for coercing lesser known/small entities into obtaining their license. In this suit there was clearly no cause of action, it was filed with the intent of intimidating NRA and its members into obtaining license from Novex; the fact that NRA denied that Novex had any right to do so was taken as a challenge thereby resulting in this frivolous suit. It remains to be seen if Novex will re-file a suit for infringement of copyright against the members of NRA.