

Intellectual Property & Information Technology Laws News Bulletin

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From the Editor's Desk...



Dear Readers,

In continuation of our efforts to keep our readers updated on various aspects of Indian IP & IT Laws, in this issue we have focused on DISPARAGEMENT, which is one of the most relevant aspect for the protection of valuable Intellectual Property Rights. Some of the decisions, which have been summarized in the section "Indian IPR Decisions", will help you in understanding how the law of Disparagement is evolving in Indian Courts.

After the signing of the Indo-U.S. Civil Nuclear 123 Agreement, India has entered a new era. With cheers, it has also brought few areas of concern in respect of IPR, particularly patent protection in the field of nuclear technology. We have tried to give a brief overview of the Patent law vis-à-vis nuclear technology in India.

Another burning issue, which requires attention, is piracy and plagiarism of foreign films in India. In this issue, we bring forth an analysis of the law relating to the protection of copyright w.r.t. various components of a motion picture, and hope that this will help Indian and Foreign production houses in understanding the Copyright law in India and enforcing their rights.

We are continuing with our regular features like "Injunctions Granted and Injunctions Refused", which gives a bird's eye view to our readers of the decisions of the Indian Courts in Trade Mark related cases.

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

With Regards.

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Indian IPR Decisions

Reckwitt Benkiser (India) Pvt. Ltd.

Vs.

Hindustan Unilever Ltd.

2008 (38) PTC 139 (Del.)

DISPARAGEMENT



The Plaintiff who is the manufacturer of soaps and toiletries under the Trademark 'DETTOL' brought a suit of disparagement against the Defendants for slandering the Plaintiff's product in the Defendant's advertisement. It was alleged by the Plaintiff that the Defendant intentionally displayed the Plaintiff's product which is unique in its colour, shape and design with a malafide motive of slandering the Plaintiff's product while comparing it with the Defendant's product in the advertisement.

A simple viewing of the advertisement showed that the Defendant had clearly depicted the Plaintiff's product in their advertisement and had slandered the product by calling it ineffective and harmful to the skin.

The High Court of Delhi in its judgment stated that *a trader or manufacturer is permitted to call his product the best available in the market but it is not permissible in law to call one's product to be good and the other's to be bad or harmful*. Puffing one's advertisement should not include tarnishing the other's reputation.

The court in this case agreed to the Plaintiff's plea of disparagement and the consequent damage to reputation caused and therefore awarded punitive damages of INR 5,00,000 along with an order restraining the Defendant from telecasting the advertisement or disparaging the Plaintiff's product in any other manner.

Reckwitt Benkiser (India) Pvt. Ltd.

Vs.

Hindustan Unilever Ltd.

2008 (38) PTC (Del.)

DISPARAGEMENT

The Plaintiff manufacturing toilet cleaners under the Trademark 'HARPIC' alleged the Defendant who is also a

manufacturer of toilet cleaners with a trademark 'DOMEX' to have disparaged the Plaintiff's product in the Defendant's advertisement.



The advertisement in question shows a comparative view of the Defendant's product and a thin blue color product on dirty toilets. Where the Defendant's product cleans effectively, the blue cleaner is ineffective in comparison.

The Plaintiff alleged that since its product was blue in color and was the market leader in the segment of toilet cleaners, the advertisement disparaged the Plaintiff's product. The Defendant contended that the Plaintiff manufactured thick toilet cleaners in blue, green and other colors whereas, the advertisement shows a thin blue colored cleaner to be ineffective without making any relevance to the Plaintiff's product. The Defendant also contended that there were various other toilet cleaners in blue color available in the market.



The Court held that since the advertisement appeared to only puff the Defendant's product and not slander the Plaintiff's as the Plaintiff's product was available in different colours and was thick in nature, the Court dismissed the suit.

COPYRIGHT VS. DESIGNS

Rajesh Masrani Vs. Tarun Tahalini

(AIR 2009 Delhi 44) (DB)

Copyright in Industrial Design & Fabric Prints

In an interesting case in the High Court of Delhi, the Plaintiff, who is a fashion designer, alleged infringement of copyright on the ground that there is a colourable imitation or substantial reproduction of the plaintiff's fabric prints including the underlying drawings/sketches and works of artistic craftsmanship. It was alleged that the drawings which are made in the course of developing the garments and accessories, patterns printed or embroidered on the fabric by the plaintiff are artistic works under the (Indian) Copyright Act, 1957. It was also argued that the garments or accessories themselves are works of artistic craftsmanship under the Copyright Act. However, no

registration was held by the Plaintiff under the Designs Act. The Plaintiff had not produced more than 20 pieces of single costume as only handful copies were made by him in his business.

The High Court in its judgement stated that *in essence the copyright is a negative right of preventing copying of physical material in the field of art, literature etc. Once an idea is written down, the writing becomes the subject matter of copy right.* It was further stated that even a catalogue can come within the subject matter of copyright. Even a decoration or an artistic work on a carton or a container of goods can become the subject matter of copyright, as such the plaintiffs' work is entitled for protection as an original artistic work.

The Court held that the copyright in any design capable of being registered under the Designs Act but has not been so registered, would cease to exist as soon as any article to which the design has been applied has been reproduced more than 50 times by an industrial process. The Court also clarified that Registration of the work is not compulsory nor is a condition precedent for maintaining a suit for damages for infringement of the Copyright.

Microfibres Inc. Vs. Girdhar and Co. and Anr .

(MANU/DE/0647/2009) (DB)

This case pertains to the interpretation of the meaning of the word "ARTISTIC WORK" under the (Indian) Copyright Act, 1957 and the term "Design" under the Designs Act, 2000 and the effect of replication of a design for more than 50 times.

The High Court in its judgement stated that the definition of artistic work has a very wide connotation as it is not circumscribed by any limitation of the work possessing any artistic quality. Even an abstract work, such as a few lines or curves arbitrarily drawn would qualify as an artistic work. It may be two dimensional or three dimensional. The artistic work may or may not have visual appeal and it is the exclusive right of the holder of a Copyright in an original artistic work to reproduce the work in any material form.

The Court held that if the design is registered under the Designs Act, the Design would lose its copyright protection under the Copyright Act. If it is a design

registrable under the Designs Act but has not so been registered, the Design would continue to enjoy copyright protection under the Act so long as the threshold limit of its application on an article by an industrial process for more than 50 times is reached. But once that limit is crossed, it would lose its copyright protection under the Copyright Act.

This interpretation of the Delhi High Court harmonizes the Copyright and the Designs Act in accordance with the legislative intent.

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**.

BUFIN (SOAPS and cosmetics)	Vs	BUFER (SOAPS and cosmetics)
HAJMOLA (Ayurvedic medicines)	Vs	RASMOLA (Ayurvedic medicines)
STAR WALKER with 3-ring device (Writing instruments)	Vs	SPACE WALKER with 3-ring device (Writing instruments)
HAMDARD DAWAKHANA (Corporate name- medicine manufacturing)	Vs	HAMDARD (Rice)

AAJ TAK (TV channel)	Vs	AAJ TAK (news paper)
EVERGREEN SWEET HOUSE (Sweets and confectionary)	Vs	EVER GREEN (Sweets)
SCRABBLE (Board game)	Vs	SCRABULOUS (On line game)
KAMDHENU METAL (Steel bars)	Vs	KAMDHENU (Steel utensils)
PANADOL (Pharmaceuticals)	Vs	PANAMOL (Pharmaceuticals)
OMEGA (Time pieces, photo- electric apparatus etc.)	Vs	OMEGA-"AVANTI KOPP" (Electrical goods)

In the following cases, **INJUNCTIONS** were **REFUSED**.

GREETINGS (Biscuits)	Vs	GREETINGS (Biscuits)
ELECTRAL (ORS-oral rehydration salts)	Vs	ELECT-ORS (ORS-oral rehydration salts)
DIGIPLEX (Pharmaceuticals)	Vs	DYGEX (Pharmaceuticals)
CARBORUNDUM (Corporate name)	Vs	PACE- CARBORUNDUM (Grinding wheels)

1. Under Sec. 123 of the U.S. Atomic Energy Act there is a ban on transfer of nuclear technology to other countries. For the purposes of the 123 Agreement the Hyde Act was passed by U.S.A to make an exception for India, to enable transfer of technology for civil nuclear energy.



Nuclear Technology

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Patent Law in India



The Indo-U.S. Civil Nuclear 123 Agreement has removed the ban on transfer of nuclear technology to India from U.S.A.¹ With the signing of this agreement between India and U.S on

10th October 2008, Indian doors are now opened to the world of nuclear commerce i.e. *supply of nuclear reactors, transfer of technology, supply of nuclear fuel* etc. In these circumstances it is estimated that India will be importing billions of dollars worth of civilian nuclear technology.

The prime concern of the foreign companies seeking to invest in India or entering into JVs with Indian companies for investing in nuclear power plants in India will be to acquire patent protection for their technologies. However the India Patent Act ("Act") operates as a hurdle to this by keeping inventions relating to atomic energy out of the preview of patentable inventions vide Section 4². Section 4 provides that the invention relating to atomic energy falling within sub-section (1) of Section 20 of the Atomic Energy Act, 1962 are not patentable. Indian patent laws

2. Section 4: Inventions relating to atomic energy not patentable.- No patent shall be granted in respect of an invention relating to atomic energy falling within sub-section (1) of Section 20 of the Atomic Energy Act, 1962 (33 of 1962).

date to 1856 and have been modified over time. After independence, the suggestions of the Patent Inquiry Committee (1948-50) and the Ayyangar Committee (1957-59) were incorporated in the Indian Patent Act (1970). Section 4² was the result of an interim report submitted by Ayyangar Committee (1957-59). One possible reason for incorporation of such a provision in the Act is the strategic importance attached to atomic energy and inventions in this field.

The above Indian Law, in contrast with the U.S Law, makes no distinction between the patentability of atomic weapons and atomic inventions. In U.S, the Atomic Energy Act continues to bar patents for inventions related solely to atomic weapons, however, patents for other inventions related to atomic invention maybe granted after scrutiny by the Department of Atomic Energy. In the Indian Law, Section 20(1)³ of the Atomic Energy Act 1962 makes almost all the inventions relating to atomic energy non-patentable.

The present Indian situation is that under Section 4 of the Patents Act, the question as to whether or not an invention relates to atomic energy will be decided by the Central Government and the opinion of the Central Government cannot be the subject matter of an appeal under the Act. Section 39 of the Patent Act⁴ further restricts Indian Residents from applying for patents outside India for

inventions relevant for defence purposes or atomic energy without prior permission of the Central Government.

The settled law as of today is that the Indian Patent Act provides no patent protection to nuclear technologies. An achievable rationale behind this is the security of India.

In the present state of affairs, it would become very difficult for the foreign companies investing in nuclear technologies in India to protect their interest. The result would be that the Indo-U.S Civil Nuclear deal will not serve its purpose.

At this point of time when India stands at the threshold of entering the world of nuclear commerce, the shortcomings in the India Patent Act will make the whole exercise futile. The need of the hour is an amendment in the India Patent Act to widen the scope of patentability so as to cover inventions in the field of atomic energy and nuclear technology. The government can obviously put several checks and balances to protect the interests of the country. The government needs to give patent protection to inventions relating to atomic energy other than atomic weapons as it is indispensable to facilitate free flow and growth of nuclear technologies in India.

3. Section 20 (1) Atomic Energy Act, 1962:- As from the commencement of this Act, no patents shall be granted for inventions which in the opinion of the Central Government are useful for or relate to the production, control, use or disposal of atomic energy or the prospecting, mining, extraction, production, physical and chemical treatment, fabrication, enrichment, canning or use of any prescribed substance or radioactive substance or the ensuring of safety in atomic energy operations.

4. Section 39 of the Patent Act, 1970:- Residents not to apply for patents outside India without prior permission.

(1) No person resident in India shall, except under the authority of a written permit granted by or on behalf of the Controller, make or cause to be made any application

outside India for the grant of a patent for an invention unless (a) an application for a patent for the same invention has been made in India, not less than six weeks before the application outside India; and (b) either no directions have been given under sub-section (1) of section 35 in relation to the application in India, or all such directions have been revoked.

(2) The Controller shall not grant written permission to any person to make any application outside India without the prior consent of the Central Government.

(3) This section shall not apply in relation to an invention for which an application for protection has first been filed in a country outside India by a person resident outside India.

©opyright in Films

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Plagiarism

Hollywood Vs. Bollywood

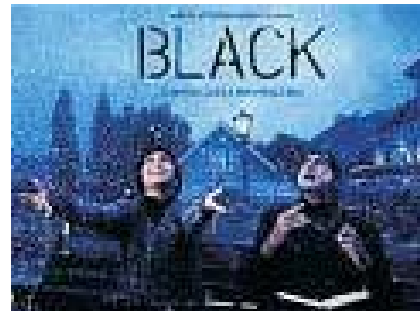
Hindi Film Industry (Bollywood) is the biggest film industry in the world. Every year thousands of films are released which generates huge revenue for the people associated with the films. Hindi Film industry combined with the South Indian Film Industry makes India a hub for film making.

Typically, a movie may have copyright w.r.t. all or some of the following rights:-

- ❖ Story of the Film;
- ❖ Screenplay / Script of the Film;
- ❖ Literary material consisting of the screenplay and any and all versions and revisions thereof and all writing and materials relating thereto;
- ❖ All derivative production rights;
- ❖ The right to make remakes of the Film;
- ❖ The right to make sequels of the Film;
- ❖ The right to make prequels of the Film;
- ❖ Characters of the Film;
- ❖ All translations;
- ❖ All adaptations;

The problem lies with the blatant copying of the story and screenplay of HOLLYWOOD movies which are very popular in India. There is a temptation to remake a successful HOLLYWOOD movie by making a Hindi/Indian version of the same by copying the story and screenplay of the entire movie with an addition of salt and pepper in the form of songs and dances which are an indispensable ingredient of any Indian movie. Songs and Dances may be said to be the only original portion of a good number of movies which are based on successful foreign flicks.

A few instances of remakes in the Indian Film Industry are:



"Black, a remake of The Miracle Worker,

"Mere Yaar Ki Shaadi Hai" a remake of "My Best Friends Wedding", "Kaante" a remake of "Reservoir Dogs", "Zinda" a remake of Korean movie "Oldboy".⁵

Unfortunately, most of the time such copyright violations and plagiarism goes unnoticed or due to lack of knowledge of Indian laws, Hollywood film makers avoid litigation in India, to their own detriment. One of such ways of protecting the interest is by providing copyright protection to the various 'works' involved in the process of film making.

Film making begins with an idea which is expressed in the form a story. From the story a screenplay⁶ is prepared, on the lines of which a director shoots a movie and projects the screenplay on the screen in form of moving pictures (or motion picture). Hence a film encompasses a variety of work each of which is capable of holding an individual copyright and other intellectual property rights.

Indian **Copyright Act, 1957** provides for copyright protection of a cinematograph film as a whole and also for separate copyright in any work in respect of which or a substantial part of which, the film is made⁷.

Remakes of films

The act of making remakes of films is very much prevalent in the Indian Film Industry. The term "remake" is generally used in reference to a movie which uses an earlier movie as the main source material⁸. Under the Copyright Act, 1957, there is no provision regarding remake of a film however an inference to it can be made from the definition of the term adaptation given in Section 2(a). The said section

5. Amritesh Mishra "Remaking films in India" as viewed on <http://www.indlaw.com>

6. Screenplay is essentially a descriptive form of what the film is going to be – the story as well as the depiction of the story in audio-visual form.

7. Section 13 (4) Copyright Act 1957

provides that in relation to any work, any use of such work involving its re-arrangement or alteration is an adaptation of that work. Hence a remake of a film is also an adaptation of the original film or underlying screenplay.

By virtue of Section 14 of the Act making an adaptation of the copyrighted work is an exclusive right of the owner of the copyright. On a collective reading of section 14 and 51, it can be deduced that remake of a film without obtaining rights to make a remake from the owner of the film infringes the copyright in the film as well as the screenplay.

It is worth mentioning here that the right to make an adaptation/remake is not even available to the owner of a cinematograph film if he is not the owner of the script as well.

Copyright in Cinematograph Film⁹

Under the Copyright Act 1957 cinematograph film derive separate copyrights apart from its various components, namely, story, music etc.

Copyright infringement or unauthorized reproduction and distribution of electronic and audio-visual media (cinematograph film), is occasionally referred to as **piracy**¹⁰.

Copyright in a film is also infringed when the film is communicated to the public and such communication can be effected through Home Video and Cable TV.

Copyright in Sound Recordings

By virtue of the definition of the cinematograph film given in Section 2 (f) of the Copyright Act, 1957, a cinematograph film includes a sound track associated with the film¹¹. It is thus relevant to note that any copyright infringement of a sound recording incorporated in a film will be deemed as an infringement of the copyright in the film itself.

Remedies for Copyright Infringement

There are three types of remedies available against copyright infringement: Civil, Criminal and Administrative.

Civil Remedies: Sections 54 to 62 of the Copyright Act, 1957, deals with civil remedies for infringement of copyright. Civil remedies include injunction, damages and account of profit, delivery of infringing copies and damages for conversion. In addition the Court may also give a direction under Order 26 Rule 9 of C.P.C. where a Commissioner appointed by the Court will visit the premises of the infringers and will be empowered to conduct a search of

the infringers' premises and cease infringing material from the infringers' premises. The seized material can be used at a later point of time to establish infringement.

Criminal Remedies: Under the Copyright Act, any person who knowingly infringes or abets the infringement of the copyright in a work, or any other right conferred by the Act is said to have committed a criminal offence and in such cases copyright infringement, if proved, in a Court of Law, carries a minimum sentence of imprisonment of six months extendable to 3 years and minimum fine of Rs. 50,000 which can extend up to Rs. 2 lakh¹². The Act further provides that there will be an enhanced penalty in case of second and subsequent convictions. Copyright infringement is a cognizable offence, where a Police Officer not below the Rank of a Sub-Inspector can arrest the offender without the warrant and conduct the search even without prior authorization of a Court. The Copyright Act empowers the police to seize infringing copies and plates for purpose of making infringing copies of the work¹³. Possession of plates for purpose of making infringing copies is a bailable offence for which the offender shall be punishable with imprisonment for two years shall also be liable to fine.¹⁴

Administrative remedies: It comprised of moving an application to the Registrar of Copyrights to ban the import of infringing copies and thereafter, the confiscated copies shall be delivered to the owner of the copyright¹⁵

To sum up, it can be clearly concluded that in India, a producer of a film/television serial possesses a wide range of rights with regard to his film/television serial. All the components of a film/television serial are entitled to protection of copyright and other related rights under the various provisions of the Copyright Act, 1957, thereby appropriately securing the interest of the producer and other people associated with the production of the film/television serial.

8. <http://en.wikipedia.org/wiki/Remake>

9. The term cinematograph film shall be construed to include television serials.

10. http://en.wikipedia.org/wiki/Copyright_infringement

11. Indian Performing Right Society Ltd. v. Eastern India Motion Picture Association and Ors AIR 1977 SC 1443

12. Section 63, Copyright Act 1957

13. Section 64, Copyright Act 1957

14. Section 65, Copyright Act 1957

15. Section 53, Copyright Act 1957

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