

RKD NewsNet June 2018

RKD Newsletter June-2018

Compiled by: Nirmala Bhide | Concept & Edited by: Dr. Mohan Dewan

International News

- A LINK TO EFFICIENCY-INDIA SIGNS UP FOR THE WIPO DIGITAL ACCESS SERVICE (DAS)
- THE COSTS OF IP ENFORCEMENT FOR INNOCENT INTERMEDIARIES
- RAPUNZEL- NOT A FAIRY TALE ENDING?
- GODZILLA VS. GUZZILLA
- INNOVATION PATENTS GET A REPRIEVE
- “10 MILLIONTH” STEP TOWARDS INNOVATION
- IS YOUR PRODUCT AN ORIGINAL FIFA MERCHANDISE?
- MYANMAR : TRADEMARK BILL
- EURASIAN TRADEMARK
- RAZZMATAZZ RATT!

National News

- SPEEDY JUSTICE FOR “GOLDSMITH”
- ‘BLOWING HOT AND COLD’ – DESIGN PIRATES BEWARE
- SWEET FOOTNOTE
- THE SEED OF CONTENTION
- YET ANOTHER EFFORT TO CURB PIRACY - FIFA
- THE GLAM SHAM

A Link to Efficiency- India signs up for the WIPO Digital Access Service (DAS)

The earliest filed patent application of the same applicant, for a similar invention is the “priority document” Thus, if an applicant files a patent application in its home country (i.e., in the patent office of first filing), and subsequently files corresponding patent applications in other countries (i.e., in the patent offices of second filing), the applicant may claim the benefit of the priority date namely the date of the first filed patent application, provided it satisfies certain conditions. The priority date plays a crucial role in the patent system as it forms the basis for determining the novelty & patentability of an invention. Furthermore, for claiming priority under the Paris Convention system, the subsequent patent applications in other countries (patent offices of second filing) must be filed within a period of 12 months from the priority date, whereas under the Patent Corporation Treaty (PCT) the subsequent patent applications in other countries must be filed within a period of 30/31 months from the priority date.

In any given case, for claiming the priority date of the first filed application, the applicant is required to submit a certified paper copy of the first filed patent application to the patent offices of second filing. This is a tedious process, as the applicant has to first apply (along with requisite fee) for certified paper copies of priority documents from the patent office of first filing, collect the certified paper copies, and then courier the documents to each of the patent offices of second filing. Considering the strict deadlines engraved in most patent systems around the world, any administrative delay in procuring, transmitting and submitting priority documents may cause unnecessary harassment, over and above the time, effort and money spent in following such procedures.

RKD NewsNet June 2018

In a report published by the World Intellectual Property (WIPO), it has been estimated that more than 3 million patent applications were filed worldwide in the year 2016. In light of the huge volume of patent transactions worldwide and to weed out procedural delays, WIPO has introduced a system of electronic Digital Access Service (DAS), which provides a simple and secure alternative to filing paper copies of priority documents with multiple patent offices. The DAS system, which is administered by WIPO, allows applicants to simply request the patent office of first filing (Depositing Office) to deposit and make the priority documents available to the system. Once a request is made, the DAS system will provide the applicant an access code. The applicant can then request other patent offices of second filing (Accessing Offices) to use that access code and retrieve the priority documents via DAS. This service facilitates participating intellectual property (IP) offices to electronically exchange priority documents in a quick, easy, secure, and inexpensive manner.

The DAS system has already been implemented by some leading patent offices around the world. With effect from January 31, 2018, India also become a signatory to the DAS system. The foundation for this was laid on October 5th, 2017, when the Controller General of Patents, Designs & Trade Marks (CGPDTM) signed a cooperation agreement with the Director General of the World Intellectual Property Organization (WIPO) at Geneva, Switzerland. This cooperation agreement enables exchange of data, such as priority documents, between the Indian Patent Office (IPO) and WIPO, using WIPO Centralized Access to Search and Examination (CASE) and WIPO Digital Access Services (DAS). The service is intended for use with documents related to patents, utility models, industrial designs and trademarks. Currently, the Indian Patent Office has made it available only for priority documents relating to patent and design applications. Eventually, it is expected to be extended to other intellectual property rights once the participating offices have made the necessary operational and technical changes.

Under the DAS system, the Indian Patent Office (as a Depositing Office) can upload certified copies of patent and industrial design applications, as priority documents, including PCT applications filed at the office (RO/IN), filed on and after 31st January, 2018. Further, the Indian Patent Office (as an Accessing Office) can access the certified copies of priority documents uploaded by other patent offices (as Depositing Offices). Therefore, all priority documents that are needed to be filed by an applicant, either in case of a national phase application or in case of a convention application, can simply be uploaded into the DAS system by the patent office of first filing (Depositing Office). Once the document is uploaded, the patent offices of second filing (Accessing Office) can access those documents via a secure access code provided to the applicant by DAS.

For example, in cases where the applicant's first filing is in India and the subsequent filing is in the US, then the applicant has to request the Indian Patent Office (office of first filing), to upload the priority document in the DAS system, which in turn will provide the applicant with an access code. The access code can then be provided to the US patent office (office of second filing) for accessing the priority document. One of the major advantage of the DAS system is that the applicant is not required to provide certified paper copies of priority document to the office of second filing. This eliminates the procedural impediment and the hassle of providing multiple copies of priority documents for each subsequent filing that claims priority, thereby reducing the applicant's cost and effort. However,

this does not absolve the applicant of its responsibility to provide the translation in English of a priority document which is in a non-English language.

Procedure for depositing & making available the priority document through DAS:

- Where the first filing was done at the Indian Patent Office, a request of depositing the priority document for a patent application must be made to the Indian Patent Office (Depositing Office) accompanied by the applicable fees as per entry no. 49 in the first schedule of the Indian Patents Rules, 2003, along with a valid email address. In case of design applications, such a request must be made in Form 16, accompanied by the applicable fee given in the first schedule of the Indian Designs Rules, 2001.
- The applicant will receive an access code through email.
- For authorizing access of priority document to the patent offices of second filing, the applicant is required to send a letter to each of the patent offices(s) where the priority document has to be submitted (Accessing Office), by mentioning the application number and access code received by the applicant through email from DAS.
- In case of a PCT international application, the applicant should check the relevant Box NO. VI next to the priority claim on the PCT request form mentioning the access code received by that applicant through email from DAS for each specific priority document.

Advantages:

- No need to provide a certified copy of a priority document separately to each office of second filing.
- No need to pay for multiple copies of paper priority documents.
- No need to handle transportation of physical priority documents.

The costs of IP enforcement for innocent intermediaries

When an injunction is obtained against an innocent intermediary to prevent the use of his facilities by wrongdoers for unlawful purposes, who should pay the cost of complying with the order?

This was the question posed by the UK Supreme Court in its recent judgment of 30th June 2018, in the case of Cartier International AG and Ors. (Respondents) vs British Telecommunications PLC and Anr (Appellants)

The question arose in a litigation initiated by Cartier International AG and two of its associate companies, ("Cartier") in relation to a website blocking order obtained by Cartier. All these three companies are a part of the Richemont Group.

RKD NewsNet June 2018

The website blocking order had been obtained against internet service providers (or “ISPs”), and this was an appeal brought by two such internet service providers, who, together with three other ISPs involved in the litigation, were the five largest ISPs serving the United Kingdom, with a combined market share exceeding 90%. They provided networks by which subscribers were able to access content on the internet. But they did not provide or store content.

Cartier design, manufacture and sell luxury branded goods such as jewellery, watches and pens under well-known trademarks including Cartier, Montblanc and IWC. At the start of this litigation, Cartier had identified as many as 46,000 websites offering infringing copies of their branded goods. The court observed that “The internet has provided infringers with a powerful tool for selling counterfeit copies of branded luxury goods, generally of lower quality than the genuine article and at lower prices. It allows them access to a world-wide market, as well as a simple way of concluding sales and collecting the price with practically complete anonymity.”

On 17 October and 26 November 2014 Cartier obtained injunctions from a single judge requiring the ISPs to block or attempt to block access to specified “target websites”, their domains and sub-domains and any other IP address. It was noted by the Court that, in the UK, “This is the first case in which a website-blocking injunction has been granted”.

The appeal was concerned with costs, and in particular with the costs to the ISPs of implementing website-blocking orders. The court classified these costs into five categories (i) the cost of acquiring and upgrading the hardware and software required to block the target sites; (ii) the cost of managing the blocking system, including customer service, and network and systems management; (iii) the marginal cost of the initial implementation of the order, which involves processing the application and configuring the ISP’s blocking systems; (iv) the cost of updating the block over the lifetime of the orders in response to notifications from the rights-holders, which involves reconfiguring the blocking system to accommodate the migration of websites from blocked internet locations; and (v) the costs and liabilities that may be incurred if blocking malfunctions through no fault of the ISP.

The main question at issue in the appeal was, whether the rights-holders should have been required as a term of the website blocking order in their favour, to indemnify the ISPs for implementation costs under heads (iii), (iv) and (v) enumerated by the Court.

The Court looked into the English precedents which enabled English courts to grant such injunctions and blocking orders, as well as the EU Directives on the issue. It appeared to be generally assumed that the ISPs would have to bear such costs, even though they were a “mere conduit” and were innocently “mixed up” in the infringing activities of others.

The Court pointed out that “Website-blocking injunctions are sought by rights-holders in their own commercial interest. They are wholly directed to the protection of the claimant’s legal rights, and the entire benefit of compliance with the order inures to the rights-holder. The protection of intellectual property rights is ordinarily and naturally a cost of the business which owns those rights and has the relevant interest in asserting them. It is not ordinarily or naturally

a cost of the business of an ISP which has nothing to do with the rights in question but is merely providing a network which has been abused by others. There is therefore no reason why the rights-holder should be entitled to look for contribution to the cost of defending his rights to anyone other than the infringers.”

On this basis the court held that the rights-holders should indemnify the ISPs against their compliance costs. The indemnity must be limited to reasonable compliance costs. The indemnity should be for costs resulting from categories (iii) to (v) enumerated by the Court, namely, the marginal cost of the initial implementation of the order, which involves processing the application and configuring the ISP’s blocking systems; the cost of updating the block over the lifetime of the orders in response to notifications from the rights-holders, which involves reconfiguring the blocking system to accommodate the migration of websites from blocked internet locations; and the costs and liabilities that may be incurred if blocking malfunctions through no fault of the ISP.

The case is interesting because it recognises that innocent ISPs, who comply with such website blocking orders, or injunctions, are not to be made to bear all such compliance costs and these must be shared by the true beneficiary of such orders, namely, the holders of the relevant intellectual property rights.

Rapunzel- not a fairy tale ending?

A US company, United Trademark Holdings, has applied to the USPTO for registration of the trademark “Rapunzel” as a word mark. The company applied for the mark in relation to dolls and toy figures.

The word “Rapunzel” was earlier a trademark owned by Mattel but that registration has been cancelled as per the online records of the USPTO.

The grant of this registration to United Trademark Holdings was opposed by a law professor at Suffolk University, Ms Rebecca Curtin. The opposition is based on her view that no company be the only one that can call their doll Rapunzel, because Rapunzel is already in the public domain, and so belongs to everyone.

The applicant company is currently defending its position on the technical grounds that Ms. Curtin is not entitled to oppose the registration because she is neither a competitor nor a toymaker and has no interest that can claim to be adversely affected by the registration. But Disney, the producers of “Tangled” which is based on the Rapunzel story, has also applied for an extension of time to oppose the grant of registration.

The case reopens the debate on the broader question of whether at all, rights to use the names of famous characters of well-known fairy tales, which have been in the public domain for years, can be granted exclusively to any one entity under the trademark law.

These well-known fairy stories would certainly be entitled to copyright protection, when they were first written. But after the copyright expires, as in the case of Rapunzel, and other fairy stories written by the Brothers Grimm, such as

Snow White, Cinderella, Hansel and Gretel, etc, there have been examples of such trademarks being granted by the USPTO. Disney in particular, has been granted trademark registration by the USPTO, from time to time on “Snow White”, for different classes of good that Disney uses in selling merchandise, arising from its cinematic production of Snow White. Disney has also registered the trademark “Snow White” for audio visual, cinema etc. but has disclaimed the use of the trade mark for literary compositions. Similarly, Mattel was earlier granted a registration for “Rapunzel”.

Where the name of the fairy tale character consists of commonly used words, such as “Snow White”, it could be thought reasonable for businesses such as laundry services, dry cleaners, or even cosmetic manufacturers, to use these words as trading names or trademarks.

But where the use of a trade name/mark is sought to be used to trade upon the widespread recognition of the fairy tale, and of the character as such, it is open to debate as to whether any entity should be granted the exclusive right to use these names in relation to selected product ranges.

GODZILLA VS. GUZZILLA

(Japan)

“GODZILLA” instantly brings out the visual image of a monstrous dinosaur in our minds. TOHO Co. Ltd., which produced the movie ‘Godzilla’, filed a case against Taguchi Industrial Co. Ltd., a Japanese manufacturer of attachments for construction machinery.

The matter came to light when Taguchi, filed a trademark application for the “GUZZILLA” mark in November, 2011. The trademark was for their upcoming range of machines, for mining, loading-unloading, agricultural, waste compacting, waste crushing, etc. The Japan Patent Office (JPO) registered the said mark on April 27, 2012. The “GUZZILLA” mark was used since then on attachments for construction machinery by Taguchi.

GUZZILLA

TOHO then filed for invalidation of the trademark “GUZZILLA” on February 22, 2017, (two months before the lapse of 5 years from registration, based on the Trademark Law of Japan). The board stated that it found no reason for confusion between the two trademarks in view of the remote association or clientele of both the companies and dismissed the invalidation.

TOHO, appealed to the IP High Court, which set aside the decision of the Trial Board and instead ruled in favour of TOHO. The Court elaborated that the machinery for which the “GUZZILLA” trademark is being used has a certain

degree of association with products of TOHO's interest. The goodwill, popularity and resemblance of the two marks are likely to create confusion in the minds of the consumers and thus the original mark of "GODZILLA" must be protected. The court further related the strength and gigantic image of the Godzilla creature to have an impact on the performance of the goods sold under the trademark "GUZZILLA", which was misleading.

In fact, even a glance at both these Trademarks is likely to be misread by any individual. (Guzzilla Godzilla Guzzilla Godzilla, wait what?)

Thus, the IP High Court ruling is well justified.

This brings us to an interesting question: *Are popular movie names/characters protected by IPR in India?*

Well, in India movie title can gain protection u/class 41 of the NICE Classification, which provides for registration of trademark under various services including *entertainment*, especially in the light of recent judgment wherein it was decided by the courts that movie names will not enjoy protection under copyright laws.

Arre O Saamba, kitne Trademark the?

An interesting case law which is an example for protection of "name" and "popular characters" of a movie is "Sholay".

The movie, 'Ram Gopal Verma ki Aag' by Ram Gopal Verma, was initially titled as 'Ram Gopal Verma ki Sholay' which faced an immediate infringement of trademark and copyright case by Sascha Sippy (grandson of Ramesh Sippy).

The case was filed in Delhi High Court against Ram Gopal Verma, as he had not only used the word 'Sholay' in his movie title but also used popular character names like "Gabbar". The movie "Sholay" was an extremely popular movie of its time and had gained immense popularity among the people worldwide. In addition the famous characters names too had been registered under the Trademark Act, thus proving infringement. The court gave its decision in favour of Sascha Sippy, forcing RGV to change its movie title to "Ram Gopal Verma ki Aag" and even modify the names of the infringed character names.

Innovation Patents get a Reprieve

(Australia)



What exactly is the difference between Innovation Patent and Standard Patent?

Innovation Patent was introduced in Australia in the year 2001, and is considered as tier 2 patent system. The innovation patent has criteria such as – novelty, written description and industrial applicability, similar to the tier 1, standard patent system.

The differences are:

1. The need for an “innovative step” (applicable on innovative patents) instead of an “inventive step” (applicable on standard patents) which is much lower threshold to acquire.
2. Innovative patent patentee is granted 8 yrs patent compared to a Standard patent patentee who is given 20 years (25 years in case of pharmaceuticals).
3. Innovation patents are “granted” upon but are not enforceable at law until such time as they have been “certified” (i.e., examined). However, once certified, the enforcement remedies available to a patentee are the same as those for a standard patent.

Issues:

- The local Small, Medium sized enterprises are not maximizing the tangible benefits from the innovative patents granted.
- The “granted upon filing” status has made prone the system to abuses such as foreign applicants being able to claim Government subsidies in their country of origin for obtaining a “granted” patent.
- The threshold test for “Innovation Patent” is analyzed to be too low and is likely to give rise by leaps and bounds to the issue of ‘difficult-to-revoke’ certified innovation patents that have been enforceable by law.

The Government was keen on abolishing the innovative patents, whereas the Institute of Patent and Trademark Attorneys, Australia (IPTA) was in favour of continuing the Innovative Patents.

The world at large was eager to hear the decision taken by the Govt. of Australia. However, the Intellectual Property Laws Amendment (Productivity Commission Response Part 1 and Other Measures) Bill 2018 was introduced into Parliament on March 28, 2018 and the section dealing with the abolition of the innovation patent was omitted.

“10 Millionth” Step towards Innovation **(United States of America)**

The Patent system in the U.S. Constitution promotes the Progress of Science and useful Arts. Let's have a brief look on the journey of Patent sanctions over the past centuries which have brought us to this watershed day.

- On *April 10, 1790*, President George Washington signed the Patent Act of 1790 that laid the foundation of the modern American patent system.
 - 228 years ago - President George Washington signed the *first U.S. patent, on July 31, 1790*, granted to Samuel Hopkins for improvements in "the making of pot ash and pearl ash."
 - In *1810*, the U.S. Patent Office was established in Blodget's Hotel in Washington, D.C.
 - On July 11, patent numbers were reset and U.S. patent no. 1 was granted to Senator John Ruggles, who also wrote the Patent Act of 1836.
 - However, unfortunately, on December 15, the Patent Office caught fire, destroying maximum patent documents and models. These Patents were named "X Patents".
- Since then, there has been an ongoing effort to recover the "X patents" lost in the fire which continues to the present day. Fewer than 3,000 of the X patents have been restored using privately held records.
- An interesting patent which is widely used even today by multiple sectors (aviation, amateur radio, SOS transmissions) was granted way back in 1840's to the inventor of the *Telegraph, Samuel Morse*. This led to the wide and popular use of the "*Morse Code*". (Do you recollect Alia Bhatt transmitting information through a device in her latest release "*Raazi*"?)
 - In 1849, Abraham Lincoln received a U.S. patent for a "Manner of Buoying Vessels." *He remains the only U.S. president to hold a patent.*

- The other interesting U.S Patents granted, include the modern Beer Brewing methods at breweries, Design Patent for the sculpture of Statue of Liberty, Thomas Edison for the Electric lamp, Wilbur and Orville Wright commonly known as the Wright Brothers for the “Flying Machine” (airplanes), design patent for the Coca Cola bottle, the “Undersea vehicle” or the submarine, missile launch release system (which benefitted NASA), the iPod, are among the many worth mentioning.
- The Patent Office was renamed in 1976 to United States Patent and Trademark Office(USPTO)



The 10 Millionth patent was issued to - Inventor Joseph Marron and Patent Assignee Raytheon Company for a “Coherent LADAR Using Intra-Pixel Quadrature Detection,” which improves laser detection and ranging (LADAR).

Is your product an original FIFA merchandise? (China)

HONG KONG

With the FIFA football fever around the corner, the official FIFA merchandise is the selling like hot pancakes. To make the most of this opportunity, many vendors have taken to unscrupulous methods for selling of products. ‘Operation Goalkeeper’, which commenced on April 30, 2018, was an initiative by Hong Kong customs in order to target goods infringing on the World Cup trademark which may have been smuggled through multiple channels into the city.

In less than two months the Hong Kong customs seized an estimated HK\$15 Million worth of counterfeit FIFA World Cup products. The officials suspected and seized 2,59,000 pieces of suspected infringing products. Five individuals too were arrested in relation to the infringements made. The alleged items included 1,80,000 pieces of outfits and accessories, 50,000 pairs of shoes and 29,000 bags. It is also found that, out of the seized outfits about 57,000 of the products were jerseys with infringed FIFA trademarks.

RKD NewsNet June 2018

According to Hong Kong laws, the maximum punishment that can be imposed on an individual for importing an item with forged trademark is a fine of HK\$5,00,000 and a 5yrs imprisonment.

SHANGHAI

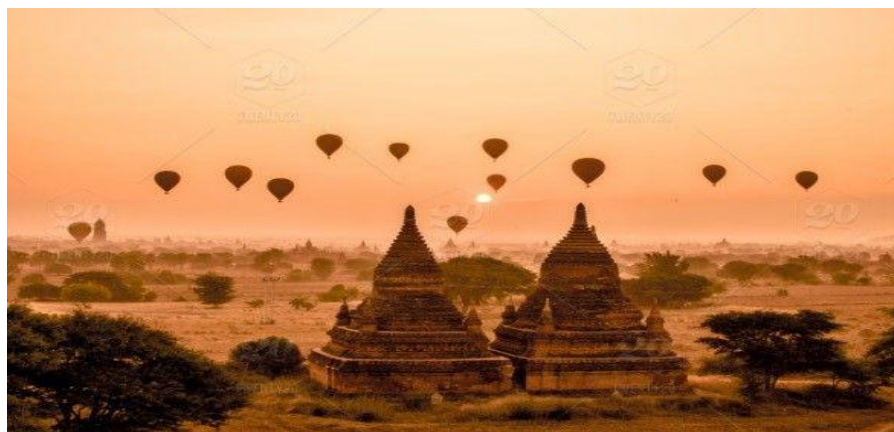
In the world's busiest port- Shanghai, officials found more than 1,30,000 goods that infringed upon the intellectual property rights of FIFA Trademark. The counterfeit products confiscated by customs officers included soccer balls, jerseys, and shirts. One major case busted in April, resulted in the seizure of thousands of Russia 2018 soccer balls in Nanjing that were planned to be exported to Colombia via Shanghai.



Myanmar : Trademark Bill

The beginning of a new era commences in Myanmar with the soon to be passed Trademark Bill. Until present day Myanmar had made efforts to protect Trademarks by the registration of Declarations of Ownership at the Registrar of Deeds and Assurances, which was followed by the cautionary notices published in the newspaper.

After the new Trademark bill kicks in the system will follow the International Standards set by WIPO. The new Trademark law will greatly benefit all the brand owners by ensuring a proper and systematic trademark application process. Since the Myanmar economy is on a rise, the new trademark law, once implemented, will attract multiple brands, encouraging further growth and prosperity in Myanmar.



The Trademark Department proposed will constitute of 60 members who will include: Registrar, Examiner, Registration staff, Reception, Scanning, Data capture, General Affairs. The draft TM law has 20 chapters and 97 sections. One of the chapters even contains Transition process which will enable the current trademark owners to convert and enjoy protection of Trademarks as per the new law. A number of aspects will be under the purview of being protected by the new TM Bill, such as - Trade names, slogans, logos and colors which fulfil the criteria of what constitutes a mark, and do not contravene the absolute, relative, and procedural grounds of refusal under the Trademark Bill. The Trademark Bill also contains provisions on geographical indications.

The Myanmar TM bill is indeed a great step forward however, the protection of IP rights in the country still needs revision. Myanmar is party to TRIPS and Madrid Protocol, however has refrained from signing Berne Convention, UCC Geneva Convention, UCC Paris Convention and the WCT.

Eurasian Trademark (European Economic Union)

The Eurasian Economic Union (EAEU or EEU) is the international economic integration organization founded under the Treaty on the Eurasian Economic Union which was entered into force on January, 2015. Currently, Belarus, Kazakhstan, Russia, Kyrgyzstan and Armenia are members of the Union. The Eurasian Economic Commission (EEC) is the permanent regulating body of the EEU.

On February 2, 2017 Russia announced that it would seek to ratify the draft Agreement on Trademarks, Service Marks and Appellations of Origin that was proposed by the EAEU. The agreement introduces the concept of the Common Economic Space (CES) trademark. The proposed CES trademark is a regional Eurasian trademark that covers the territories of all EEU member states. The CES Trademark will co-exist with the nationally registered trademarks.

RKD NewsNet June 2018

The draft consists of:

- Filing and Pre- grant opposition
- Examination
- Conversion - an individual will be allowed to convert a national application into a CES on fulfilling certain grounds.
- Grant - registration will be valid for 10years
- Enforcement - The trademark registration can be enforced or invalidated in each member state under the local laws of that country.

This CES Trademark draft agreement is likely to come into force this year.

Razzmatazz RATT! (United States of America)

The popular metal band RATT witnessed some legal paparazzi when the District Court of California ruled in favour of Stephen Percy, in *WBS Inc. vs Stephen Percy*. So, here are the brief facts:

The band was started by Stephen Percy in 1977. By 1981, Percy, had personally designed a new logo for the band, adopted and commercially used the “RATT” logo. By 1983, Percy, Robinson Crosby, Warren DeMartini, Juan Croucier and Robert Blotzer were the band members. On June 11, 1985, all 5 members established the RATT General Partnership and formulated a *Partnership Agreement*. However, in 1992 Crosby was expelled from the partnership leaving the rest 4 members.

The Partnership Agreement u/s. 7.1 prohibited any partner from selling, transferring, assigning, mortgaging, hypothecating, encumbering or dispose of all or part of his interest in the Partnership ‘without a prior unanimous written consent’ by all. Further, it stated u/s.10.6, that in case the Partnership is dissolved, “each of the Partners shall be entitled to receive his Proportionate Share of the revenues received on account of the Partnership from all other sources.” Also, u/s.11.1 “in the event of death, permanent disability, voluntary or involuntary withdrawal of a Partner, the Partnership shall not dissolve or terminate but shall continue without interruption and without any break in continuity”.

Now, in May, 1997, the plaintiff of the case *WBS Inc.*, was formulated by DeMartini, Blotzer and Percy (leaving out Croucier who did not participate in WBS). WBS was formed to look into aspects of business related to the band. It

RKD NewsNet June 2018

also involved tendering of shares which was claimed to never have received by Percy (member of WBS) and was expelled by the remaining two members.

Now in 2018, WBS Inc. sued Percy for using multiple RATT trademarks which belonged to WBS. WBS claimed that the RATT related logo, band name, and associated Trademarks were registered with the USPTO in 1985-86 by the RATT Partnership. In their contention, WBS stated that in 1997, 'the trademarks were assigned through a sale of a partnership along with all assets owned, to WBS' and that such assignment was recorded with the USPTO in 2015.

The court however, on examination found that in order for any assignment to take place as per the Partnership Agreement, the consent of all the members must be present. This consent was however missing as there was no unanimous consent either in writing or otherwise towards the assignment of RATT marks to WBS Inc., thus proving that WBS itself had no right or ownership over such marks. Therefore, the motion filed against Percy failed.



Analysis:

It can be easily inferred from the above case that when formulating a partnership deed (or contracting with other parties), how vital it is to insert an "Intellectual Property" clause. It is not only mandatory to describe the ownership of the Intellectual Property, but also important to discuss the assignment, hypothecation, encumbering or any other such temporary or permanent third party rights that can arise from the deed. The IP clause of an agreement comes to the rescue in case of any discrepancies.

Speedy Justice for "Goldsmith"

The Plaintiff had instituted this suit for permanent injunction restraining the two defendants-Hub International Industries and NV Distilleries & Breweries Pvt. Ltd. from manufacturing, bottling, selling, offering for sale or otherwise dealing in alcoholic beverages including premium whiskey blended with scotch, gin, rum, vodka, wine and brandy

under the trade mark, “GOLDSMITH” stated as being the same or similar/deceptively similar to the plaintiff’s registered trade mark, “BLACKSMITH” and for ancillary reliefs of recovery of damages, destruction, etc.

No interim injunction was granted, and, in due course, the suit came up for framing of issues, and for the hearing of the application for interim relief.

After hearing the counsels, the court held that there was no need to frame issues and relegate the parties to trial, because the two words, “BLACKSMITH” and “GOLDSMITH” have a definite meaning, clearly understood by most of the population of the country, even those not conversant with the English language, and thus no case for infringement of trade mark was made out particularly when the counsel for the plaintiff, on enquiry from the Court, stated that more than 90% of the sales of the plaintiff were through the Defence Canteen and the Police Canteen sales. This made it clear that in these sale outlets, which constituted the bulk of the sales of the Plaintiffs products, there would be no confusion caused by the commonality of the word ‘SMITH’ in the two words.

The Court also found that so far as packaging was concerned, there was no similarity between the two products and hence no possibility of confusion on that ground. The Court referred to the various judgements wherein common words in trademarks had been held to be confusing, but distinguished all of them on facts.

The interesting point in this judgement was that the Court dismissed the entire suit, at this stage of framing issues, on the basis that the suit was unlikely to succeed and therefore the Court should not be burdened with the whole rigmarole of evidence, trial etc.

‘Blowing hot and cold’ - Design pirates beware

In the case of Vega Auto Accessories P Ltd vs SK Jain Bros Helmets (I) Pvt Ltd The plaintiff had sued the defendant for permanent injunction restraining infringement of the Plaintiffs registered design No. 264763 dated 13th August, 2014 in relation to helmets, and for ancillary reliefs. The plaintiff was dealing in motorcycle helmets under the brand name “Vega”. The Defendant was also dealing in motorcycle helmets, under its brand name “Power”, with a design which was allegedly copied from that of the Plaintiffs. The Defendants design was registered in March 2017.

The suit was entertained and summons/notice of the application for interim relief ordered to be issued, though no ex-parte injunction was initially granted.

On the next date of hearing, on notice, when the Defendants lawyer appeared and sought time to reply, an interim injunction was granted to the Plaintiffs, by which, the defendant and its dealers and agents were restrained from making, selling, offering for sale, advertising and directly or indirectly dealing in helmets amounting to infringement of Plaintiff’s registered design, particularly the helmets under the mark ‘POWER’ and as depicted in paragraph 22 of the plaint.

RKD NewsNet June 2018

The defendant then filed an application under Order XXXIX Rule 4 of the Code of Civil Procedure, 1908 (CPC) contending that the design of the defendant was also registered and interim injunction should thus be vacated.

The Certificate of Registration of design of the helmet aforesaid of the plaintiff comprises of six sheets showing front, back, top, bottom, left side and right side views thereof and with each of the sheets bearing the following endorsement:- *“Novelty resides in the shape & configuration of the Helmet as illustrated.*

The Certificate of Registration of the design aforesaid of the helmet of the defendant comprises of seven sheets showing the perspective, front, back, left side, right side, top and bottom views thereof and with each of the sheets bearing the following endorsement:- *“The novelty resides in the shape and configuration of the “HELMET” as illustrated*

The respective designs of the Plaintiffs helmet under the brand name “Vega”, and the Defendant’s helmets under the brand name “Power” are given below.



The first argument, on behalf of the Defendant was, that as the defendants design was also registered, no suit for design infringement could be brought against it.

The court, following the decision of a Full Bench of the Delhi High Court in Mohan Lal, Proprietor of Mourya Industries vs. Sona Paint & Hardwares AIR 2013 Del 143 (FB) held that a suit for infringement of a registered design lies against a registrant of a design as well.

The Court also dealt with another important aspect, on the question of whether it is open to a defendant, who has obtained a design registration, to oppose the grant of an interim injunction sought by a plaintiff with a prior registration who claims that the subsequent registration is similar to the Plaintiffs registered design, on the ground of invalidity of the design of the plaintiff and/or on the ground that the design of the plaintiff has been prior published,

As far as the law relating to trade marks is concerned, it had been consistently held by the Delhi High Court, that the defendant itself having got his mark registered, when faced with action by another for infringement, cannot say that the mark of the prior registrant was not distinctive or could not have been registered. The reason which prevailed in the various judgments referred to was, that if a party has taken up a specific stand at a particular stage of the Court proceedings, it should not be open for him to take a contrary position at a subsequent stage of litigation or in a different proceeding. A litigant must not be permitted to “blow hot and cold.”

Having examined the helmet designs of the plaintiff and defendant, the court found that prima facie, a clear resemblance existed in the shape and configuration of the two helmets, which each party claimed was the novel feature of the design.

In view of this, the court held that “the plea, of invalidity of registration of design of the plaintiff is not open to the defendant. The defendant having itself obtained registration of the impugned design, if the impugned design is found to infringe the design of the plaintiff registered prior to registration in favour of defendant, is estopped from taking the plea of invalidity of registration in favour of plaintiffthe defendants having themselves sought registration of their design, it is not open to them to contend that the plaintiff's design is not new or original or there is no novelty.”

The importance of this case is, that the court extended the principle, established in trade mark law, to design registrations- that the defendant owner of a registered design, alleged to have copied an earlier registered design of the plaintiff, cannot, at one and the same time, claim its own design as novel and distinctive, as against a similar prior design registration of the plaintiff, and cannot thus ‘approbate and reprobate’ or “blow hot and cold” at the same time.

Sweet footnote

In our newsletter of February 2018, we had referred to the case of Ferrero SPA and anr vs Piyush Devangan and anr, in which a defendant selling chocolates in packaging which was deceptively similar to that of Ferrero Rocher chocolates, but under a dissimilar trademark, was restrained from doing so.

In a similar case, also instituted by Ferrero Rocher SPA in the Delhi High Court, another defendant, Ruchi International, which was importing chocolates made in China, and sold under the mark “Grand Passion” under a trade dress, deceptively similar packing, and *also a similar shape of chocolates* as that of Ferrero Rocher, was held to infringe Ferrero Rocher’s registered trademark, trade dress etc. and for passing off their goods and business as that of Ferrero Rocher. The defendants were restrained by a permanent injunction from infringing the Trade Mark, Trade Dress, or selling chocolates of the same shape as that of Ferrero Rocher.

The Seed of Contention

The US based agricultural company, Monsanto Technology LLC (currently acquired by Bayer AG), owned an Indian patent on its Bollgard-II Bt cotton seed technology, a genetically modified (GM) variant which resists the bollworm pest (Indian patent no. 214436, titled “*Methods For Transforming Plants To Express Bacillus Thuringiensis Delta-Endotoxins*”). The patent claimed a nucleic acid sequence i.e. a selected gene sequence from the *Bacillus Thuringiensis* (BT) microorganism, and the consequent process to insert the selected nucleic acid sequence in plant cells.

For this particular patent/technology, Monsanto had been embroiled in a long drawn out battle against various seed companies, including Nuziveedu seeds, Prabhat Agri Biotech and Pravardhan Seeds, etc., all being a part of the National Seed Association of India (NSAI). Monsanto claimed that by using the patented technology, it created a large number of donor Bt. cotton seeds and distributed them to seed companies, including Nuziveedu and its subsidiaries (Nuziveedu), under different license agreements. The licensees agreed to pay royalties for the use of such donor seeds.

Nuziveedu claimed that it used the donor seeds in their breeding program to inherit the Bt. cotton trait to their proprietary cotton plant varieties and that the Bt. cotton plant varieties (Bt. varieties) developed by them had their own distinct characteristics, apart from the Bt. trait and were distinct from the donor seed variety initially provided by Monsanto. Nuziveedu applied for IP protection for all their Bt. cotton plant varieties under the “Protection of Plant Varieties and Farmers’ Rights (PPVFR) Act, 2001. Disputes arose with respect to payment of fee, and Monsanto filed a suit in the Delhi High Court for infringement of its patent, trademark and for passing off.

The Delhi High Court, on April 11, 2018, dismissed Monsanto’s plea to enforce the patent for its GM Bt cotton seeds in India, and held that plant varieties and seeds cannot be patented under the Indian law as it is an excluded subject matter, under section 3 (j) of the Patents Act, 1970. Section 3 (j) excludes from patentability “*plants and animals in*

whole or any part thereof other than microorganisms (emphasis added) but including seeds, varieties and species and essentially biological processes for production or propagation of plants and animals". The court suggested that Monsanto can apply for registration under the PPVFR Act. Monsanto's claim for patent protection was based on its argument that the patent does not cover plants per se, but does cover components that can be termed microbiological processes and microorganisms, thus patentable under the Patents Act.

The Delhi High Court rejected this argument and held that:

- i. The transgenic plants with the integrated Bt. Trait, produced by hybridization (that qualifies as an "essentially biological process") are excluded from patentability within the purview of section 3(j), and Monsanto cannot assert patent rights over the gene that has thus been integrated into the generations of transgenic plants.
- ii. The trait, by itself has no intrinsic worth; it is meant to be implanted or introgressed and later hybridized into a variety to be further hybridized through backcrossing 17 and cross breeding with other existing varieties to produce seeds that are ultimately used. Without introgression, they are inert and inanimate. Their utility is when they are introduced at a place (in the DNA sequence of the seed) the event which Monsanto claims proprietary rights over. Their function is to be part of a "seed". Furthermore, the process of hybridization undertaken by the Nuziveedu group and the Bt. Cotton hybrid plants as well as seeds produced thereafter are squarely exempt under Section 3(j) of the Patents Act; these seeds are sold to the farmers and other retailers.

The future propagation of the transgenic plants (after introgression and hybridization) and the subsequent transfer of the Bt. Trait in such plants and consequently, the transgenic seeds, will be a process of nature, and no step of human intervention can impede such transfer of the sequence. Thereafter Monsanto suffered another setback as the Supreme Court refused to grant a stay on the Delhi High Court order, which held that the subject patent is not enforceable and Monsanto cannot claim patent right on its GM cotton seeds. The matter is now listed for hearing by the Supreme Court on July 18, 2018.

The Supreme Court's decision in the Monsanto case is eagerly awaited as several other biotech patents may be invalidated on similar grounds. Further, as Monsanto had licensed its Bt cotton patent to many Indian companies, revocation of this patent by the Supreme Court would reduce royalties on seed prices and provide relief to farmers. In any case, the Supreme Court's interpretation of section 3 (j) of the Patents Act, 1970, in conjunction with the Protection of Plant Varieties and Farmers' Rights (PPVFR) Act, 2001, is set to become a landmark judgment, which would greatly impact the entry of new technology in the Indian agriculture sector.

Yet another effort to curb Piracy – FIFA

(India)

With events like the World Cup being telecasted, broadcasting companies are faced with heavy challenges to avert illegal streaming of the games. The official broadcasting partner of FIFA is Sony Pictures Network (SPN) who has joined hands with MarkScan, an India based anti-piracy law enforcement body to ensure illegal streamers are kept at bay. Sony has the exclusive rights to stream the FIFA games in India, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka.

MarkScan on behalf of Sony warned multiple piracy websites that they must not indulge in illegal streaming of the FIFA.



THE GLAM SHAM (India)

The judgment, Glambirds Entertainment vs GLAM X Entertainment and ors. which was decided early this year reiterates the requirements of trademark infringement. The facts of the case are simple:

Where in Glambirds filed an injunction under Order 39 Rules 1 & 2 CPC, seeking an injunction against GLAM X from using its trademark claiming Trademark Infringement as the marks according to the plaintiffs were similar in nature and would create confusion among the public.

The Court however went on to state that, the word “GLAM” has been in public use for a very long time and in various forms such as, Glamour, Glamorous, etc. thus was not unique in any way. Further, it was only *one part* of the Trademark, i.e. ‘GLAM’ which was being claimed to have infringed the mark of the plaintiff. The plaintiffs also put forward the contention of usage of mark from a long time which possibly has created a reputation and goodwill, however, the court dismissed this argument by stating the fact that ‘Glambirds’ is being used only since 2010.