

INTELLECTUAL PROPERTY – ‘STATE-OF-THE-ART’ A REVIEW OF THE LATEST IN IP LAW IN INDIA 2004

“Legislative Changes and TRIPS: A Foreword”

India remains committed to discharging its obligations under the Trade-related Aspects of Intellectual Property Rights (TRIPS) Agreement by the target date of 2005. In conformity with the terms of its compliance, the Government of India has over the past few years enacted and revised several pieces of legislation, including: the *Copyright (Amendment) Act, 1999*; the *Trademark Act, 1999*; the *Designs Act, 2000*; and the *Biodiversity Act, 2001*. This last year, the government amended the *Patent Act* to fix the term of every patent in force at 20 years from the date of filing. The time for the restoration of ceased patents has been increased to 18 months. The new amendments also include provisions for the patentability of software and stronger protection for geographic appellations, thus putting an end to the controversy over such names as Basmati rice and Darjeeling tea.

Trademarks: A ‘Brand’ new Act!

The long-awaited *Trade Marks Act, 1999* (new Act) came into force on September 15, 2003. Complying with most of the requirements of the Trade-related Aspects of the Intellectual Property Rights (TRIPS) Agreement, the new Act offers a plethora of positive developments and is set to eliminate the difficulties faced by trade mark owners and practitioners under the earlier *Trade Marks Act*, which was passed in 1958 (old Act).

Highlights of the changes and new provisions introduced under the new Act include:

- The definition of trade mark has been expanded
- Applications for multi-class, service marks and collective trade marks can now be filed
- Part A and Part B of the Register have been merged
- The grounds of refusal have been expanded
- Well-known marks are recognised and protected
- Timelines for prosecutions and oppositions have been shortened
- Term of registration and further renewals have been increased to 10 years
- An Intellectual Property Appellate Board with exclusive jurisdiction has been established
- *Bona fide* use of a registered trade mark is now permissible of the registered owner of the trade mark acquiesces or fails to defend its rights in a mark despite knowing of its use by a non-licensed party
- The list of acts constituting infringement has been expanded
- Arrest of counterfeiters, search and seizure by police is now possible without first obtaining warrants from the courts

The new Act came into force with compelling effect: the Trademarks Registry has succeeded in reducing the time frame for registration from the previous six or seven years to eight months in the case of the 'Reitzel' trademark application.

Cases on Brands and Brand Protection

Indian courts over the years have been prompted in enforcing the rights of brand owners. The Delhi High Court, for instance, has been at the forefront with numerous pathbreaking decisions. In a recent case, the Colgate-Palmolive Company and its Indian subsidiary Colgate-Palmolive (India) Ltd were successful in obtaining injunctive relief against the use of the trade dress and colour combination of one-third red and two-thirds white, in that order, on the container of a product, namely, toothpowder. The Court found that by adopting the similar trade dress and product appearance, particularly, the colour combination of red and white, the Defendant had committed the offence of passing off its goods as that of the Plaintiffs.

The product, which was subject matter of the instant proceedings, was a "Tooth Powder" under the trademark "Colgate" sold in cans bearing the distinctive get up and colour scheme or combination of colour comprising pre-dominantly of red and white background. They have been selling this product in India since 1951. The distinct feature of this combination was that around one-third of the background of the upper part of the can along with cap was in a red colour and two-thirds is in a white colour and in that order. The trademark 'Colgate' appears in white against red.

The Court also noticed that there was an enhancement in sales once the relevant colour combination was adopted. The Court further took into account the changing competitive commercial complexion of the economy and also the fact that the second entrant to a mark is often faced with a challenge. The Court ruled that the second entrant should have given his product a distinctive name and appearance and should not have confused the public.

In *George V Records, SARL v. Kiran Jogani & Anr.*, a Single Judge Bench of the Delhi High Court recognised the Trans-Border reputation in the trademark 'Buddha Bar'. Damages have historically not been a strong point in Indian IP Enforcement. However, a new trend seems to be emerging with the Court imposing costs for software piracy and trademark infringement in *Microsoft Corporation v. Debashish Seal*.

Brand Management and the Internet

Indian firms continued to use the UDRP apparatus and procedure to secure their IP rights on the World Wide Web. The Complainant, in *Ravissant Limited v. Vama, Inc., Mebul Kotecha* [Case No. D2003-0747] was successful in proving evidence of substantial use of that word as a trademark in connection with jewelry, including in particular silverware, and of the reputation of that mark in India and other countries. The Panel found the addition of the prefix "e" to the Complainant's trademark insignificant and that the disputed domain name was therefore confusingly similar to the Complainant's trademark RAVISSANT.

The Respondent, an importer and distributor of handicrafts and silver gifts, had been using the disputed domain name, prior to notice to it of this dispute, to offer Indian jewelry for sale. Through its incorporator, agent and Vice President Mr. Kotecha, the Respondent clearly continued to have a connection with India, where Mr. Kotecha was on a business trip

when seeking an extension of time for the Response. Knowing of the Complainant's mark (as the Panel found), the Respondent registered the disputed domain name and has been using it to offer goods of the kind with which the Complainant's mark is associated, in such a way as to mislead persons into believing that the Respondent's goods and website are those of the Complainant. These circumstances according to the Panel constituted evidence of both bad faith registration and bad faith use, under paragraph 4(b)(iv) of the Policy.

In another case, *NIIT Limited v. Vanguard Design* [Case No. D2003-0005], the WIPO Administrative Panel found that the Respondent did not have rights in the mark "NIITCRCS." The name by which the Complaint refers to the NIIT Centre for Research in Cognitive Systems and does not offer any evidence that the Complainant's Centre trades under the mark "NIITCRCS." In addition, the Panel accepted that the disputed domain name incorporates the Complainant's "NIIT" mark in its entirety and that the letters which follow (namely "CRCS") do not remove the scope for confusion with the Complainant's "NIIT" mark (see *Telstra Corporation Limited v. Mr. Jeon*, WIPO Case No. D2001-1161). This is especially so as those letters are an acronym for the Centre and in the Panel's view a significant number of internet users would, when attempting to reach the website for the Centre, type in the disputed domain name to their browser.

Further, the Respondent has failed to explain why it chose to redirect the disputed domain name to a pornographic website. There was also no evidence that the Respondent is commonly known by the disputed domain name and there was no use of the disputed domain name in the actual content of the Respondent's pornographic website itself.

Copyright, Media and Entertainment

In the sphere of Media and Entertainment, Courts have been prompt and innovative in delivering judgements especially when faced with the task of protecting Intellectual Property with finite shelf life.

The 'Ten Sports' Case [Taj Television v. Rajan Mandal {FSR 2003 (407)}]

In what can be seen as an echo of the "John Doe" concept, familiar to the US, Canada and New Zealand, the Delhi High Court, on June 14, 2002 granted a path-breaking order authorising a court appointed commissioner to enter the premises of any cable operator in India and record evidence of any unauthorised telecast of the FIFA World Cup football matches.

"John Doe" orders are orders granted against a class of unknown infringers. It is best defined by the Australian Copyright Council as "*a representative order against an identifiable class of Defendants, rather than named persons, which allows the goods to be seized*". Most such orders were granted in the context of specific events, where the Intellectual Property Rights (IPRs) had a limited shelf life. The John Doe order, when executed, would help in the identification of the Defendant who would then be added as a party to the suit. As opposed to a traditional infringement action, where one has to identify the Defendant before bringing an action, a John Doe order is extremely helpful in cases where specific identification may not be possible, given the fact that the IPR itself has a limited shelf life and would lose its commercial value in a short while.

In the present case, the Plaintiff, Taj Television Ltd., based in Dubai, owned and operated an exclusive sports channel by the name of TEN SPORTS. The Plaintiff had acquired the exclusive rights to the telecast of the FIFA World Cup Football matches for India and certain other South Asian countries, from Kirch Sports, an entity that had in turn acquired the worldwide rights from FIFA. Ten Sports was being broadcasted from Dubai in an encrypted form and could be received by only those cable operators with a decoder.

In a recent decision [*Taj Television & Anr. v. Mahalaxshmi Communications & Ors.*], Ten Sports received the first open-ended Anton Piller Order in connection with the broadcast of the India–Pakistan cricket series.

The “Broadcast Reproduction” Right

The Plaintiffs initially filed a lawsuit against a specific cable operator in Mumbai on the basis of videotape that had been recorded from the home of one of the subscribers of the concerned cable operator. The Plaintiffs based their suit on Section 37 of the Copyright Act, 1957, which grants certain exclusive rights to a broadcaster, known as the “Broadcast Reproduction Right” (“the BRR”). The BRR is a special right under the Copyright Act 1957 and has a duration of 50 years. It belongs to a broadcasting organization and confers certain exclusive rights including rebroadcast of a broadcast or causing the broadcast to be heard or seen by the public. The BRR is a right distinct from the copyrights in the contents of the broadcast. Therefore, if there is a film, which is being broadcast, the film rights may belong to the producer, while the BRR may belong to the broadcasting organization.

Not only did the court injunct the party from unauthorisedly transmitting the Ten Sports signals, it also appointed a Commissioner to visit the premises of the Defendant and seize telecast equipment used to perpetrate the infringing activity.

During the course of the Commissioner’s visit, he observed that the unauthorised transmission was taking place at several other unrelated premises. In fact, with each passing day, the Plaintiffs were also beginning to identify an increasing number of unauthorised cable operators. Given the above facts, the Plaintiffs were apprehensive that by the time they identified and collected evidence of the specific infringing parties, the FIFA World Cup matches would have concluded.

Internet Law

India presently does not have an anti-spam legislation. The Hon’ble High Court of Delhi delivered the first injunction order against spammers in the absence of statutory framework. The Plaintiffs in *Tata Sons & ors. v. Amit Kumar Gupta & ors.* relied on traditional torts like nuisance and trespass.

Patents

India amended its Patent Legislation to conform with the TRIPS. The new Patent Act 2002 along with the new Patent Rules 2003 came into effect on May 20, 2003. Some of the highlights of the new Patent Legislation are listed below:

- (a) the definition of **‘invention’** has been structured to conform with the definition given in TRIPS. Further, terms like ‘Capable of International Application’ and ‘International Applicability’ have been replaced by a newer definition;

- (b) the new Patent Act also elaborates in depth on **‘what are not inventions’** and **‘what are not patentable inventions’**;
- (c) concepts such as **‘Unity of invention’** are structured on the lines of illustrations and examples provided by the European Board of Appeals;
- (d) newer provisions have been put into place. Apropos the examination of applications and several changes have been put into place which streamline the patent prosecution process;
- (e) importantly, the term of every patent will be 20 years from the date of filing. The term of patents which are in force on May 20, 2003 will automatically extend upto 20 years provided the renewal fees are paid on the due dates;
- (f) patent agents must possess a degree in Science, Engineering or Technology from any University. Previously, advocates without a science degree could also register as patent agents;
- (g) under the new Patents Act, 2002 an Appellate Board has been provided. All appeals on any decision or order or directions of the Controller under the various provisions of the Act will lie to the Appellate Board instead of the High Court; and
- (h) any person making, constructing, using or selling a patented invention solely for uses reasonably related to the development and submission of information required under any law for the time being in force in India or in a country other than India that regulates the manufacture, construction, use or sale of any product shall not be considered as an infringement of patent right.

Important trends appear to be crystallising now: the Government is restructuring legislation and Courts are realising that remedies may need a strong touch of innovative practice. Overall, the year was good with the nation forging ahead with its commitment to a wholistic IP regime structured on TRIPs. The forecast is bright for IP owners and managers!

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