

# INDIA INTELLECTUAL PROPERTY UPDATE

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**INDIA IP UPDATE** is an Intellectual Property periodical of Singhania & Partners, which offers to provide the latest on IP related laws, case studies, news and events.

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## India Grants Access to U.S. Patent Examiners for New Traditional Knowledge Search Tool

The Government of India has granted the USPTO access to a digital database containing a compilation of traditional Indian knowledge- the Traditional Knowledge Digital Library (TKDL), which is developed jointly by India's Council of Scientific & Industrial Research (CSIR) and the Department of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homeopathy (AYUSH) and includes over 200,000 traditional medicine formulations on Ayurveda, Unani and Siddha comprising 30 million pages.

If a patent application attempts to claim an invention within the existing traditional knowledge, a patent examiner will reject the application provided they can find evidence proving the prior existence of that knowledge. Searching the TKDL will provide access to the evidence needed by examiners to establish that proof. This is an important step for both India and the United States in order to prevent misappropriation of traditional knowledge. USPTO examiners are now using this tool to help prevent the patenting, and thereby misappropriation, of existing traditional knowledge.

[SOURCE - USPTO](#)

## Indian Government moots patents for jugaad

The Department of Industrial Policy and Promotion (DIPP) started a debate on providing intellectual property rights to the small scale industry's innovation that leads to inventions which do not strictly conform with patent laws. Under the Patents Act, 1970, protection is granted if the invention meets the criteria of novelty, inventive step and industrial application. Patents are denied in case there is a mere discovery of new forms of known substances, rearrangement or duplication of devices and inventions that take place due to the traditional knowledge.

In a discussion paper released by DIPP, it has been argued that often this stance is seen as inhibiting the protection of creeping and incremental innovations that are equally worthy and useful, for instance, clay refrigerator, which does not need electricity, to the ribbed pan that increases the surface area for heating and reduces energy use.

[SOURCE - TIMES OF INDIA](#)

## Details of patented drugs to be made public

To increase transparency, the Indian Patent Office will soon make public details about patented drugs which include whether domestic demand for these medicines is met at a reasonable price. Patent holders in the country are required to submit once every year the working status of patents which includes the quantity and value of a product that is sold, manufacturing base, quantity of production or imports, and a statement on whether public requirement has been met partly, adequately or to the fullest extent for a particular drug at a reasonable price in Form-27.

The data on the working status of patents is beneficial for companies capable of producing the same products in the local market as they can then apply for compulsory licenses in case a patent holder is unable to meet domestic demand.

[SOURCE - MINT](#)

## High Court imposes ban on commercial use of Hollywood movies

The Delhi High Court imposed an ex-parte injunction on the sale of original or copied movies of the ten Hollywood Companies who claimed that their movies were being sold in the Indian market without their permission infringing their intellectual property rights. The injunction was granted against a video rental company Cinema Paradiso which has its network in Chennai, Hyderabad, Mumbai and Kolkata and used to sell original and copied DVDs and videos of Hollywood movies.

[SOURCE - WEBINDIA123.COM](#)



## India to join Madrid System of trademarks in one year, SMEs may lose out

The Controller General of Patents PH Kurian has announced that India will join the Madrid System of Trademarks within one year. India had been negotiating with the World Intellectual Property Organization (WIPO) to join the System for several years, but has never officially confirmed its decision to join. Once India joins the System, foreign companies who have registered a trademark can force Indian companies, most of which never register their trademarks, to stop offering products and services that have names similar to theirs.

[SOURCE - RTN](#)

## India not to dilute stand on intellectual property rights

India has decided not to dilute its stand or take a position on intellectual property rights, especially on pharmaceuticals, beyond its domestic law and the current international commitments. Prime Minister Manmohan Singh stated that the Indian side shall not take on any obligation beyond the Trade Related Intellectual Property Rights agreement and domestic law.

[SOURCE – ECONOMIC TIMES](#)

## Intellectual Property Appellate Board (IPAB) centre likely to come up in Mumbai, Delhi and Kolkata

The government may need to set up permanent centres of the country's nodal body monitoring disputes related to intellectual property rights and patents in Delhi, Mumbai and Kolkata to expedite resolution of cases. This follows a public interest litigation by a group of lawyers, who complained about the logistical delays in resolving disputes as IPAB's documents need to be transferred from the main centre in Chennai to the circuit centres each time a dispute arises.

[SOURCE – ECONOMIC TIMES](#)





## CASE LAWS

In a recent judgment dated 02.05.2011, in the matter of **Gorbatschow Wodka KG ("Plaintiff") vs. John Distilleries Limited ("Defendant")**, **Suit No. 3046 of 2010**, the Bombay High Court has held that the shape of goods, their packaging and combination of colours itself constitutes a trademark.

### **Facts**

The Plaintiff is the manufacturer of "Gorbatschow Wodka", one of the top fifteen premium Vodkas in the world. It has applied for registration of the shape of its bottle as a trade mark in January 2008 under Class 33 of the Trade Marks Act, 1999 (the "Act"), claiming prior use since December 1999 and the same is registered in various jurisdictions worldwide.

The Defendant launched its Vodka by the mark "SALUTE" in the year 2008 and had obtained the design registration for the bottle in February 2008 under the Designs Act, 2000. The Plaintiff claimed that the bottle adopted by the Defendant is deceptively similar to the bottle of the Plaintiff, who was inspired by the onion dome/ bulbous structure of the architecture of the Russian church. The Bombay High Court initially granted an ex-parte an-interim relief to the Plaintiff on the condition that the Defendant could sell its product under the trade mark "Salute" but in a differently shaped bottle and packaging. Subsequently the Defendant filed an affidavit in the Court.

### **Arguments**

The Defendant contended that there was no scope of confusion between its bottle of Vodka and that of the Plaintiff due to the distinctive label and colours. Further, the Plaintiff' product was premium Indian Manufactured Foreign Liquor (IMFL), the target consumer being the highly rich and educated. The Defendant contended that the test of passing off would have been applied if the target consumer was of average intelligence and imperfect recollection. It had also registered the design of its bottle under the Design Act, 2000 and was granted registration after an extensive search for bottles with similar designs had been conducted. Therefore, there was no chance of deception having regard to the nature and class of consumers.

The Plaintiff contended that under Section 2(zb) of the Act, the definition of "trade mark" includes the shape of the goods. The Plaintiff contended that the shape of the bottle formed an integral part of its extensive trans-border reputation. The use of the same by the defendant would result in the dilution of the goodwill and reputation as well as the distinctive shape of the bottle and therefore, constituted passing off. The essential feature of the shape of the bottle is the bulbous dome and the Defendant had no plausible explanation for the adoption of the same. It further contended that the registration under the Design Act, 2000 is not a defense to an action of passing off. Moreover, the registration postulates that it is the novel shape of the bottle that renders it registrable.

### Judgment

The Court held that the Plaintiff has not only established its trans-border reputation but also its reputation in the Indian market. The Court drew the fallacy of the submission of the Defendant that because the purchasers of the Plaintiff's product are educated and affluent, likelihood of deception was minimal. This submission of the Defendant would lead to a result where the remedy in passing off becomes available only in respect of goods which the average consumer purchases for the daily necessities of life. If the Court agreed to the same then the remedy of passing off would be illusory. Further, the registration of the bottle under the Designs Act, 2000 by the Defendant does not take away the right of the plaintiff to move an action of passing off. For the reasons stated above, the Court held that the Plaintiff made a strong prima facie case for the grant of injunction and the balance of convenience weighed in its favour. Therefore, accepting the arguments of the Plaintiff that if the Defendant is allowed to use the product it will cause an irreparable damage to the established reputation and goodwill of the Plaintiff, the Court restrained the Defendant from commencing business using the disputed product.

### SOURCE

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The Delhi High Court passed interim orders in the copyright infringement lawsuit filed by **Sholay Media & Entertainment Pvt. Ltd. & Anr. ("Plaintiff")** against **Vodafone Essar Mobile Services Ltd. & Ors. ("Defendant")**, **CS (OS) No. 490/2011**, regarding the sale and distribution of ringtones of songs from the Bollywood movie Sholay. The bone of contention was the difference in the interpretation of the definition of 'record' and the scope of 'any other device' within its meaning under the Deed of Assignment signed between the parties in 1978.

The Plaintiff alleged that the Defendant had infringed its copyright as the rights assigned extended to (i) the right to make records for sale and distribution and (ii) the right to communicate the sound-recordings by way of radio broadcast. The Defendants had been using the clippings and songs from the movie and providing value added products to their customers in the form of ringtones, caller tunes etc. The Defendants contended that they were granted all rights for exploitation of sound-recording on mobile cellular service. Hence, there was no ground for copyright infringement.

The Court opined that the crux of the issue was the definition of 'record' which was defined to include 'disc, tapes or any other device in which sounds are to be embodied'. The entire case thus centered on 'any other device' and whether the definition could be extended to ringtones and digital medium. The Court held that the term "record" would include physical as well as digital device and the Defendants were allowed to use the sound-recording of the film Sholay through digital and mobile media subject to the condition that royalty paid to the Plaintiff as per the terms of Deed of Assignment would be inclusive of the royalty for use of the sound-recording through digital/mobile media. Therefore, the ringtones and caller tunes were considered a part of the sound recording

### SOURCE

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