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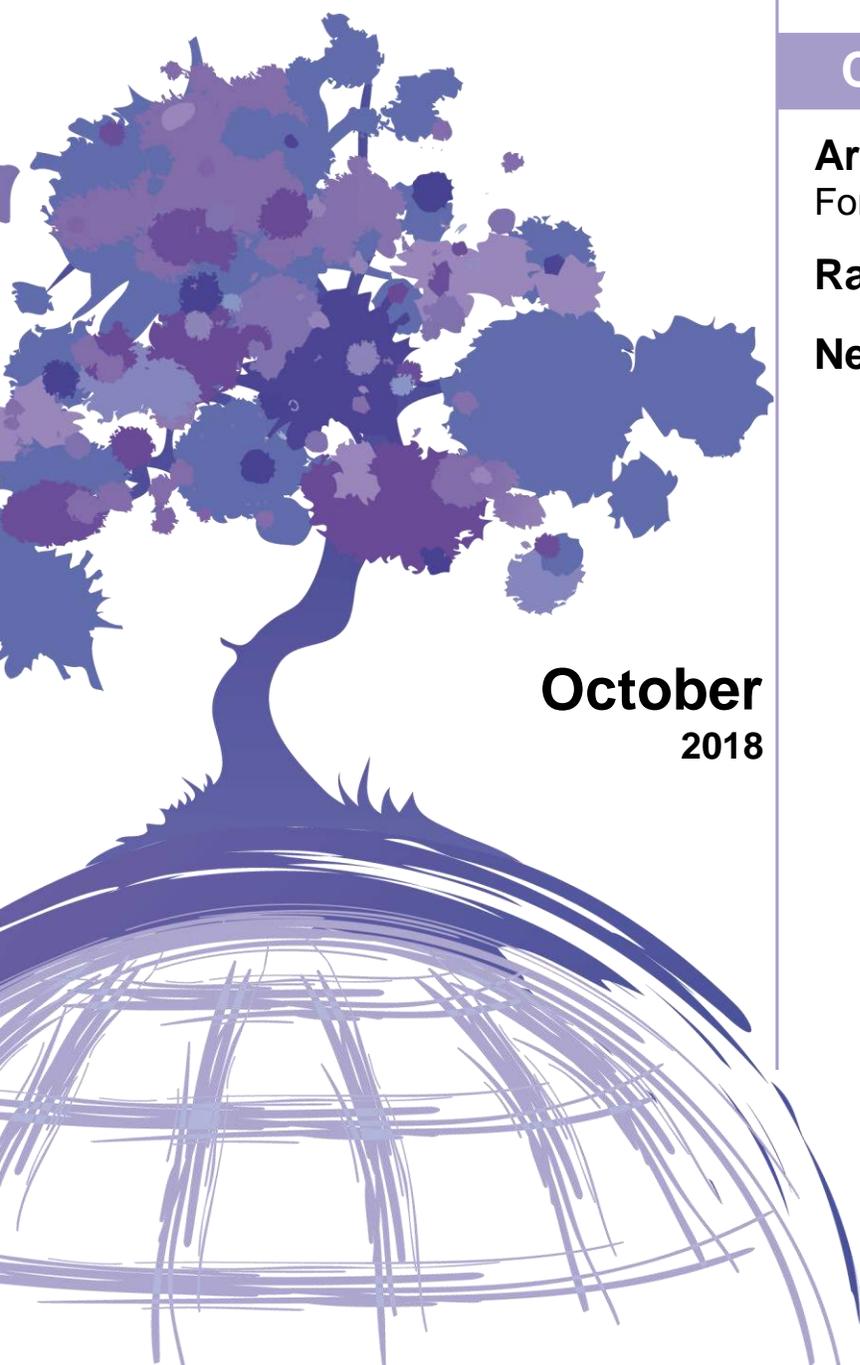
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Article

Foreign filing license – Some issues

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Any person (inventor or applicant) who is an Indian resident, may wish to file a patent application (an application) in foreign countries due to various reasons, such as market potential, licensing opportunities, or other business policies. In such cases, the person may choose to either first file the application in India or obtain a foreign filing permission from the Indian Patent Office. If the person chooses to first file the application in India, the person has to wait for six weeks, and if no secrecy directions are imposed under Section 35, (s)he can proceed to file the application in any foreign country. Alternatively, the person may obtain a written permission, from the Controller as per Section 39(1) of the Patents Act, 1970 ('the Act'), and once such a permission is granted, (s)he can file the application in a foreign country. Such a written permission is often referred to as a Foreign Filing Licence (FFL).

A request for FFL shall be made in Form 25 and shall be accompanied by a brief description of the invention. The brief description shall include the underlying inventive concept of the invention. The Controller shall ordinarily dispose of such request within twenty-one days from the filing of the request.

While most of the FFL requests filed with the Indian Patent Office (IPO) are granted by the Controller upon review of brief description of the invention. However, if the Controller is of the opinion that the invention is relevant for defence purposes, or relates to atomic energy, the Controller generally does not grant the FFL without prior consent of the Central Government (CG). In such cases, the Controller forwards the

request for FFL to the CG, seeking confirmation from the CG as to whether the invention is relevant for defence purposes or atomic energy. If the CG is also of the opinion that the invention is relevant for defence purposes or atomic energy, the Controller rejects the FFL. However, if the CG is of the opinion that the invention is not relevant for defence purposes or atomic energy, the Controller may grant the FFL. If the Controller rejects the FFL, the person is prohibited from filing the application outside India.

More often than not, while rejecting the FFL, the Controller imposes a secrecy direction on the invention under Section 35(1). Section 35(1) of the Patents Act, 1970 reads as -

"Where, in respect of an application made before or after the commencement of this Act for a patent, it appears to the Controller that the invention is one of a class notified to him by the Central Government as relevant for defence purposes, or, where otherwise the invention appears to him to be so relevant, he may give directions for prohibiting or restricting the publication of information with respect to the invention or the communication of such information."

Section 35(1) clearly mentions that a Controller can impose secrecy directions in respect of a patent application. Further, as per the Act, a patent application shall be made in Form 1 and shall be accompanied by a provisional or a complete specification. In contrast, a request for FFL is not necessarily accompanied by a provisional or complete specification. As mentioned earlier, the request

for FFL filed under Section 39 read with Rule 71(1), is filed in Form 25 along with a brief description of the invention. Thus, from the reading of the Section 35(1), it appears that Section 35(1) is only applicable for patent applications and cannot be applied in respect of a request for FFL. Therefore, it is noteworthy that for the purposes of Section 35(1), the Controller's opinion regarding whether an invention disclosed in a patent application is relevant for defence purposes or not shall be based on a consideration of the provisional or complete specification filed along with the patent application, and not on consideration of the brief description of the invention filed with a request for FFL.

Further, the Controller, after imposing secrecy directions on the invention while rejecting the FFL request, also forwards the request for FFL along with the brief description of the invention to the CG for consideration as to whether the invention is relevant for defence purposes or not, under Section 35(2). If the CG is of the opinion that the invention is prejudicial to the defence of India, it notifies the Controller and the secrecy directions continue to remain in force until revoked by the CG.

The opening lines of Section 35(2) reads as "Where the Controller gives any such directions as referred to in sub-section (1) he shall give notice of the application and of the directions to the Central Government [...]". Thus, Section 35(2) is applicable when the Controller imposes secrecy directions on a patent application under Section 35(1). Since Section 35(1), arguably, does not apply to a request for FFL, it follows that Section 35(2) is also not applicable in respect of a request for FFL. Further, as per Section 35(2), the Controller shall give notice of the patent application to the CG. Since no patent application is necessarily filed along with the request for FFL,

the same should not be notified to the CG for consideration under Section 35(2). Thus, the brief description filed along with the request for FFL may not be an appropriate basis to seek the CG's opinion under Section 35(2). However, such issues are yet to be examined by a court of law and there exists no legal precedence on this. Thus, the question remains as to whether the Controller can impose secrecy directions while issuing an order rejecting an FFL based on the brief description of the invention filed with the FFL request.

Remedies against rejection of FFL

FFL rejected and no secrecy direction is imposed:

Considering that the FFL is rejected and no secrecy direction is imposed, a request for review of such an order of the Controller rejecting an FFL can be made under Section 77 of the Act. Further, no appeal lies against the order of the Controller rejecting an FFL. The remedy available to challenge an order of the Controller rejecting an FFL is to file a writ petition before the High Court under whose jurisdiction the office of the Controller who rejected the FFL is situated.

Further, the Applicant also has the option to file a patent application in India accompanied by a complete or provisional specification. According to Section 39(1)(a) and (b), if a secrecy direction is not imposed on the application after six weeks of filing the application, the Applicant can file the application in foreign countries. Thus, upon filing the patent application in India, the complete or provisional specification will be considered and if it is found that the invention disclosed in the patent application is not relevant for defense purposes, the Controller may not impose secrecy direction under Section 35(1) and the Applicant can file the Application in a foreign country, outside India.

FFL rejected and secrecy direction is imposed:

In case the Controller has rejected the request for FFL and has also imposed secrecy directions on the invention, the invention can neither be filed outside India, nor be published. In such a situation, the available alternate for the Applicant is to file an Indian Patent Application (either Provisional or Complete Specification) with the IPO to at least secure a priority date.

Also, a secrecy direction issued by the Controller can be reviewed. The CG shall review the secrecy direction in force after every six

months. Further, the Applicant on his own motion can file a request to the Controller for review of the secrecy direction, and if the Controller finds such a request reasonable, the secrecy direction may be reviewed. The Applicant can make such review request any time after the issuance of secrecy directions and there is no defined time period within which such review request is to be made.

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Ratio decidendi

Territorial jurisdiction of court - Trademark Section 134 and Copyright Section 62 are not in exclusion to Section 20 of CPC

Delhi High Court has held that territorial jurisdiction of a Court in a trademark action could be invoked where there is use 'upon' or 'in relation' to goods. It noted that the phrase 'in relation to' includes advertising, promotion, etc. The court was of the view that today in the age of e-commerce and online businesses, the defendants' conduct of seeking franchise queries in Delhi would itself confer jurisdiction of this Court under Section 20 of the CPC. It observed that a test to hold that unless and until an outlet is set up there would be no jurisdiction, would be too stringent.

The Single Judge thus held that in addition to actual sale of goods and providing services, if a person advertises his or her business under the mark in a territory, promotes his or her business under the mark in a territory or invites franchisee queries from a particular territory, sources goods

from a particular territory, manufactures goods in a particular territory, assembles goods in a particular territory, undertakes printing of packaging in a particular territory, exports goods from a particular territory, it would constitute 'use of a mark'.

The court also noted that Section 134 of the Trademark Act and Section 62 of the Copyright Act are in addition to and not in exclusion of Section 20 of the Civil Procedure Code, and if the plaintiff can make out a cause of action within the territorial jurisdiction of the Court under Section 20 of CPC, then no reference needs to be made to Section 134. The Supreme Court judgment in the case of *IPRS v. Sanjay Dalia* and Delhi High Court's Order in *Ultra Home Construction Pvt. Ltd. v. Purshottam Kumar Chaubey*, were relied upon. [*Burger King v. Techchand* - I.A. 17221/2015, I.A. 17220/2015 and I.A. 23496/2014 in CS (COMM) 919/2016 & CC(COMM) 122/2017, decided on 27-8-2018, Delhi High Court]

Maggi, a well-known trademark, to be protected for kitchen/household products

Observing the popularity and large range of products which are sold under the registered trademark 'MAGGI', Delhi High Court has held that the mark is to be protected not just in respect of products which are similar to those for which the trademark is registered and used but also in respect of other cognate/allied products including products used in kitchens and households.

The Defendant was using the trademark 'MAGGI' in respect of 'Roti Maker' while Plaintiffs sold a large range of products including noodles, sauces, soups, etc. under the trademark 'MAGGI' in Indian and international markets. The court observed that the usage of the word 'MAGGI' in 'MAGGI Roti Maker', which is also a kitchen product, would result in infringement and passing off.

It was also held that the mark's long use in India and abroad as also in advertising, clearly shows that the word 'MAGGI' is now a well-known trademark, not only in India, but internationally as well. [*Societe Product Nestle v. Shiny Electricals Pvt. Ltd.* - CS(COMM) 1175/2016, decided on 27-8-2018, Delhi High Court]

Trademark in combination of commonly used parts

The Delhi High Court has restrained a company from using marks "Everest Coconut Oil" and "Everest Jasmine Hair Oil" which were *prima facie* held to be deceptively and confusingly similar to plaintiffs' marks for "Parachute" (labels), flag device, broken coconut device, Parachute bottle/jar and Parachute Advanced Jasmine (labels). The Court observed that the get-up of the plaintiff's goods was not only novel, but distinctive and acted as a source identifier, even though it consisted of a combination of commonly used parts.

It noted that through-out the proceedings the defendant persisted in retaining the elements - like blue colour similar to plaintiff, bottle shape identical to plaintiff, a flag device with the brand EVEREST written in a script almost identical to the plaintiff's PARACHUTE, almost identical device of broken coconut with a splash of coconut water, almost identical coconut tree, and all descriptive and other written material in white on the blue background.

The court noted that the plaintiff was not claiming exclusivity in blue colour as a stand-alone factor, but in a combination of factors, which includes the blue colour. Defence of delay and acquiescence was also rejected for this purpose. [*Marico Ltd. v. Mukesh Kumar* - I.A. No. 14758/2016 in CS(COMM) 1569/2016, decided on 27-8-2018, Delhi High Court]

Trademark - Delay in moving court for infringement not fatal

The Delhi High Court has held that delay is not fatal in a case of infringement since every infringement of a registered trademark is a recurring cause of action. The defendants had claimed that they started their business in 1995 and the Single Judge in the impugned order had held that the plaintiffs had delayed in moving the court and therefore, stood disentitled for interim relief. The Division Bench of the Court, however, observed that opposition to the defendants application for registration was pending, and that there was no evidence to establish that the plaintiff was aware about defendants user. The court also took note of the fact that there was no figure or document supporting any sale of the defendant's products and use of the trade name. It was also held that mere filing of opposition to an application for registration of a trademark would not entitle an inference that the appellant was aware of the situation of the respondents.

Further, setting aside single judge Order, it was held that the defendants/respondents trademark OMEX was deceptively similar to registered trademark MEX of the plaintiff/appellant. It was held that the addition of the letter 'O' to 'MEX' by the respondents makes no difference at all. Defendant was restrained from using the mark also noticing that the defendants were also in the same area of business activity and trade. [*Mex Switchgears v. Omex Cables* - FAO(OS) 267/2017 & CM No. 36340/2017, decided on 3-8-2018, Delhi High Court]

IPAB can hear copyright matter in absence of Member Copyright

The Delhi High Court has held that though it may be apposite for the government to appoint Member Technical (Copyright), a vacancy in this

regard does not impinge upon jurisdiction of the Intellectual Property Appellate Board (IPAB) constituted under Section 83 of the Trade Marks Act. Setting aside the Order passed by Registrar IPAB, the Court observed that the Copyright Rules, providing for composition of Copyright Board, serve no purpose after amendment by the Finance Act 2017 with effect from 26-5-2017. It was noted that Copyright Act, itself, does no longer provide for constitution of a Copyright Board. The court was of the view that Appellate Board constituted under Section 83 of the Trademarks Act would also have jurisdiction to perform functions under the Copyright Act. [*Radio Next Webcastion v. UOI* – Order dated 27-9-2018 in W.P.(C) 5893/2018 & C.M. No. 22982/2018, 32754/2018]



News Nuggets

Posting copyrighted photo from freely accessible website, on another site

Court of Justice of the European Union has held that the inclusion of a work, which is freely accessible to all internet users on a third-party website with consent of copyright holder, on a person's own publicly accessible website, constitutes 'making available of that work to the public'. CJEU in *Land Nordrhein-Westfalen v. Dirk Renckhoff* noted that the work was first copied onto a server and then uploaded on another website, and hence constituted making available same to new public. It also noted that if the holder of the copyright decides not to continue the communication of his work on the website on which it was initially communicated with his consent, the work would still remain available

on the website in which it has been newly posted, thereby effectively nullifying the Author's right to end the exploitation of the work.

Trademark when cannot be indicative of geographical origin of goods/service

Court of Justice of the European Union has held that word sign 'Neuschwanstein' designating the castle bearing that name could not be indicative of geographical origin of the goods and services it covers. It observed that the castle was famous not for the souvenir items it sells or the services it offers, but for its unusual architecture. The Court in *Bundesverband Souvenir v. EUIPO* held that it could not be said that in the mind of relevant public, the place of marketing was as such a description of quality or essential

characteristic of the goods and services covered by the said trade mark. The appellant had sought appeal against General Court Order dismissing action seeking annulment of the decision of the EUIPO in invalidity proceedings.

Interim relief denied against use of words DON'T BE A BAKRA in advertisement

The Delhi High Court has allowed defendants' to continue with use of words DON'T BE A BAKRA in an advertisement which was alleged to be disparaging plaintiffs' advertisement and giving impression to public that plaintiffs are fooling them with false promises. It observed that use of said words does not refer to plaintiffs and denigrate plaintiffs' services. The Court in *Global Car v. Droom Technology* noted that on settlement with plaintiffs', defendant had given up colour combination, font and style of tagline *Car Becho Sahi Price Mein* and posture of their mascot.

Trademark infringement - Bombay HC imposes exemplary costs

Observing that the defendant was a habitual offender, copying trademarks of pharmaceutical products of well-known

companies, Bombay High Court has imposed a huge cost of Rs. 15 million. Court also took note of the fact that goods were not of standard quality. The court in *Glenmark Pharmaceuticals Ltd. v. Curetech Skincare* observed that pharmaceutical companies have greater responsibility before public. Directing all Directors to give undertaking, court noted that the conduct of the defendant was not only dishonest but audacious.

Visual, phonetic and conceptual similarity in 'Seven' and 'Sevenfriday'

In a case involving comparison of marks SEVEN and SEVENFRIDAY, CJEU has held that the existence of similarity between two marks does not presuppose that their common component forms dominant element. The Court in *Sevenfriday AG v. EUIPO* observed that though the consumer generally pays greater attention to the beginning of a mark, both parts should be taken into consideration for comparison. Observing that there was average degree of visual, phonetic and conceptual similarity between the marks, it was held that there was likelihood of confusion on the part of the relevant public.

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