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Article

Secrecy directions in designs

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Most of us are familiar with provisions in Patents Law related to secrecy directions¹ on inventions relevant for defence purposes and the security of India; however, similar secrecy directions are also provided under the Designs Law². This article highlights the provisions in the Designs Law for imposing secrecy directions on designs and analyses possible remedial options available to the proprietors when such secrecy directions are imposed.

Provisions in Designs Law

A design refers to features of shape, configuration, and ornamentation applied on an article, which are judged based solely on their aesthetic appeal³. Innovations in designs may occur in the fields which are prejudicial to the security of India. Therefore, provisions relating to imposing secrecy of such designs are provided in the Designs Act, 2000 (the Designs Act) to prevent publishing of such sensitive information which otherwise would be made public by the operations of the Designs Act, 2000.

A design is considered to be prejudicial to the security of India if the design is to be applied

to an article used for war, or applied directly or indirectly for the purposes of defence related articles⁴. Under Section 46 of the Designs Act, the Controller shall not publish or otherwise disclose any information relating to a design, if he considers the design is prejudicial to the security of India. The Controller is also empowered to cancel a registered design if such registered design is notified, by the Central Government to be prejudicial to the security of India⁵.

The Designs Act read with The Manual of Designs Practice and Procedure (the Designs Manual) clarifies that a design application is not registrable if the design is prejudicial to the security of India. The Designs Manual directs that while examining a design application, the examiner shall determine whether the design under consideration is prejudicial to the security of India. If the Examiner finds that the design is prejudicial to security of India, he shall report the same to the Controller. If the Controller agrees with the view of the Examiner, the Controller may raise an objection under Section 46 of the Designs

¹ The Patents Act, 1970, at Section 35.

² The Designs Act, 2000, at Section 46.

³ The Designs Act, 2000, at Section 2(d).

⁴ The Designs Act, 2000, Explanation to Section 46.

⁵ The Designs Act, 2000, at Section 46(b).

Act in an examination report while issuing the same to the proprietor of the design application. The Controller, in parallel, refers the design application to the Defence Research Development Organization (DRDO), Ministry of Defence, Government of India, to analyze the application and provide its views.

Remedies against refusal of a design application

The Designs Manual mentions that a design application, if objected under Section 46 of the Designs Act, shall proceed further if the DRDO is of the view that the design is not prejudicial to the security of India. However, unlike the Patents Act, the Designs Act provides the proprietor of the design application an opportunity to provide arguments or explanation in response to an objection raised under Section 46 in the examination report. The proprietor also has an option to request for a hearing with the Controller to further discuss this and address the objection. If the Controller refuses to register the design application under Section 46 after considering the arguments or explanation of the proprietor, then the proprietor has an option to appeal to the High

Court, under Section 5(4)⁶ of the Designs Act, against such refusal by the Controller.

Remedies against cancellation of a registered design

If a registered design is cancelled by the Controller under Section 46(b), there are no provisions in the Designs Act that provide any remedy to the proprietor of a registered design if the proprietor believes that the Controller has erred in cancelling the registered design. The proprietor, in such a case, has an option to file a writ petition, at the High Court, justifying that the Controller has erred in cancelling the registered design under Section 46 for being prejudicial to the security of India.

Conclusion

The order of the Controller refusing a design application or cancelling a registered design under Section 46 is not final. The proprietors aggrieved by such orders of the Controller under Section 46 can seek appropriate remedies, as explained under previous headings, before the High Court.

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⁶ The Designs Act, 2000, at Section 5(4) reads “The Controller may, if he thinks fit, refuse to register any design presented to him for registration; but any person aggrieved by any such refusal may appeal to the High Court.”

Ratio Decidendi

Fair use to be determined on the basis of justification as regards purpose and not on basis of qualitative or quantitative tests

In the decision dated 16-9-2016, a Single Judge Bench of Delhi High Court had held that reproduction of any copyrighted work by the teacher for the purpose of imparting instruction to the pupil as prescribed in the syllabus during the academic year would be fair use within the meaning of Section 52(1) (i) of the Copyright Act and hence would not amount to infringement. The Judge also held that no trial was required and accordingly dismissed the suit. On appeal, the Division Bench of the Delhi High Court opined that in the context of teaching and use of copyrighted material, the fairness in the use can be determined on the touchstone of 'extent justified by the purpose'. It set aside the judgment of the Single Judge and held that fair use could not be determined by looking at whether the course pack has become a textbook, but by considering whether the inclusion of the copyrighted work in the course pack was justified by the purpose of the course pack i.e. for instructional use by the teacher to the class. The Division Bench also noted that some books had been copied back to back and a question may arise whether photocopying of entire books would be a permissible activity. It however declined to grant interim injunction while restoring the suit for triable

issues of fact. The Bench also directed that every six months the statement of number of course packs photocopied and supplied shall be filed in the suit. [*The Chancellor, Masters and Scholars of University of Oxford & Ors v. Rameshwari Photocopy Services & Ors*, RFA (OS) 81/2016, judgement dated 9-12-2016, Delhi High Court]

Adoption of a common word as label mark – exclusivity cannot be presumed and should be proved

The plaintiff, dealing in plastic tubes had registered 'BILLION' as a label mark and sought relief against infringement and passing off the defendant who had used that word as part of its trading name. The defendant did not use the word as a trademark. However, the plaintiff could not prove that the label mark of BILLION - a common word had acquired any secondary meaning. Also, the defendant sold customised goods- photo-printed carry bags which were not available in the market generally and certainly did not cause any confusion with the plastic tubes sold by the plaintiff. Observing that the adoption of a common word as part of a label and also as part of a corporate name does not mean that the word *per se* is a mark registered to the claimant sufficient to afford exclusivity or monopoly, the High Court declined to grant any relief. [*Billion Plastics Pvt Ltd v. Billion Flex (I) Pvt Ltd*, Suit No. 1129/1996, judgement dated 14-12-2016, Bombay High Court]

Trademarks – Combination of names of two generics, not fatal

Bombay High Court has granted interim relief in a trademark infringement case involving two pharmaceutical products (prescription drugs) having contesting names “METOSARTAN” and “METOSAN”. The court in this regard agreed with the plaintiff that the difference of letters ‘ARA’ or ‘RTA’ was too slight to matter and that there was aural and phonetic similarity. It was held that there was no need of proof of actual confusion as the test of probability was itself reduced to one of near possibility, and hence the smallest or slightest likelihood was sufficient. The defendant’s argument that since the plaintiff’s mark is a combination of names of two generics which was prohibited under Section 13 of the Trademarks Act, 1999, was also rejected by the court. It observed that Section 13, which operates to render either of two generics incapable of registration, is not applicable for a combination of generic names. It was held that Section 13 does not by itself contain a restriction against use of part of a common generic name combined with something else or with some other expression. Similarly, the argument that if every portion of a mark can be traced back to a generic then the whole of the mark is deprived of all protection altogether, was rejected observing that the proposition would carve out an exception to Section 17(2)(b).

The Court granted interim injunction in the case of infringement but denied relief in

the case of passing off. The Court refused to accept the submission that an injunction in passing off must be granted simply because an infringement injunction is granted. It was held that though the considerations may overlap to some extent, essence of a cause of action in passing off - action in deceit, should not be ignored. The defendant in the present case was not an upstart who had to masquerade its goods’ origins as emanating from the plaintiff. [*Sun Pharma Laboratories Ltd. v. Madras Pharmaceuticals* - Notice of Motion (L) No. 2154/2016 in Suit (L) No. 755/2016, dated 24-10-2016, Bombay High Court]

Passing off when alphabets are written with same colour scheme

A Single Judge Bench of the Delhi High Court has granted an interim injunction restraining the Defendants from using the mark “BLUE CHEF” in relation to white petroleum jelly or any other cosmetics or any other mark that is deceptively similar to the Plaintiff’s mark “BLUE CHIEF” (unregistered) and “BLUE CLIFF” (registered) also used in relation to petroleum jelly. Observing the manner in which the word “BLUE CHEF” with respect to the product was written by the defendants on their container, the Court held that the possibility of a consumer mistaking the same as that of the plaintiff under the name “BLUE CHIEF” could not be ruled out. The Court in this regard took note of particular way the alphabets were written coupled with the

same colour scheme of the labels of the two contested marks, while it held that the case was a sure shot attempt at passing off. The plaintiff also initiated a cause of action for design infringement for the use of the design of the Plaintiff's container of petroleum jelly. However, the Court was not inclined to grant injunction qua the design as *prima facie* it found no novelty in the design of the container of the plaintiff. It was observed that a large number of other products were available in the market in similar containers. [*Mehra Cosmetics v. Ram Kumar Gulati - CS(OS) No.196/2016, dated 6-12-2016, Delhi High Court*]

Design infringement – minor variations not sufficient defence

Bombay High Court has, in a case of design infringement and passing off, granted an interim injunction order in favour of the plaintiffs. The case pertained to a design registration on copper tubes obtained by the plaintiffs, which the defendants, who were previously associated with the Plaintiffs, were allegedly infringing. The Court observed that in comparing rival designs a Court would look into substantial similarity or see whether there are substantial differences. Minor variants are not considered significant for the purposes of such comparison. The Court in this regard perused copies of advertisements, randomly drawn invoices, statements of sales and expenses of the plaintiff, and the test certificate of an expert and held that there was a *prima*

facie case of infringement owing to the similarity in the designs of the copper tubes sold by the plaintiffs and defendants. [*Mandev Tubes Pvt. Ltd. v. Kalpesh R. Jain - Notice of Motion No. 2195/2016 in Suit No. 742/2016, decided on 6-12-2016, Bombay High Court*]

Trademark – No confusion even if marks have equal number of letters, begin and end with same letters

It is not correct to move backwards from a presumption of confusion and then assume *ex hypothesi* that there is a similarity. Though both marks *ESBEDA* and *EDMODA* for leather goods had some similarities in terms of interlinked mirror images, the plaintiff had not discharged the burden of proving that goodwill existed, there was misrepresentation and that it had suffered damage. The Court held that merely because each had six letters, and each begins with “E” and ends with “A”, it is not possible to conclude that there would be confusion between the marks. Moreover, the customers for these products were likely to be educated with ability to discern between marks and would not be misled. The Court opined that the test of similarity must be applied first, and then one must proceed to other tests. There was also nothing to show element of deceit on the defendant's part. The Single Judge accordingly denied injunction in favour of the plaintiff on counts of both infringement and passing off. [*Intouch Leather House India Pvt. Ltd. v. Ishaan Overseas - Notice of Motion No. 1318/2016 in Suit No. 357/2016, decided on 21-11-2016, Bombay High Court*]

News Nuggets

UK decides to proceed with ratification of Unified Patent Court

According to a press release dated 28th November, 2016, the UK government has informed that UK will proceed with preparations to ratify the Unified Patent Court (UPC). It believes that the institution of UPC will help businesses protect their inventions across Europe and aid in free trade. Though the UK is negotiating the terms of its exit from the EU, it has stated that the UPC will help businesses protect their inventions in a streamlined manner. The UPC is slated to have exclusive competence in respect of European patents and will be a common court for the contracting member states of the EU.

Invention of plant or animal obtained by an essentially biological process – EPO stays examination and opposition proceedings

The European Patent Office has decided to stay all proceedings in examination and

opposition cases in which the invention is a plant or animal obtained by an essentially biological process. In its notice dated 24-11-2016, the EPO had stated that the European Commission had taken a view that plants and animals obtained by an essentially biological process are not patentable. The notice refers to certain decisions of the Enlarged Board of Appeal wherein it was held that a patent may be granted for plants/plant material obtained from essentially biological processes if the basic requirements of patentability are fulfilled and that the generation of the claimed product by means of an essentially biological process for the production of plants excluded as such under Article 53(b) EPC was not relevant. The Commission, however, states that such a view would be inconsistent with certain parts of the Directive 98/44/EC which does not contain a provision on the patentability of products obtained through essentially biological processes.

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