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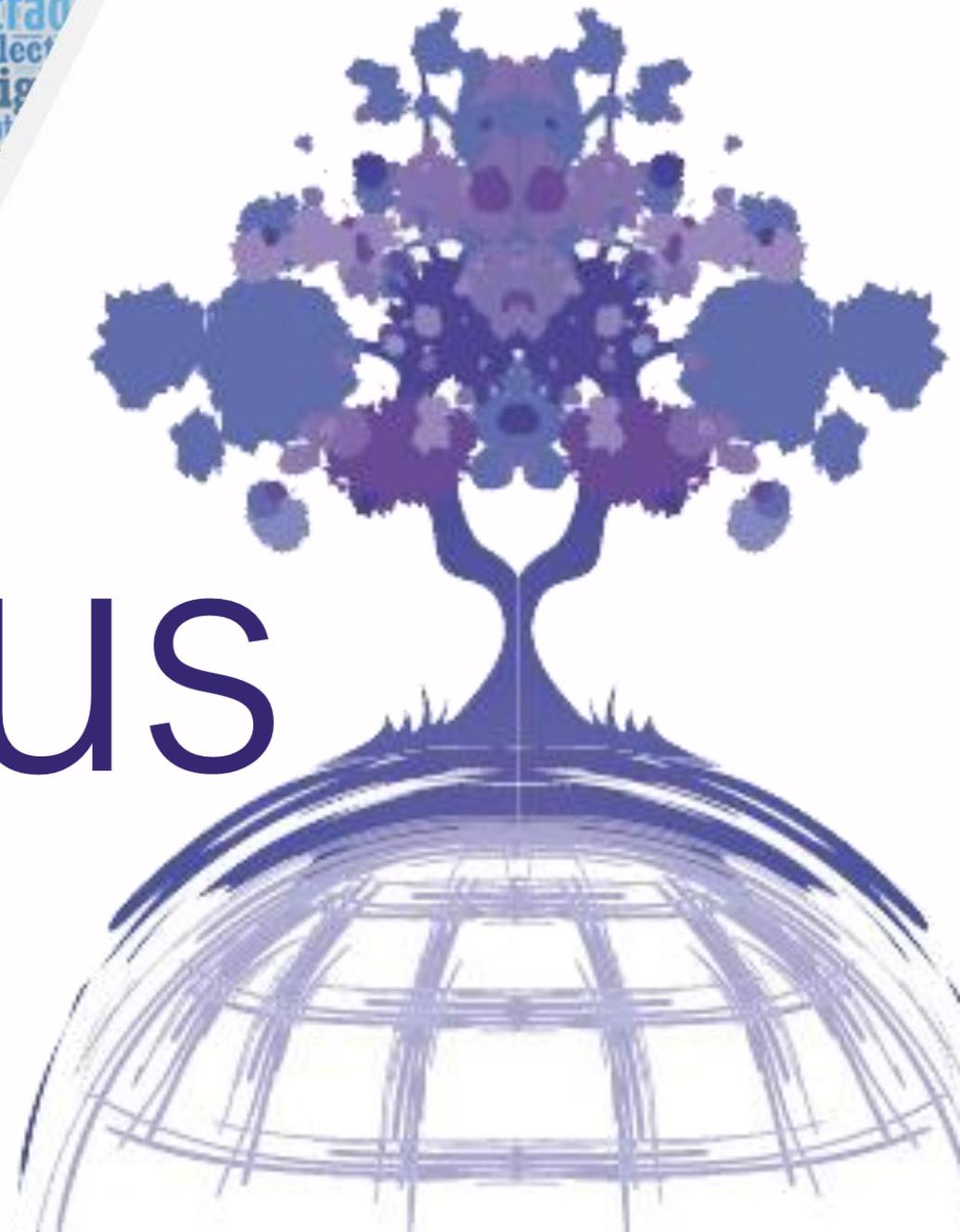


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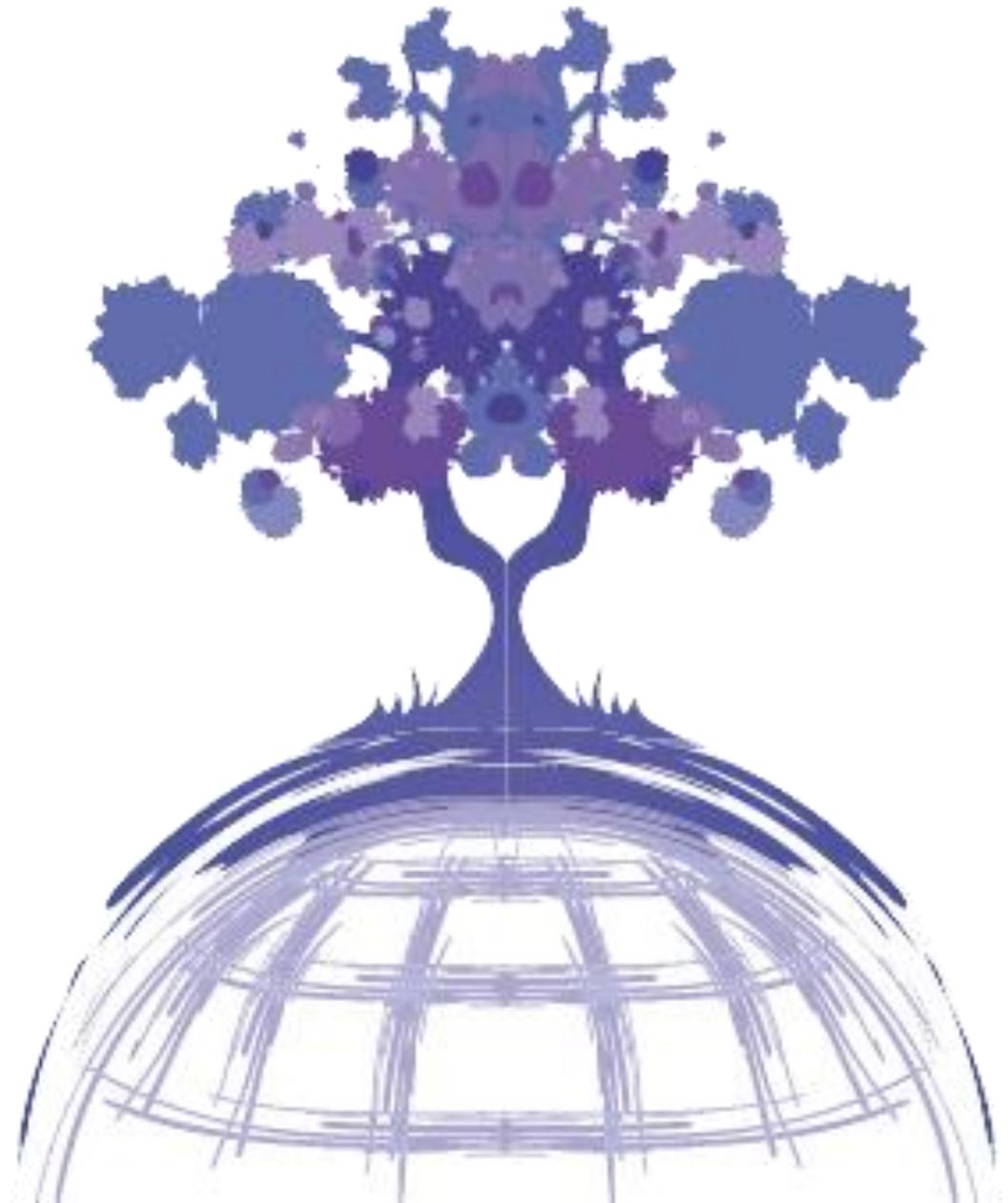
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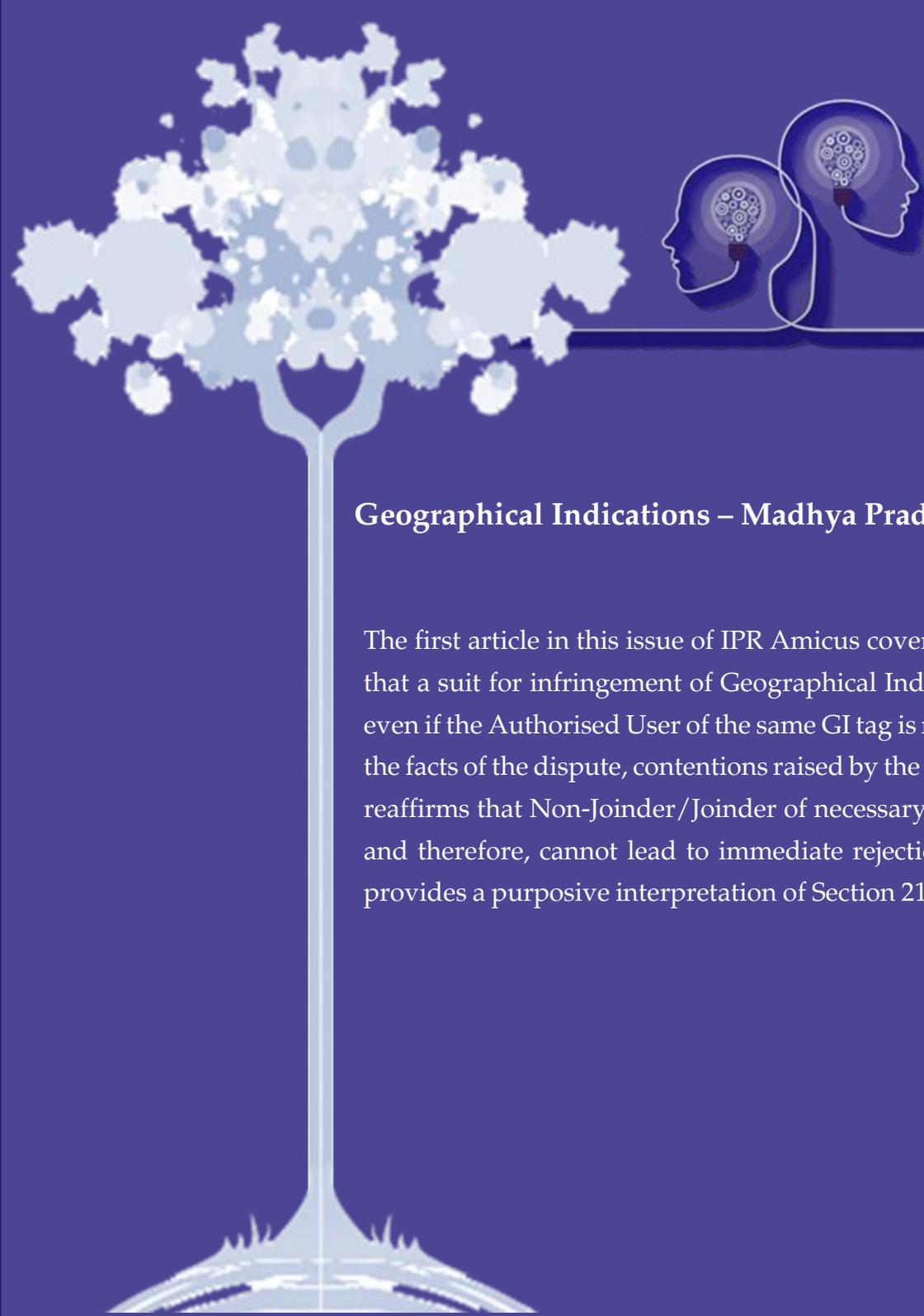
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Articles

Geographical Indications – Madhya Pradesh High Court elucidates registered proprietor's rights

By Harshita Agarwal and Vindhya S Mani

The first article in this issue of IPR Amicus covers a recent decision of the Madhya Pradesh High Court which has held that a suit for infringement of Geographical Indication tags is maintainable by the Registered Proprietor of the GI tag, even if the Authorised User of the same GI tag is not impleaded as a party. The article in this regard elaborately discusses the facts of the dispute, contentions raised by the parties, and the findings of the Court. The authors note that the decision reaffirms that Non-Joinder/Joinder of necessary parties cannot be devised as a ground for rejection or return of plaint, and therefore, cannot lead to immediate rejection of the plaint. According to them, this judgment is significant as it provides a purposive interpretation of Section 21(1) of the GI Act, given India's obligations under the TRIPS Agreement.

Geographical Indications – Madhya Pradesh High Court elucidates registered proprietor's rights

By Harshita Agarwal and Vindhya S Mani

In a recent decision dated 18 December 2023¹, the Division Bench (Two-Judge Bench) of the Madhya Pradesh High Court, while adjudicating a petition under Article 227 of the Constitution of India, set aside the order dated 28 October 2021 passed by the Commercial District Court, Indore and held that a suit for infringement of Geographical Indication tags is maintainable by the Registered Proprietor of the GI tag, even if the Authorised User of the same GI tag is not impleaded as a party.

Facts

A suit for infringement of rights under the Geographical Indications of Goods (Registration and Protection) Act, 1999 ('GI Act') was filed before the Commercial District Court, Indore by the Scotch Whisky Association (SWA), a company incorporated under laws of the United Kingdom with its registered office at Scotland, UK. The SWA is an association of 56 distillers, producers, dealers, blenders, owners of proprietary brand or brands, brokers, or exporters of Scotch

Whisky, which is manufactured in the United Kingdom, especially Scotland. SWA filed a GI Application no. 151 for a grant of GI for Scotch Whisky on 5 January 2009, which came to be issued on 23 September 2010.

SWA instituted the suit against J.K. Enterprises, its partners (head office in Indore) and other entities (based in MP) seeking to restrain them or any of their agents from manufacturing, bottling, selling or in any manner marketing any Whisky which is not Scotch Whisky, under the mark 'London Pride' or any other words, names, business names, etc. It was further prayed in the original suit that the defendants be restrained from manufacturing, importing, exporting, stocking, or dealing in any manner with any whisky being not Scotch Whisky by using the device of Union Jack or any such other image/impression.

The Defendants filed an application under Order VII Rule 11 of the Code of Civil Procedure, 1908 (CPC), for rejection of the plaint on the ground of non-joinder of the 'Authorised User' of the GI as per Section 21 of the GI Act, as a necessary/proper

¹ *Scotch Whisky Association v. J.K. Enterprises*, 2023 SCC OnLine MP 5352

party to the suit. The District Court by order dated 28th October 2021 (impugned order), partly allowed the said application holding that the suit is maintainable only after the impleadment of the 'Authorised User'.

SWA assailed the impugned order by way of a petition under Article 227 of the Constitution of India, on the grounds that SWA by virtue of being the registered proprietor of the GI for Scotch Whisky can maintain a suit and that the District Court was incorrect in holding that the suit is maintainable only after the impleadment of the registered 'Authorised User' of the Scotch Whisky GI under the GI Act.

Issues framed in the present matter

1. *Whether in an application under Order VII Rule 11, can the Civil Court hold non-joinder of a party to be fatal to the suit or direct for impleadment of any party as a necessary/proper party to the suit?*
2. *Whether under Section 21(1), Registered Proprietor can bring the suit for infringement in its own capacity or must join Authorised User to make the suit maintainable. How should the word 'and' occurring under Section 21(1) be read; conjunctively or disjunctively, as specifying two classes*

simpliciter, who can institute the suit for infringement of geographical indication?

3. *Whether the complaint disclosed a cause of action under Order VII Rule 11 for it to be maintainable?*

Contentions raised by the parties

SWA contented by referring to various provisions, specifically Sections 2(b) and 2(n), 6, 12, 17 of the GI Act and the Geographical Indications of Goods (Registration and Protection) Rules, 2002 ('GI Rules'), that a Registered Proprietor and an Authorised User are two different entities envisaged under the GI Act and Parliament intended them to be separately and independently treated in their status. It was also asserted by SWA that under an application under Order VII Rule 11 of the CPC, the Trial Court could not have directed the impleadment of the Authorised User as a necessary party, because the appropriate stage for this assessment was yet to come and could have been done at a later stage. It was also asserted that the direction for impleadment of any party as necessary/proper party is not a ground specified under Order VII Rule 11 of the CPC.

The Defendants on the other hand, by referring to the provisions of GI Act and the GI Rules, 2013, specifically Section

17, 20, 22 and Rule 56, argued that it is the only the Authorised User who can institute the suit because no other entity under the GI Act is authorised to use the GI tag. It was also asserted that the Registered Proprietor can only go 'piggyback' on Authorised User considering Section 21 of the GI Act, because the Registered Proprietor would have no independent entitlement or 'right to sue' for infringement of GI tag.

It was asserted that the word 'and' occurring under Section 21 (1) (a)² of the GI Act must be read 'conjunctively' and not 'disjunctively', mandating the requirement of both Authorised user and Registered Proprietor to be impleaded as necessary party as Plaintiff in a suit for infringement of GI. It was asserted that the District Court committed no error in directing the impleadment of the Authorised User for maintaining the suit and that such a direction was well within the inherent powers of the Court under Order VII Rule 11 of the CPC.

Analysis and findings of the court

On the first issue, referring to the various precedents, especially *Babu Lal v. Smt. Unati*, CR no. 30/14 dated 26 August

2014, the Bench held that non-joinder/joinder of necessary parties cannot be devised as a ground for rejection or return of plaint by the Trial Court, as it is not a ground under Order VII Rule 11 of the CPC. Therefore, it was held that the non-joinder of a necessary party, cannot lead to the immediate rejection of the plaint. The Bench further went on to explain that the necessity of joinder of any necessary party or implication of non-joinder of any such party on the maintainability of the suit can be examined by the Trial Court at the stage of framing of issues ahead of trial.

While addressing the second issue, the Bench extensively discussed the obligations of the member nations to the TRIPS Agreement, to enact a full-fledged legislative mechanism for the protection of geographical indication. It was in pursuance of this obligation that the GI Act was enacted. The Bench affirmed that the interpretation of any provision of the GI Act must be in tune with the objectives and commitments made under the TRIPS Agreement by India at the International Fora. The Bench further referred to the judgement passed by the Apex Court in *National Legal Services Authority v. Union of India*,

² Section 21. Rights conferred by registration.

(1) Subject to the other provisions of this Act, the registration of a geographical indication shall, if valid, give,--

(a) to the registered proprietor of the geographical indication and the authorised user or users thereof the right to obtain relief in respect of infringement of the geographical indication in the manner provided by this Act;

(2014) 5 SCC 438 and *Githa Hariharan v. RBI*, (1999) 2 SCC 228, and re-emphasized the purposive interpretation of the legislations enacted in pursuance of international treaties and conventions, and that such interpretation to be in sync with the advancement and furtherance of the commitments made by the sovereign of India at the international fora.

After analyzing the provisions of the GI Act and Rules, the Bench summarized the provisions stipulating the role of the Registered Proprietor or the Authorised User of the GI. The Bench held that the application for grant of GI status can be filed by an applicant, who is a producer, or any person entrusted as the Registered Proprietor. Only based on such application by the Registered Proprietor, the GI tag comes into existence. The Bench reasoned that even in the absence of an Authorised User, under various provisions of the GI Act, a Registered Proprietor can institute an action or proceeding in his own right, one of them being a renewal of GI or for grant of additional protection. Further, a Registered Proprietor needs to be informed and updated whenever any new Authorised User is added to the GI register.

Therefore, the Registered Proprietor can be treated as an independent entity under the provisions of the GI Act for the purposes of obtaining or continuing with the GI tag.

The Bench also noted that the GI Act makes specific mention in instances such as Section 68, mandating compulsory impleadment of Authorised User along with Registered Proprietor or any other party when disputes under the provisions specified therein are involved. It was also observed based on the scheme of the GI Act and Rules, specifically Section 17 of the GI Act; that an Authorised User has a right to get himself registered separately and claim protection of GI independently. However, the mere existence or registration of an Authorised User cannot operate to the complete exclusion of the Registered Proprietor to dislodge and displace him from claiming the protection of any GI or standing against infringement thereof.

The Bench held that Section 21 has also to be viewed in the larger scheme of the GI Act. Section 20 preceding Section 21 placed under the same Chapter titled 'EFFECT OF REGISTRATION' in a negatively worded covenant, such that it debars any person from instituting any proceeding pertaining to the infringement of unregistered GI. It was observed that the title of Section 21 indicates the end purpose and intent behind its enactment, which is the right arising out of an incident to registration. The Bench reasoned that when registration can be applied for by both Registered Proprietor or Authorised User,

then both entities shall equally be entitled to the rights flowing out of the same as its consequence thereof.

The Bench also noted that in the absence of the Registered Proprietor, many procedures and processes relating to GI tag would not occur. Accordingly, the registration of GI gives equal recognition and rights to the Registered Proprietor as well as the Authorised User of obtaining the 'right to obtain relief' in the event of infringement of GI by any person.

On analyzing the difference in wording of Section 21(1)(a) and Section 21(1)(b) of the GI Act, the Bench held that the legislature could not have been presumed to have conferred exclusive rights on the Authorised User to the exclusion of the Registered Proprietor itself, the originator of the very existence of a right. On the principles of *ubi jus ibi remedium*, viz., if there is a right, there is a remedy; therefore, the Registered Proprietor would also have a right to file a suit for grant of injunction against any unauthorised user of a GI tag.

The Bench held that the word 'and' used under Section 21(1)(a) of the GI Act has to be treated as 'or', as otherwise the status of a Registered Proprietor would be reduced to one

below that of an Authorised User. The Bench relied on the well-settled interpretation of 'and' as 'or' or 'or' as 'and', discussed in various judicial precedents³.

On the third issue, the Bench noted that an application under Order VII Rule 11(a) of the CPC provides for rejection of plaint where it fails to disclose a cause of action. The Bench acknowledged that the remedy under this provision is an independent, special remedy of terminating the suit at a threshold and therefore for the summary dismissal of the same, the power must be exercised sparingly.

The Bench on perusing the facts of the matter held that the cause of action in the suit has been made out. The Bench noted that the plaint asserted with extensive materials, documents and evidence that Scotch Whiskey is a special good originating in Scotland, UK and has gained a special brand, name, goodwill, reputation, being prepared after a specially prescribed process. The plaint also contended, based on the Scotch Whiskey Regulations framed by the Government of UK, that if any whiskey is titled as 'London Pride' or uses 'UK Flag' as its label on the bottle, then it implies that it is referring to whiskey made in UK, which sends a general impression that it

³ *Gujarat Urja Vikas Nigam Ltd. v. Essar Power Ltd.*, (2008) 4 SCC 755; *Alka v. Abhinish Chandra Sharma*, 1991 MPLJ 625; *Godavat Pan Masala Products I.P. v. UOI*, (2004) 7 SCC 68

is a Scotch Whiskey or whiskey made in Scotland. It was contended that for SWA, in such a scenario, there exists sufficient basis to fear loss of goodwill, trade and business.

The Bench acknowledged that Scotch Whisky is internationally renowned as a whisky pertaining to the Scottish province of UK and has been recognised with a special GI tag across the world. The possibility of loss of business and damage to goodwill arising out of the use or misuse of brand of Scotch Whisky, as per the Court cannot be ruled out, if during the trial later, it is established by SWA that the Defendants are infringing upon the registered GI of petitioner. The Bench remarked that whether the infringement has happened or not; whether there is loss of business or damages as averred in the suit, is all a matter of trial, yet to be tested through evidence, exchange of pleadings and examination of witnesses. The Bench held that based on the plaint, it cannot be said that SWA fails to disclose a 'cause of action'. Accordingly, the Bench held that the application under Order VII Rule 11 of the CPC is liable to be rejected.

The Bench set aside the order of the District Court and directed the District Court to proceed with the suit, in accordance with the law. The Bench also noted that any observations made by the Bench shall not affect the adjudication of various issues to be decided during the course of trial before the District Court.

Conclusion

This decision of the Madhya Pradesh High Court reaffirms that Non-Joinder/Joinder of necessary parties cannot be devised as a ground for rejection or return of plaint, and therefore, cannot lead to immediate rejection of the plaint. This judgment is significant as it provides a purposive interpretation of Section 21(1) of the GI Act, given India's obligations under the TRIPS Agreement and thereby elucidating the rights of the Registered Proprietor and Authorised User of the GI tag under the GI Act.

[The authors are Associate and Partner, respectively, in IPR practice of Lakshmikumaran & Sridharan]



Articles

The vigour that Form-3 carries – Delhi High Court imposes costs for material suppression and misrepresentation of facts

By Vindhya S Mani and Devesh Aswal

The second article in this issue of the newsletter elaborately discusses a decision of the Single Judge of the Delhi High Court, imposing costs of INR 5 lakh on the Plaintiff for having suppressed material facts by way of failing to report that corresponding foreign patents of the suit patent had been invalidated/refused in several jurisdictions, including China, Japan, New Zealand, USA, Europe and Brazil. The authors note that the decision referred to Rule 3 of the High Court of Delhi Rules Governing Patent Suits, 2022 and held that it is mandatory for a plaint to include details of corresponding foreign patent applications, as well as information pertaining to any orders passed by a Court or Tribunal concerning the same or substantially similar invention.

The vigour that Form-3 carries – Delhi High Court imposes costs for material suppression and misrepresentation of facts

By Vindhya S Mani and Devesh Aswal

'I have found in my experience that there is one panacea which heals every sore in litigation and that is cost'.

- Justice Bowen L⁴

The one approaching the Court, must do so with 'clean hands'; the Delhi High Court held in a recent decision⁵ dated 14 December 2023 while adjudicating upon an application for interim injunction filed by Freebit AS ('**Plaintiff**') against Exotic Mile Private Limited ('**Defendant**') in a patent infringement suit. The Single Judge of the Delhi High Court dismissed the application and imposed costs of INR 5 lakh on the Plaintiff for having suppressed material facts by way of failing to report that corresponding foreign patents of the suit patent have been invalidated/refused in several jurisdictions, including China, Japan, New Zealand, USA, Europe and Brazil.

Facts

The instant patent infringement suit pertains to the Plaintiff's granted patent bearing no. IN 276748 (suit patent)

titled 'Improved Earpiece'. The Plaintiff placed before the Court Form-27 (statement of working of patent), as also the Form-3 (disclosure of foreign prosecution) dated 24th March 2016, wherein the statuses of the corresponding foreign applications were mentioned. The Plaintiff disclosed in the plaint, that the corresponding patent bearing publication number 'EP2177045A1' has been revoked by the European Patent Office by order dated 27 April 2018. The Plaintiff asserted that it has several licensees, including Boat, JBL, Skullcandy, Harman etc. who are paying royalties to the Plaintiff for its patent portfolio. The Plaintiff, on the first date of listing of the matter for hearing, pressed the application for interim injunction.

The Defendant, who was present on advance notice, contended that the information on the corresponding patents given by the Plaintiff is completely inaccurate, misleading, and false. It was contended that the corresponding foreign patents of the suit patent have been invalidated/refused in several

⁴ *Cropper v. Smith*, (1884) 26 Ch D 700

⁵ CS(COMM) 884/2023 [Neutral Citation no. 2023:DHC:9219]

jurisdictions, including China, Japan, New Zealand, USA, Europe and Brazil. The Defendant relied upon the decision of the European Patent Office ('EPO'), and the judgment delivered by the High Court of Justice, Patent, Court, UK.

The Defendant also brought to the notice of the Court the decision⁶ of the Patent Trial and Appeal Board (PTAB) that has been further upheld by the decision⁷ of the US Court of Appeals for the Federal Circuit (CAFC), wherein the suit patent was declared invalid, owing to lack of novelty.

Decision and analysis

The Court referring to Rule 3 of the High Court of Delhi Rules Governing Patent Suits, 2022 held that it is mandatory for a plaintiff to include details of corresponding foreign patent applications, as well as information pertaining to any orders passed by a Court or Tribunal concerning the same or substantially similar invention. The Court further observed that Order XI Rule 1 of the Civil Procedure Code (CPC), as amended by the Commercial Courts Act, 2015 obligates the Plaintiff to file all documents having a bearing on the suit. It is in order to aid in a comprehensive and fair adjudication, that this rule had put an obligation on the Plaintiff to file

documents, irrespective of whether the same are in support of or adverse to the case of the Plaintiff.

The Court observed that contrary to the actual status of the corresponding patent applications in countries wherein the patents had either been 'revoked', 'refused', 'abandoned', 'lapsed'; the Plaintiff has shown the status of said corresponding applications in the plaint as either 'pending' or 'granted'. The Court noted that contrary to the Plaintiff's submissions, the corresponding patent to that of the suit patent had been refused in China, invalidated in Japan, lapsed in New Zealand, and revoked in Europe. Additionally, the corresponding patent in USA had been stated to have been 'abandoned' in the plaint, however the same was 'invalidated' by virtue of the decisions of the PTAB and CAFC.

The Court further ascertained that the corresponding patent application filed in Japan (JP2012170136A) was refused in Trial and Appeal by order dated 26th May 2015. This was in complete contradiction to what had been submitted by the Plaintiff in Form-3 on 24th May 2016 (showing the status as 'Pending') i.e., a year after. The Court observed that this

⁶ *Bose Corporation v. Freebit AS*, IPR2017-00129

⁷ *Freebit AS v. Bose Corporation* (18-2365)

discrepancy puts a serious question on the accuracy of the information provided by the Plaintiff in the Form-3.

The Court relied on the decision in *Satish Khosla*⁸ of the Hon'ble Delhi High Court wherein the Division Bench had categorically held that it is incumbent upon a Plaintiff to approach the Court with 'clean hands', and reasoned that the duty of disclosure is not restricted to the current litigation, but also encompasses any previous litigation concerning the suit patent. The Court further relied on the decision in *Arunima Baruah*⁹ of the Apex Court wherein it was held that suppression of material facts by a party can impact their right to equitable relief. The Court applying the same principle to the instant suit, held that on account of the Plaintiff's failure to disclose revocations or invalidations of corresponding foreign patents of the suit patent, amounts to material suppression and misrepresentation of facts, thus adversely affecting the Court's willingness to grant an equitable relief.

The Court further analyzed the three facets for grant of an interim injunction order namely *prima facie* case, balance of convenience and irreparable injury. The Court held that in light of the suit patent being susceptible to revocation, on

account of invalidation, the absence of *prima facie* case would act as a fundamental barrier to the grant of an interim injunction.

On the issue of balance of convenience, the Court held that on account of there being serious assertions regarding the revocation of the suit patent, and in case the suit patent is found invalid or revocable later, it would prejudice the Defendant as there would be no point in having restrained them from their course of business. With respect to irreparable injury, the Court held that the grant of interim injunction, especially when the patent is susceptible to revocation and being declared invalid, would lead to significant losses to the Defendant, which in the opinion of the Court would be incapable of being adequately compensated, at that stage. However, in case of the patent being valid post-trial, the Defendant can be subject to damages in the form of monetary amounts.

The Court then relied upon the decision in *Gujarat Bottling*¹⁰, wherein the Apex Court had held that since the grant of an injunction is wholly equitable in nature, the conduct of the parties have a significant bearing on the grant or non-grant of an interim injunction. The Court, considering the factual

⁸ *Satish Khosla v. M/s. Eli Lilly Ranbaxy Ltd.* [71 (1998) DLT 1 (DB)]

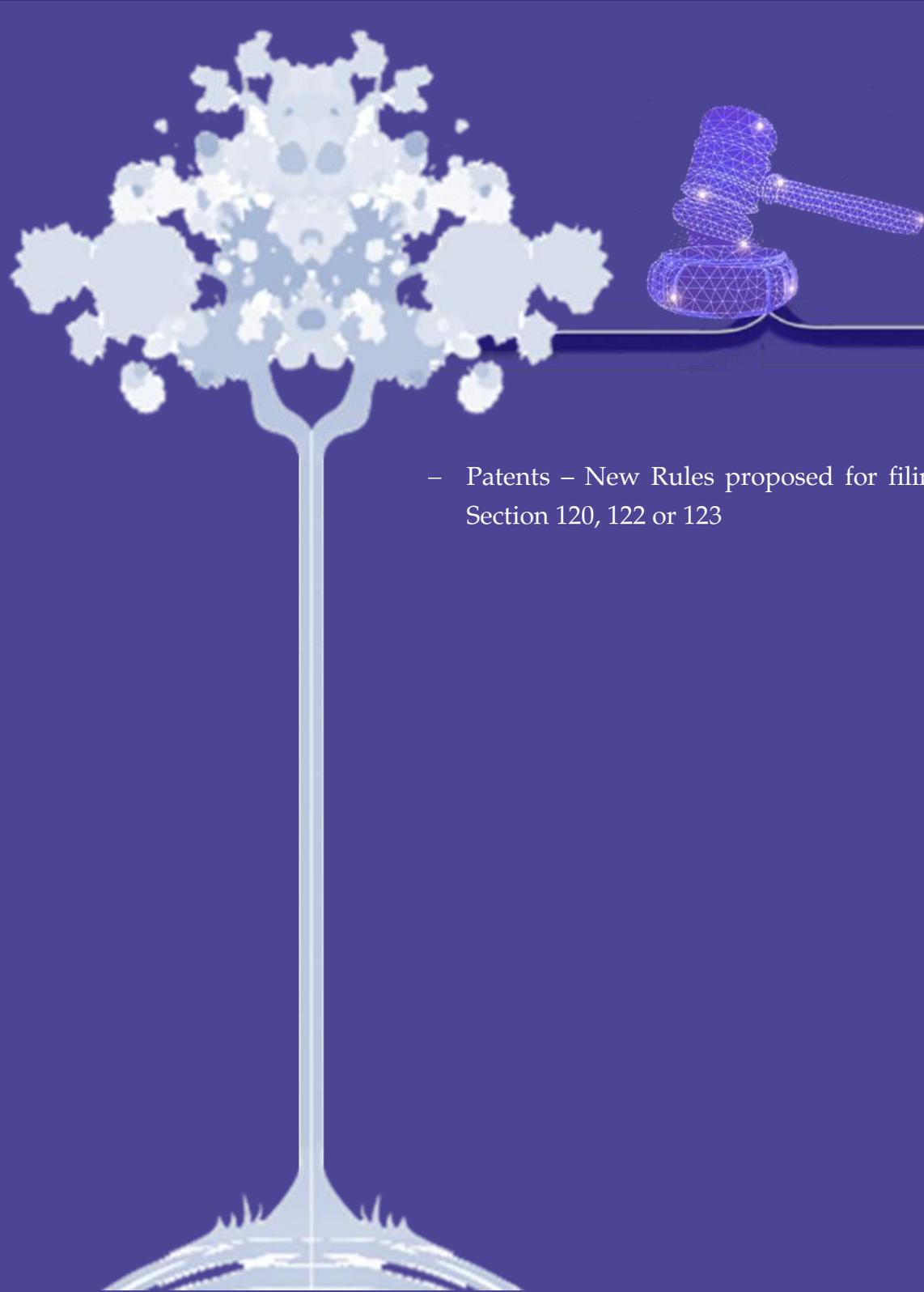
⁹ *Arunima Baruah v. Union of India (UOI)* [MANU/SC/7366/2007]

¹⁰ *Gujarat Bottling Co. Ltd. v. Coca Cola Co.* [(1995) 5 SCC 545]

matrix of this case, and the settled judicial precedents, held that the Plaintiff is not entitled to any interim injunction, let alone, an *ex-parte* or *ad interim* injunction. In addition, the Court also held that the conduct of the Plaintiff in the instant case cannot be ignored, especially in a case where the Plaintiff ought to come clean and there are specific provisions in this regard set out in the various statutory Rules.

The Court, nevertheless, also directed that the Plaintiff's counsel may be allowed to verify the decisions cited by the Defendant and if any of the above information or facts asserted by the Defendant and considered by the Court, is stated to be incorrect on behalf of the Plaintiff; the Plaintiff may seek revival of the injunction application.

[The authors are Partner and Associate, respectively, in IPR practice of Lakshmikumaran & Sridharan Attorneys]

A stylized tree with a white canopy and a blue wireframe gavel on its branch. The tree is positioned on the left side of the slide, with its canopy extending towards the center. The gavel is positioned on a horizontal branch of the tree, facing right. The background is a solid blue color.

Statute Update

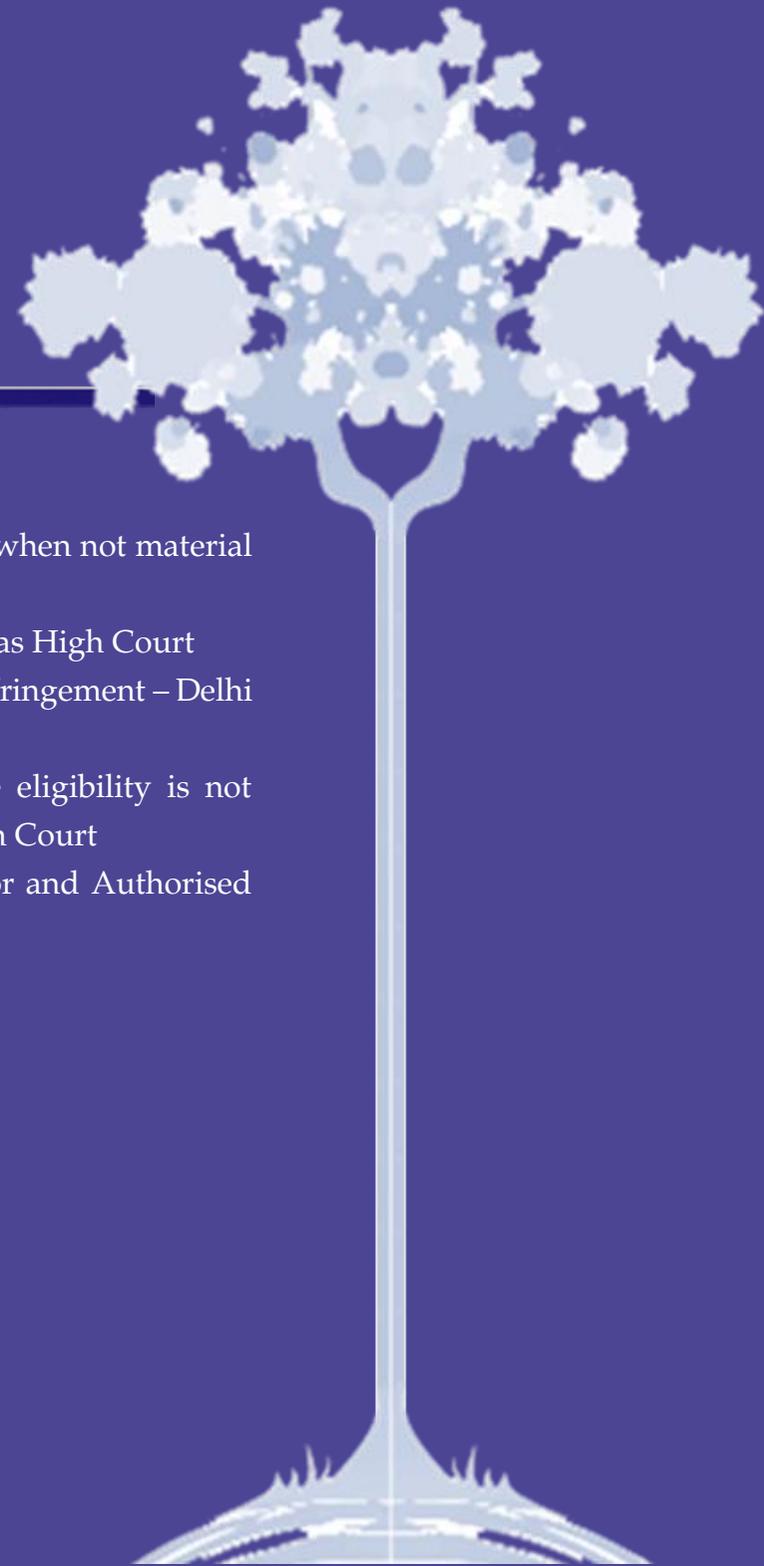
- Patents – New Rules proposed for filing and adjudication of complaint regarding contravention of Section 120, 122 or 123

Patents – New Rules proposed for filing and adjudication of complaint regarding contravention of Section 120, 122 or 123

The Department for Promotion of Industry and Internal Trade in the Ministry of Commerce and Industry has on 2 January 2024 notified the draft Patents (2nd Amendment) Rules, 2024 to further amend the Patents Rules, 2003. The Draft Rules propose insertion of new Chapter XIVA containing Rules 107A to 107H, relating to adjudication of certain penalties. Accordingly, any

person may file a complaint under Form 32 [also proposed in the Draft Rules] to the Adjudicating officer regarding any contravention or default committed by any person of the provisions contained in Sections 120, 122, or 123 of the Patents Act, 1970. Sections 120 talks about unauthorised claim of patent rights while Section 122 covers refusal or failure to supply information. Section 123 covers practice by non-registered patent agents. It may be noted that the new Rules also have provisions for filing appeal to the Appellate Authority.

Ratio Decidendi



- Patents – Territorial jurisdiction of High Court – Location of ‘appropriate patent office’ when not material – Madras High Court
- Patents – Date of assignment and date of declaration relating thereto are distinct – Madras High Court
- Trademarks – Use of trademarks as keywords in display of ads by search engine is not infringement – Delhi High Court
- Plant Variety Protection – Protection not to be revoked when applicant’s otherwise eligibility is not impacted – Incorrect mention of date of first sale is not determinative factor – Delhi High Court
- Geographical Indications – Equal rights to sue are available with Registered Proprietor and Authorised User – ‘And’ in Section 21 is to be read as ‘or’ – Madhya Pradesh High Court

Patents – Territorial jurisdiction of High Court – Location of ‘appropriate patent office’ when not material

The Madras High Court has held that when certain critical events leading to the examination of the patent, hearing of the opposition of the patent, pronouncement of orders, rejecting the opposition all happened in Chennai, the Court will have jurisdiction to hear the writ petition. Dismissing the writ appeal filed against rejection of preliminary objection on the place of suing, the Court observed that considering Article 226(2) of the Constitution, irrespective of location of the ‘appropriate patent office’, a particular High Court would have territorial jurisdiction to entertain the matter if part cause of action arose within its jurisdiction.

The Appellant (respondent in the writ petition, and whose patent was opposed by the petitioner) had contended that even if the hearings took place in different offices, by virtue of Rule 4(2) of the Patent Rules, the hearing is deemed to have taken place at Delhi as it is the ‘appropriate patent office’. The Appellant had also contended that Rule 28 is location neutral, and administrative exigencies would not change the appropriate office of the patent application.

The High Court however observed that the writ petitioner had a patent and was conducting its business in Chennai and the same was an integral part of the reason for the writ petitioner to oppose the grant of patent to the respondent. Further, noting that the respondent was based in Canada and had filed the application in India through its attorney, the Court held that it cannot be said that the primary geographical area where the rights of parties play out was Delhi and that jurisdiction was artificially vested in Chennai.

It may be noted that the High Court also observed that though the filing of opposition, refusal of the same and the consequential grant of patent can normally be considered as right of action, in this case, the writ contended that violation of principles of natural justice in a hearing held in Chennai, when expert evidence affidavits and written submissions were allegedly not considered. The Court was of the view that hence the divisional line between cause of action and right of action blurred out, and it cannot be contended that no part of cause of action arose within the jurisdiction of the Court. The High Court also held that Rule 28(6) and Rule 4(2) of the Patents Rules do not undo the part of action which happened in Chennai, which forms part of the cause of action, for the purpose of filing of the Writ Petition.

The Court was also of the view that the Madras High Court cannot be termed to be an inconvenient Court and thus there was no case to exercise restraint on the ground of *forum conveniens*. According to the Court in the times of quick and instant communication and virtual hearings, the very ethos relating to *forum conveniens* and prejudice to the parties have to be recalibrated. [*University Health Network v. Adiwo Diagnostics Private Limited* – Judgement dated 3 January 2024 in Writ Appeal No.3076 of 2023, Madras High Court]

Patents – Date of assignment and date of declaration relating thereto are distinct

The Madras High Court has set aside the rejection of patent on the grounds of violation of Section 7(2) of the Patents Act, 1970.

The appellant had filed Patent Application stating that the inventors had assigned the invention to them. Subsequently the declaration of the inventors that they had assigned the invention was provided. The application was however rejected as the declaration issued by one of the inventor in Form 1 was of the date of declaration. The Applicant/Appellant had pleaded that the inventor had assigned the invention earlier but put down the date of declaration while signing the same, which was misconstrued as the date of assignment.

Allowing the Civil Miscellaneous Appeal, the Court took note of the assignment and inventor's declaration made in relation to the corresponding application before the US Patent Office. Stating that there is a distinction between the date of assignment and the date of declaration relating thereto, and that the impugned order conflated the two, the Court directed the Assistant Controller to decide the Patent Application on merits.

It may be noted that the Court also rejected the contention of the Department that an appeal was not maintainable under Section 117-A since the impugned order was issued under Section 6(1). The High Court in this regard observed that the appeal was against the refusal order under Section 15. [*NEC Corporation v. Assistant Controller of Patents and Designs* – Judgement dated 19 December 2023 in CMA(PT)/29/2023, Madras High Court]

Trademarks – Use of trademarks as keywords in display of ads by search engine is not infringement

The Division Bench of the Delhi High Court has reiterated that the use of trademarks as keywords in the search engine's display of someone else's advertisements, absent any confusion or unfair advantage, would not infringe the trademark. In a case where the Appellant had essentially contended that other party's advertisements or links should not be visible as sponsored link on the Search Engine Result Page, the Court *prima facie* found it

unacceptable that the Appellant can claim any such right on the basis of its rights under the Trade Marks Act, 1999.

Setting aside the Single-Bench decision, the Court also observed that Section 29(4) of the Trade Marks Act would have no application as the services offered by the other party (Booking.com) were similar to the services covered by Appellant's trademarks (MakeMyTrip). Reliance in this regard was placed on Supreme Court's decision in the case of *Renaissance Hotel Holdings Inc. v. B. Vijaya Sai* and Court's earlier decision in the case of *Google LLC v. DRS Logistics (P.) Ltd.*

Further, relying on the *Google LLC* decision, the Court also rejected the contention that use of Appellant's trademark as a keyword falls foul of Section 29(8) as it amounts to unfair advantage and is contrary to the honest practices in industrial or commercial matters. Similarly, rejecting applicability of Section 29(7), the Court was of the view that the use of trademarks as keywords cannot be construed as applying the registered trademark to any material intended to be used for labelling or packing goods, as a business paper, or for advertising goods or services.

Lastly and importantly, the High Court also rejected the contention that in cases where a trademark, which is deceptively similar, is used in connection with similar goods and services, an

ad interim injunction must necessarily follow. The Court was of the view that it is open for the defendants to persuade the Court on the basis of material on record that there is no likelihood of any confusion. According to the Court, the Supreme Court's decision in *Sodhi Transport Co. and Ors. v. State of U.P.* cannot be read to mean that the presumption can only be rebutted after a full-fledged trial. [*Google LLC v. Makemytrip (India) Private Limited* – Judgement dated 14 December 2023 in FAO(OS) (COMM) 147/2022, Delhi High Court]

Plant Variety Protection – Protection not to be revoked when applicant's otherwise eligibility is not impacted – Incorrect mention of date of first sale is not determinative factor

The Division Bench of the Delhi High Court has set aside the decision of the Single Bench which had held that incorrect mention of the date of first sale was a determinative factor for revocation of protection under the Protection of Plant Varieties and Farmers' Rights Act, 2001 ('Act') even though it may not 'materially affect' the grant. The applicant had given incorrect date of commercialisation of the variety in the application. It had provided the date of first sale as December 2009 in India, however, the Protection of Plant Varieties and Farmers Rights Authority found the first sale of the variety to be in 2002 in Chile.

The Division Bench in this regard observed that the power of revocation under Section 34 of the Act cannot be invoked in any eventuality or in situations which may have no impact on the applicant being otherwise eligible to be accorded protection or the registration being otherwise valid and in conformity with the provisions of the Act. According to the Court, it would be wholly arbitrary and illogical to accord a judicial imprimatur to an order of revocation which is founded on a factor which has no material bearing on the ultimate grant or which fails to meet the tests of fundamental ineligibility and invalidity.

The Court also was of the view that power of Section 34 relating to revocation of protection is neither intended to be exercised nor would it be attracted at the slightest infraction. The Court noted that clauses (a) to (e) of Section 34 clearly shed light on the nature and extent of the revocation power and that the same is not attracted when the grant is not found to suffer from patent invalidity or ineligibility. It also held that the power of revocation can be invoked only in situations where a certificate of registration is found to be inconsistent with the protection accorded by the Act or where a plant variety which is otherwise ineligible to be accorded protection is conferred registration.

Setting aside the Single Bench decision, the Court on the facts of the case noted that neither the application nor the ultimate grant

suffered from a fundamental misdeclaration or a failure to provide information. The Court also noted that the application, as ultimately made, was within the 15-year time period, be it computed from 28 October 2002 or 17 December 2009. [*PepsiCo India Holdings Pvt. Ltd. v. Kavitha Kuruganti* – Judgement dated 9 January 2024, Delhi High Court]

Geographical Indications – Equal rights to sue are available with Registered Proprietor and Authorised User – ‘And’ in Section 21 is to be read as ‘or’

The Madhya Pradesh High Court has held that the word ‘and’ in Section 21(1)(a) of the Geographical Indications of Goods (Registration and Protection) Act, 1999 (‘Act’) must be inferred and read as ‘or’. The Court was hence of the view that the said provision would give ‘equal rights’ to sue to both the Registered Proprietor (‘RP’) as well as the Authorised User (‘AU’) in the event of a registered Geographical Indication (‘GI’). The High Court thus set aside the decision of the District Commercial Court which had held that the suit by the RP for infringement of GI is maintainable only after impleadment of AU in terms of the mandate of Section 21.

The Court in this regard noted that Section 68 of the Act which expressly mandates impleadment of AU in certain sets of proceedings, omits to mention Section 21 where the 'right to sue' is provided by the Parliament to RP and AU both. Further, considering various other provisions under the Act and the GI Rules, 2002, the Court was of the view that the RP can very well be treated as an entity independent of AU, for the purposes of obtaining or continuing with the GI tag.

The High Court also observed that the mere existence or registration of AU cannot operate to the complete exclusion of the RP so as to dislodge and displace him from claiming the protection of any GI or standing against infringement thereof. Holding that registration of GI gives equal recognition and

rights to the RP as well as AU of obtaining the 'right to obtain relief' in the event of infringement, the Court noted that when registration can be applied by both RP or AU, then both entities should equally be entitled to the rights flowing out of the same.

Further, observing that any other interpretation will reduce the status of RP below that of the AU, the Court also held that the legislature could not have been presumed to have conferred exclusive rights on the AU to the exclusion of RP itself, who is the originator of the very existence of a right. The RP in this regard was termed as '*Bhagirathi*' of the GI tag. [*Scotch Whisky Association v. J.K. Enterprises* – Decision dated 18 December 2023 in Misc. Petition No. 4543 of 2021, Madhya Pradesh High Court]



News Nuggets

- Patents – ‘Business method’ under Section 3(k) – Invention deploying hardware, software and firmware for data privacy and protection is not business method
- Patents – ‘Known substance’ must be known to public on priority date of claimed invention, to restrict claim under Section 3(d)
- Trademarks – Service of documents by Registry on e-mail address of agent as reflected in Form TM-M is good
- Trademark application when cannot be rejected at pre-advertisement stage
- Royal Enfield declared a well-known mark in motorcycle industry – Both Registry and Court have concurrent powers to grant such recognition
- ‘N’ shaded logo of New Balance Athletics declared well-known mark
- IP suits – Advance service of suit papers on the Defendant is mandatory, except in certain situations
- Refund of Court Fees in case of settlement of dispute without ADR mechanism – Question on quantum of refund referred to Division Bench of Delhi High Court

Patents – ‘Business method’ under Section 3(k) – Invention deploying hardware, software and firmware for data privacy and protection is not business method

The Madras High Court has rejected the contention that the patent claim directed at concealing the physical address of the purchaser of goods in e-commerce transactions by deploying software, hardware and firmware for such purpose, is a business method. The Deputy Controller in its order impugned before the Court had rejected the patent application by referring to Section 3(k) of the Patents Act, 1970 while concluding that the claimed invention was a business method. Setting aside the order and remanding the matter for reconsideration, the High Court noted that while it was possible that the conduct of e-commerce in this manner may be part of the business method of an enterprise if the claimed invention were to be put to use, the monopoly claim was not in respect of a business method but in respect of a claimed invention deploying hardware, software and firmware for the purposes of data privacy and protection. The Court in *Priya Randolph v. Rohit Chaturvedi* [Judgement dated 20 December 2023] also noted that the Guidelines for Examination of Computer Related Inventions, which should not be construed

as providing an authoritative interpretation of Section 3(k), indicate that a claim would be construed as a business method if the claim is, in substance, for a business method.

Patents – ‘Known substance’ must be known to public on priority date of claimed invention, to restrict claim under Section 3(d)

In a case involving patent claim relating to polymorphic forms of a parent compound known as RTA-408, where the parent compound was made known to the public after the priority date of the claimed invention, the Madras High Court has held that in this factual context, RTA-408 does not qualify as a ‘known substance’ for purposes of Section 3(d) of the Patents Act, 1970. The publication date in respect of the RTA-408 patent was 31 October 2013, whereas the priority date of the claimed invention was 24 April 2013. The Appellant in *Tony Mon George v. Deputy Controller of Patents & Designs* [Judgement dated 20 December 2023] had submitted that RTA-408 does not qualify as a ‘known substance’ and that the patent relating thereto does not qualify as prior art. It was hence held that since the claimed inventions were not polymorphic forms of a ‘known substance’, Section 3(d) does not apply and enhanced efficacy over the known substance need not be shown. The Court in this regard noted that first limb

of Section 3(d) relating to 'mere discovery of a new form of a known substance' becomes applicable if the claimed invention is a new form of a known substance.

Trademarks – Service of documents by Registry on e-mail address of agent as reflected in Form TM-M is good

The Delhi High Court has reiterated that email service is good service so long as the said e-mail address is correct as reflected in the Forms and pleadings filed by the parties. The Court took note of Rules 17 to 19 of the Trade Marks Rules, 2017 and observed that an address for service would include a valid e-mail address and service through e-mail communication shall be deemed to be service upon the Applicant itself. Section 145 of the Trade Marks Act, 1999 was also relied upon by the Court while it observed that all acts to be conducted before the Registrar can also be done at the agent's address instead of the Applicant's. Further, illustrating Chapter VI of the Delhi High Court (Original Side) Rules, 2018, the Court in *Ralson India Limited v. Sham Lal* [Judgement dated 8 December 2023] also observed that it is now too well settled that service of court pleadings and documents can be made through e-mail.

Trademark application when cannot be rejected at pre-advertisement stage

The Madras High Court has observed that rejection of the application at the pre-advertisement stage is not justified when there is an arguable case to contend that the goods to which the applicant applies its mark are not similar to the goods to which the cited mark is applied. The Court in *Contitech USA Inc. v. Registrar of Trade Marks* [Judgement dated 13 December 2023] noted that the registered proprietor of a trade mark is only entitled to seek protection if an identical or similar mark is used in relation to identical or similar goods.

Royal Enfield declared a well-known mark in motorcycle industry – Both Registry and Court have concurrent powers to grant such recognition

The Madras High Court has declared trademark 'ROYAL ENFIELD' as well-known mark in the motorcycle industry as per the provisions of Section 11(6) read with Section 2(1)(zg) of the Trade Marks Act, 1999. The Court noted that the plaintiff commenced their business in the year 1955 and over a period, have established 187 exclusive stores in 22 countries and have over 1000 dealers/retainers around the world. Their annual reports also prove that their turnover runs into several hundreds

of crores of rupees and that they have carved a niche for themselves in the motorcycle industry. It also held that the 10-factors test under Section 11(6) was also satisfied in the case.

The Court in *Eicher Motors Ltd. v. Nitin Service Point and Automobiles* [Judgement dated 22 November 2023] also deliberated on the question as to whether the Court, after the amendment to Trade Marks Rules in 2017, had the power to grant recognition of a trademark as a well-known mark within the meaning of Section 2(1)(zg). It in this regard analysed the provisions and held that concurrent powers are vested with both the Court having competent jurisdiction as well as the Trade Marks Registry for granting recognition to a trademark as a well-known mark.

'N' shaded logo of New Balance Athletics declared well-known mark

The Delhi High Court has declared the 'N' shaded logo  of New Balance Athletics Inc. as a well-known mark. The Court in this regard observed that large scale global and extensive use of the 'N' shaded logo as also its registration in India since 1997 coupled with the enforcement of the said mark and logo, leaves no manner of doubt that the said writing style and script in respect of footwear is exclusively associated with the Plaintiff. Coordinate Bench's decision in the case of *Hermes International v.*

Crimzon Fashion Accessories Pvt. Ltd. [2023 SCC OnLine 883], which had outlined the factors under Section 11(6) of the Trade Marks Act, 1999 relevant for declaring the mark as well-known, was relied upon by the Court in *New Balance Athletics Inc. v. Jitender Kumar* [Judgement dated 12 December 2023]

IP suits – Advance service of suit papers on the Defendant is mandatory, except in certain situations

The Delhi High Court has held that advance service of the suit papers on the defendant, as contemplated by Rule 22 of the Delhi High Court Intellectual Property Rights Division Rules, 2022, is mandatory. The Court however observed that the Rule will not be mandatory in cases where the plaintiff is able to demonstrate that compliance with the requirement of advance service would result in irreparable prejudice or will irreversibly alter the status quo. According to the Court, dispensation with advance service is only contemplated by the proviso, has to be a conscious decision taken in the facts and circumstances of a given case, and cannot be mechanically granted. The High Court in *House of Diagnostics LLP v. House of Pathology Labs Private Limited* [Judgement dated 5 December 2023] also highlighted certain circumstances where exemption from advance service would be justified.

Refund of Court Fees in case of settlement of dispute without ADR mechanism – Question on quantum of refund referred to Division Bench of Delhi High Court

The Single Bench of the Delhi High Court has referred to the Division Bench the question as to whether, if plaintiff and the defendant settle the dispute between themselves privately, without intervention of any ADR mechanism, the plaintiff would be entitled to complete refund of court fees or would be

entitled only to refund of half the court fees paid. According to the Court, the issue may have to be considered and decided in the light of Sections 16 and 16A of the Court Fees Act and taking into consideration the judgment of the Supreme Court in *M.C. Subramaniam* and of the Division Benches of the Delhi High Court in *Nutan Batra* and *Ajay Mahajan*. The Court in *V Guard Industries Ltd. v. MS Mahavir Home Appliances* [Order dated 14 December 2023] noted that so far as Delhi is concerned, there are two separate statutory dispensations – Section 16 and Section 16A.

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