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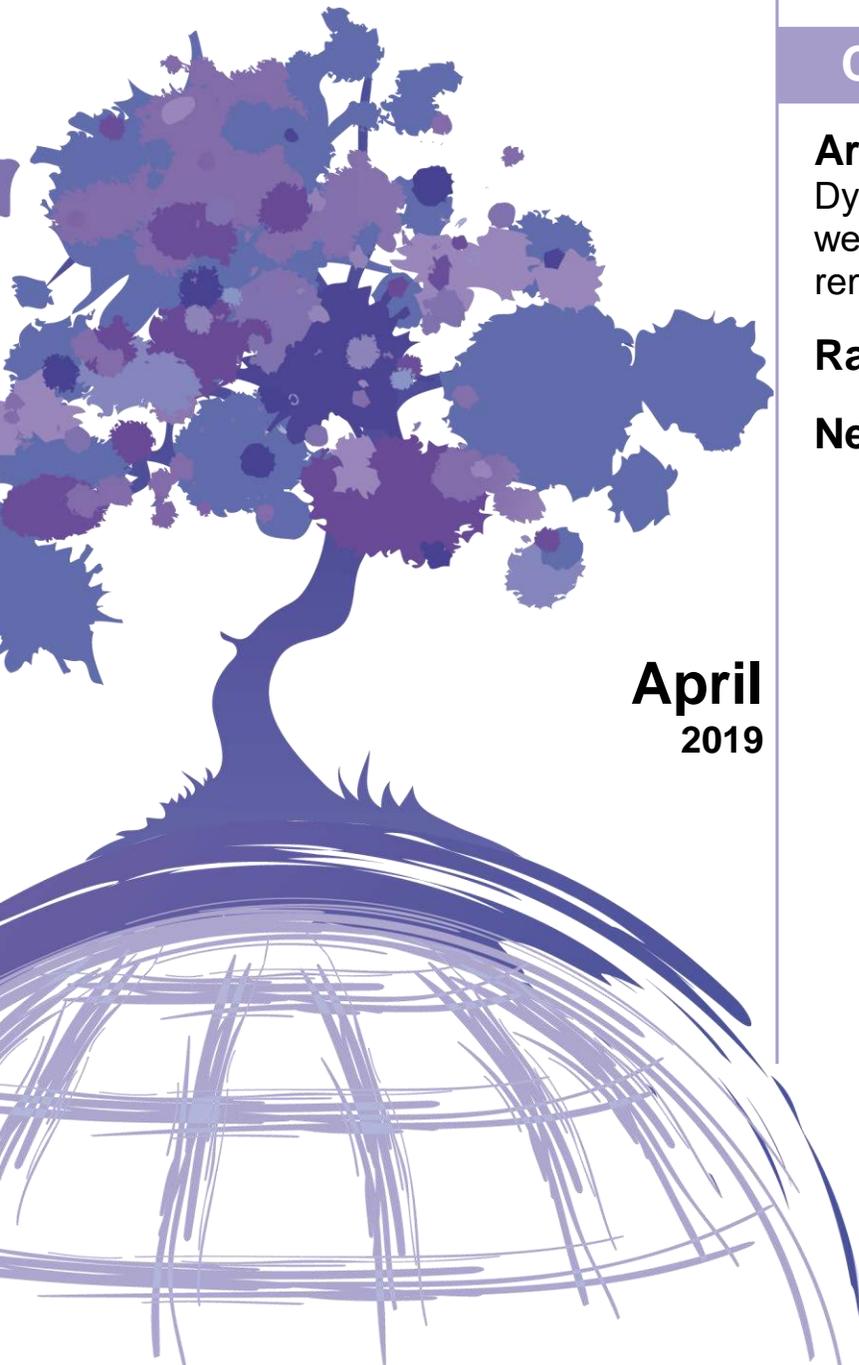
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Article

Dynamic injunction against ‘rogue websites’ in *UTV* case- Balanced remedy or excessive enforcement?

By **Sudarshan Shekhawat**

In a judgement¹ delivered on April 10, the Delhi High Court has granted a ‘dynamic’ blocking injunction against certain websites publishing pirated films whereby the list of blocked websites can be updated as and when mirror websites are brought to the notice of the Court by the right holder. Conventionally, any new website which was not part of an existing order, would constitute a new act of infringement and calls for a new suit or at least a new judicial finding before it can be blocked. However, as per the scheme devised by the Court, considering the flagrant and rapid piracy on these websites which can create mirror servers overnight, the right holders would not need judicial order by the Judge but they can approach the Joint Registrar (who are not judges but are judicial officers discharging procedural functions on behalf of the judges such as case management, extensions etc.) of the High Court to extend the injunction against a mirror or indirect replica of the blocked website publishing the same infringing content.

The order pertains to multiple suits involving plaintiffs that include UTV Software Communications Ltd. who are into creation, production, and distribution of copyrighted films in India and abroad. The defendants in these suits are websites, unknown website operators impleaded as John Doe defendants, the Ministry of Electronics and Information Technology, the Department of Telecom and various Internet Service Providers (ISPs).

The right holders alleged that the websites published the copyrighted films by streaming and/or enabling download which amounted to infringement under the Copyright Act, 1957. The governments bodies and the ISPs appeared before the Court but no relief was sought against them as they primarily were impleaded to assist the Court in identification of the main websites and their operators. The main defendants i.e. the websites and their operators did not appear before the Court after summons. However, the Court deemed the issues involved in the case to be ‘of general public importance’ and appointed an amicus curiae (friend of the court) to assist the court with the legal issues.

Whether an infringer of copyright on the internet is to be treated differently from an infringer in the physical world?

The Court held that there is no difference between an infringer in the physical world and the one in the online world nor such a distinction has been made by the Copyright law. The modern piracy is a multi-billion-dollar business and only a fraction of these sites are genuinely supported by ideologies of social good in piracy.

Whether seeking blocking of a website dedicated to piracy makes one an opponent of a free and open internet?

The issue pertains to an apparent conflict between the need for orders blocking websites and free and fair internet. The Court observed that issue is not whether internet should be completely free from government control and

¹ *UTV Software Communication Ltd. v. 1337x.to* – Judgement dated 10-4-2019 in CS(COMM) 724/2017 and Ors., Delhi High Court.

copyright but whether a balance can be drawn between freedom and statutory rights. Court held that putting appropriate limits on accessing content is not opposed to freedom of internet. Clearly, the Court has felt that protection of copyright (and by that logic other intellectual property rights) is a reasonable restriction on freedom of internet. Needless to say, in these cases whether a website or any of its content is infringing any copyright would be a matter of proof.

What is a 'Rogue Website' and whether the test for determining a 'Rogue Website' is a qualitative or a quantitative one?

Referring to a Singapore Supreme Court's decision, the term "Flagrantly Infringing Online Locations (FIOL)" was discussed. It was observed that there are websites which primarily or predominantly share infringing content. The Court also provided some factors based on which a website can be said to be 'FIOL' or rogue, such as primary purpose being targeted to piracy, flagrancy of infringement or facilitation thereto, details of website owner or operator being masked, silence on take down notices, restraining orders from other Courts/jurisdictions, volume of traffic towards the website, how it presents its infringing content say, indexing, listing etc.

For determining whether a website is 'rogue', the Court considered the 'quantitative' approach for blocking injunctions while referring to the decision in *Eros v. BSNL* by the Bombay High Court (Single Bench) and the qualitative approach in the *DEITY v. Star India* case of the Delhi High Court (Division Bench). In the quantitative approach, John Doe blocking injunctions were not granted by Bombay High Court against entire websites because Court held that specific instances of infringement are to be proved because the website may have non-infringing content also.

This decision follows the 'qualitative' approach which favours blocking injunctions where the 'rogue websites' are 'overwhelmingly infringing'. The Court held that these websites can change their URLs within seconds and considering they have large number of films uploaded, it would be too cumbersome and onerous for the rights holder to expect to provide URLs for all titles. Further, not all titles available on a website would belong to one right holder but other production houses. One cannot expect the plaintiff to seek declaration on infringement from owners of other content uploaded on the website before granting a blocking injunction. It would be an onerous task and the purpose of injunction would not be served as the rogue website would easily switch, mask, multiply and mirror its URLs while the plaintiff gets declaration from other owners. Court said that it cannot hold that a 'rogue website' is only that which entirely contains infringing content because this would prompt these websites to upload a small portion of legitimate content and escape injunction while predominantly containing pirated content.

Whether the defendant-websites fall in the category of 'Rogue Websites' and whether this Court would be justified to pass directions to block the 'Rogue Websites' in their entirety?

The Court found that all the websites in the suit were satisfying the test factors, including orders in foreign countries and held all of them as rogue websites.

The Court said in a website blocking injunction order, it would have to also be considered whether disabling access to the online location is in the public interest and a proportionate response in the circumstances and the impact on any person or class of persons likely to be affected by the grant of injunction. The Court also said that the injunction must not create barriers to legitimate trade. The measures

must also be fair and not excessively costly. However, noting the need for urgency and enormous difficulty in curbing piracy of foreign websites, the pace at which the single URLs for infringing titles can be changed and actions taken by various foreign countries, Court was of the view that in this case the balance tilts in favour of granting blocking injunction to entire website. Court also took note of the difficulty of right holders in repeatedly coming to Court in separate actions if the entire website is not blocked because a rogue website could easily wriggle out of a mere URL injunction by changing the same and continue its illegal business on the website.

How should the Court deal with the hydra headed 'Rogue Websites' who on being blocked, actually multiply and resurface as redirect or mirror or alphanumeric websites?

While the discussion till the last issue was on blocking "URL" versus "entire website", the Court also ventured into a significant area whereby even after a comprehensive ban on a website, while it cannot escape injunction by mere change of URL within the same website, the operators create 'mirror websites' or 'alphanumeric variants of the same websites' but publishing the same infringing content. In such a case, technically, the website is not the same. For such cases, the Court referred to the Singapore High Court's decision in *Disney v. M1*, where the Court passed a blocking order which was a 'dynamic injunction'. In this case, a plaintiff could, instead of filing a new case or motion, simply file an additional affidavit before the Court giving reasons for a new website falling within the purview of existing blocking order and the same can be sent to an ISP which was free to dispute the reasons for the blocking order. Court observed that this dynamic injunction originated from a specific provision but held that such powers are available under the Indian Code of Civil Procedure,

1908 under Section 151 which provides inherent powers to the Court to craft a similar relief. The Court held that in such cases, plaintiff could seek injunction by impleading additional websites under Order 1 Rule 10 of the CPC.

Interestingly, considering the rapidity with which rogue websites operate and large number of mirror/indirect rogue websites, the Court held that the Judges should not have to constantly monitor such affidavits and additional rogue websites. Therefore, the Court delegated the power to decide the issue of adding mirror/indirect websites to an existing blocking order to the Joint Registrar of the Delhi High Court. Joint Registrars are officers of the Court who largely decide procedural issues like case management hearings, extensions of time etc. In the present case, the Court delegated the power under Section 7 of the Delhi High Court Act, 1966 read with Chapter II, Rule 3(61) read with Rule 6 of the Delhi High Court (Original Side) Rules 2018. Any finding of a joint registrar under this provision whereby he/she decides addition of websites to an existing blocking order, is appealable.

The Court also gave directions to the government ministry and department, impleaded as defendants in this case, to consider the Court's suggestion to come up with a policy for a graduated response scheme. The Court suggested that in this scheme individuals who access 'pirated content' can be warned by ISPs and if they do not cease from accessing pirated content, appropriate actions including fines can be considered.

Conclusion

This decision is important in at least three respects. Firstly, while blocking orders over entire website is not unknown, the fact that Court has allowed the plaintiffs to 'update' the list of blocked websites as and when a blocked website creates its illegal twin/mirror image, is novel. Secondly,

delegating the power to Joint Registrar to effectively 'update' an existing injunction order is also not common because that is effectively a new website blocked and amounts to a judicial order. Thirdly, the Court's sensitivity to rights holders is apparent when they consciously urge the government body to consider cautioning even individual users to refrain from using pirated content. It is clear that the Court has consciously pursued a pro-active approach to balance interests of rights holders against "free internet". This is apparent because Court has discussed the large scale negative impact of piracy to not only

the industry but also to economies. In India alone, it has been noted, that the film industry earns less in theatres, TV rights and home videos compared to the earnings of the piracy industry of the same movies. This order may raise lot of questions on either side of the spectrum and people may argue that this is excessive enforcement as the dynamic scheme may be subject to abuse. Nevertheless, it is surely a starting point for paving the way towards curbing piracy in a systematic way.

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Ratio decidendi

Patents – Exemption under Section 107A available to exports for clinical studies

A Division Bench of the Delhi High Court has held that sale, use, construction of patented products by persons who do not hold patents or licenses from patentees, in terms of Section 107A of the Patents Act is correct, provided it is reasonably related to research and development of information in compliance with laws of India (or the importing country). The Court hence allowed the *Bolar exemption* to patented goods exported by the person who was not the holder of the patents for the product exported (though had compulsory licence), to conduct clinical studies and trials for development of information for regulatory purposes.

The Court was of the view that it cannot be held that the Parliament intended to *per se* exclude "exports" from the sweep and width of the term "sale" in Section 107A. It noticed that once it is held that patented inventions can be sold for carrying on research which fulfils the regulatory requirements of India, there cannot be any bar or an interpretation narrowing the scope of such

sale. It observed that if the purpose of the sale is to ultimately exploit the patented invention and either work upon it or "work around" or work it through research to be prepared to apply for the patent for approval to market it once the patent tenure ends, there can be no impairment of the patentee's rights. It also rejected the contention that Section 107A constitutes an exception and must be read as subordinate to the main provision of Section 48.

The Court in this regard also observed that the course of the experimental exception- both before and after the TRIPS has shown the adoption, generally of a broad approach, to permit use of all kinds, and that the courts approach has been not to enjoin or prohibit purely experimental or scientific activity, as long as it does not have any primary commercial undertones. Provisions as prevalent in USA, UK and Canada were relied upon while also tracing the legislative history of the Indian Section 107A. [*Bayer Corporation v. Union of India* – Judgement dated 22-4-2019 in LPA No.359/2017, Delhi High Court]

Trademarks – No suit for passing off maintainable if plaintiff's use not honest

The Delhi High Court has held that plaintiff which is a sister concern of and hired by Elder Pharmaceuticals Ltd. (EPL), cannot claim latter's trademark and reputation on liquidation of EPL. Holding that such use with the knowledge of registration of trademark is not *bona fide*, the court observed that post liquidation proceedings, Plaintiffs started using the Elder trademarks in relation to the goods manufactured and sold under their own name without the permission or consent of EPL and thus such use of the mark cannot be characterized as "permitted use" and would amount to infringement. It observed that the official liquidator who is the custodian of assets of liquidated company can claim benefits of reputation and goodwill of its trademarks.

The High Court also held that for acquiescence under Section 33 of the Trademark Act, use must be for a continuous period of 5 years and hence Plaintiff cannot claim acquiescence. Plaintiff's claim of shared reputation was also rejected by the Court observing that both plaintiff and defendant were infringers. It held that it was a case of a senior infringer suing a junior infringer. Dismissing the suit with costs, the court was of the view that Plaintiff cannot succeed on the claim of passing off because the use of the mark was not honest or *bona fide* and was also conflicting and infringing the registered marks of EPL. [*Elder Projects Ltd. v. Elder Pharmacia LLP* – Judgement dated 5-4-2019 in CS(COMM) 1313/2018, Delhi High Court]

Trademark registration confers rights on whole and not on individual parts

The Delhi High Court has reiterated that registration of trademark under Section 17(1) of the Trademarks Act confers exclusive rights to use trademark as a whole and not a right of registration to individual parts. Court held that

plaintiff can claim rights to use 'Delhi International School' label as well as the DIS logo as a whole, but not right to use words 'Delhi International School' as registered mark. The Court *prima facie* rejected the plea that words 'Delhi International School' are a prominent part of the plaintiff's label and, therefore, use of the said name would also amount to infringement of its trademark. It observed that the specified words were not the prominent part of the said logo.

The Court also *prima facie* rejected the plea of passing-off based on the interactive website. The plaintiff had claimed that the cause of action regarding passing off arose in Delhi as the defendants have an interactive domain names through which the defendants are passing off within the territorial jurisdiction of the Court. The Court however observed that students in Delhi would not seek admission elsewhere. It also observed that no material was placed on record to indicate that any of the defendants had succeeded in deceiving any person to believe that they are connected with the plaintiff or the schools run by them are affiliated with the plaintiff. However, relying on precedents, it also held that the question of jurisdiction must be considered on a demurer. [*Nav Jagriti Niketan Education Society v. Delhi International School* – Judgement dated 28-3-2019 in CS(COMM) 698/2018, Delhi High Court]

Exclusive jurisdiction of court by agreement not violate Copyright Section 62

The Delhi High Court has held that an agreement conferring exclusive jurisdiction on a particular Court is not in violation of Section 28 of the Indian Contract Act, 1872 or Section 62 of the Copyright Act, 1957. Court reiterated that where more than one Court has jurisdiction, parties can legally confer jurisdiction to any one Court to the exclusion of others. It however observed that it is to be seen whether such an agreement is clear

and unambiguous and the intention of the parties to submit to one Court having jurisdiction to adjudicate the subject matter while excluding the jurisdiction of another is clearly discernible from the agreement itself. The High Court upheld the order of the trial court by which plaint was ordered to be presented before jurisdiction of Courts at Mumbai as stipulated in clause 12 of the agreement between the parties. [*Achla Sabharwal v. A. Saptarishi Films* – Judgement dated 25-3-2019 in FAO 40/2017 & CM No. 2669/2017, Delhi High Court]

Non-renewed trademark cannot be removed without complying with procedure

The Delhi High Court has held that though plaintiff was not able to renew its trademark registration, the trademark in question cannot be removed by the Registrar without compliance with the provisions of Trademark Section 25 and Rule 67 of the Trademark Rules 1959 which is akin to Rule 64 of the Trademark Rules 2002. Court observed that denial of consideration of application for renewal has the effect of removing the Mark from the Register of the Trademarks, i.e., something which is only permissible if a notice is given to the petitioner as contemplated under Section 25 of the Trademarks Act. Observing absence of any third party applying for registration of said mark, the Court directed the Registrar to consider application of renewal of the mark 'Binaca' subject to late fee. Judgement in *UOI v. Malhotra Book depot* was relied on. [*Gopal Ji Gupta v. UOI* – Decision dated 18-3-2019 in W.P.(C) 7644/2017, Delhi High Court]

Overall look of the product enough to determine piracy of design under Section 22

The Delhi High Court has reiterated that overall look of the product is to be judged with the naked

eye and that intricate examination of the design is not to be done for determining piracy of design under Section 22 of the Design Act. Court also held that application for trademark registration did not constitute prior publication as the same only contained model names and not product photographs. Plea of prior publication in advertisement was also rejected by the Court observing that the design was not identical to designs contained in the advertisement. [*Symphony Ltd. v. Thermo King India Pvt. Ltd.* – Decision dated 28-2-2019 in CS (COMM) 321/2018, Delhi High Court]

Trademark - Permanent injunction from use of 'TICER', infringing 'TIGER'

The Delhi High Court has reiterated that non-use by the plaintiff cannot be a defence to an action of infringement and that application for removal was to be filed by defendant before the Registrar. Defendant was held liable to permanent injunction since they could not explain adoption of the word TICER for shoes. Noting similarities, court observed that defendants merely replaced alphabet 'G' in the trademark TIGER with 'C' and that the change is unlikely to be noticed.

The High Court was also of the view that verbal request for summary judgement was maintainable. It observed that the Court by its Rules, is competent to, notwithstanding Order XIII A of the Civil Procedure Code, provide for application to be filed for summary judgment. However, even without such an application, the Court is competent to pass summary judgment. It also held that *dehors* Order XIII A also, the commercial suits can be disposed of under Order XV Rule 1, if found to be applicable. [*Mallcom (India) Ltd. v. Rakesh Kumar* – Decision dated 19-3-2019 in CS (COMM) 480/2016, Delhi High Court]



News Nuggets

Union Cabinet approves accession to Nice, Vienna and Locarno Agreements

The Union Cabinet has approved proposal for accession of India to the Nice Agreement concerning the international classification of goods and services for the purposes of registration of marks, the Vienna Agreement establishing an international classification of figurative elements of the marks, and the Locarno Agreement establishing an international classification for industrial designs. Accession to these Agreements will help Intellectual Property Office in India to harmonize the classification systems for examination of trademark and design applications.

GI certification for five varieties of Indian coffee

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry has recently granted Geographical Indication to 5 varieties of Indian coffee. They are Coorg Arabica, Wayanaad Robusta, Chikmagalur Arabica, Araku Valley Arabica and Bababudangiris Arabica. Monsooned Malabar Robusta coffee, was given GI certification earlier. As per the press release issued by the Ministry on 29-3-2019, India is the only country in the world where the entire coffee cultivation is grown under shade, hand-picked and sun dried.

Broad claim in patent ineligible as it pre-empts use by entire industry

US Court of Appeals for the Federal Circuit has reiterated that if claims are directed to a broad law or an abstract idea, patent is ineligible under U.S.C. § 101. Court in the

case *ChargePoint v. SemaConnect* affirmed that the patent relating to network-controlled charging stations for electric vehicles is ineligible since claim involves an abstract idea to which the claim is 'directed to'. It held that broad claim in patent would pre-empt entire industry's ability to use networked charging station. Court observed that there was no suggestion that charging stations were improved from technical perspective.

Specific function using natural law is patentable

US Court of Appeals for the Federal Circuit has held that a new treatment of an ailment albeit using a natural law, is eligible for patent claim as it is not same as claiming a natural law. Court in the case *Endo Pharmaceuticals v. Teva Pharmaceuticals* observed that claim of 737 Patent is not 'directed to' a detection method but to a treatment method and that same is eligible since it is a specific treatment directed to specific patients using specific compounds at specific doses to achieve a specific outcome. As per § 101, natural phenomena are non-patentable.

Comparison of white salt to poison without proof is disparagement

Delhi High Court has in case of *Tata Chemicals v. Puro Wellness* restrained the defendant from televising or publishing any commercial resulting in disparagement and denigration of plaintiff's product, Tata Salt. It observed that defendant's intention was not merely to promote its product but to call white salt in general and specifically Tata Salt, dangerous. Court held that if a product is manufactured as per prescribed regulations,

terming the same as poison is obviously to slander that product. It also noted that even limited circulation constitutes publication.

TV commercial making fun of men using women's cream is not disparagement

Observing that plaintiff itself has a separate cream for men and that it cannot be said that *prima facie* the statement made in the

advertisement regarding use of women's cream by men is false, Delhi High Court has dismissed a case of disparagement. Court in *HUL v. Emami Ltd.* held that advertisement of Fair & Handsome does not tantamount to generic disparagement of Fair & Lovely, in view of the literature on plaintiff's website which shows that latter had positive impact on the lives of women. Plaintiff was held to be oversensitive on story of the commercial.

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