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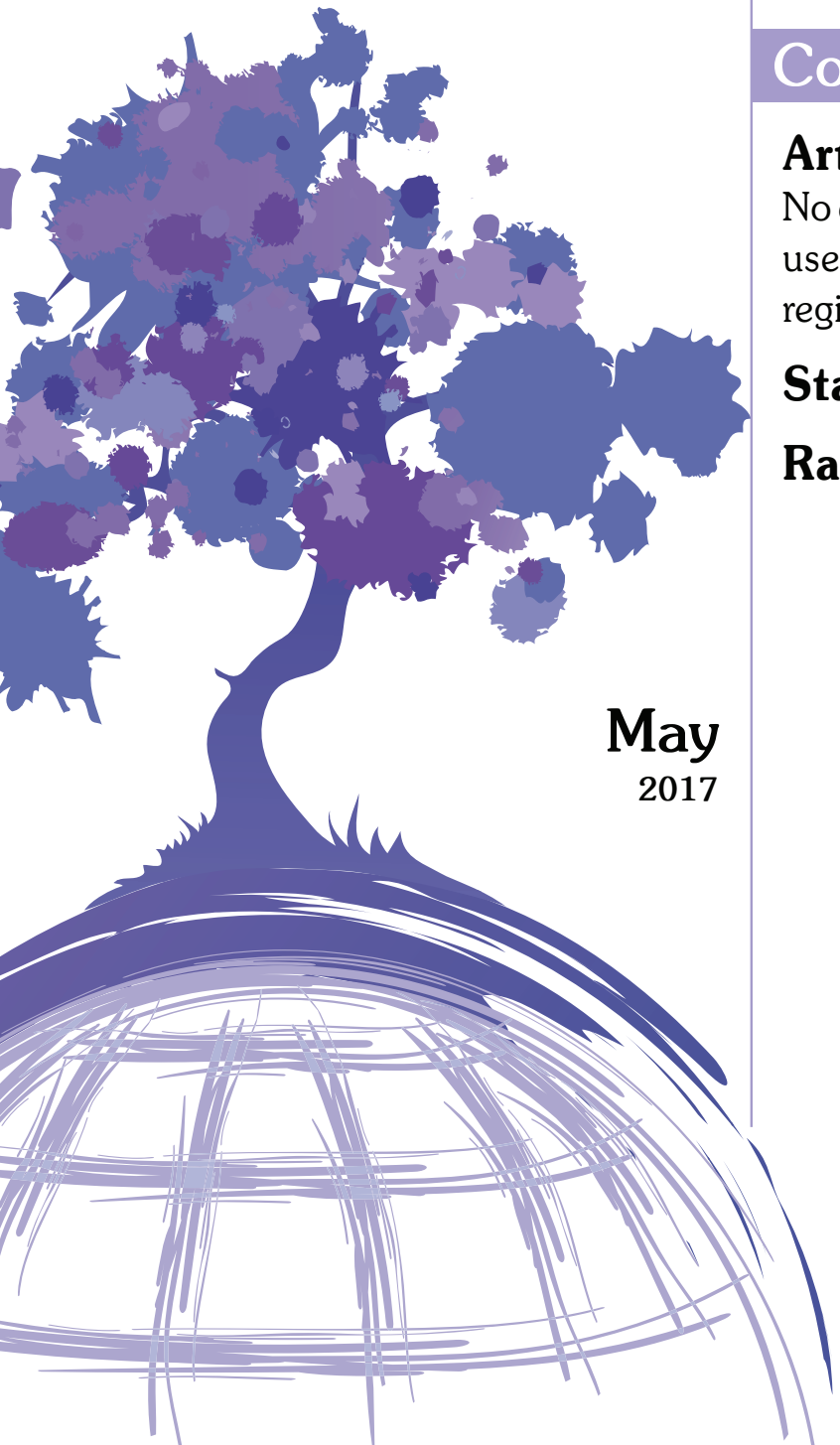
An e-newsletter from
Lakshmikumaran & Sridharan, India

May 2017 / Issue 70



May
2017

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No copyright protection in drawings used on large scale without design registration

By **Aditya Kaushik**

A Single Judge of the Delhi High Court, in April 2017, dealt with the concept of copyright protection in designs in the case of *Holland L.P. & Anr.* v. *A.D. Electro Stell Co.Pvt. Ltd*[1]. This is a suit where plaintiffs (*Holland L.P.* & their Indian licensee) alleged infringement of copyright in the original proprietary drawings of its Automatic Twist Locks (ATLs) meant for securing containers to railcars and to fit all ISO corner castings, against D. Electro Stell Co. Pvt. Ltd. (hereinafter called as the Defendant). Plaintiffs sought reliefs like injunction, rendition of accounts and damages in the suit instituted in the year 2014. This particular order was on the issue of interim injunction against the Defendant. The Single Judge dismissed the application for interim injunction against the Defendant since no case for grant of interim injunction against the Defendant was made out as the drawings of the ATLs had already entered the public domain and the copyright in the drawings are against section 15(2) since the product ATL was not registered under the Designs Act, 2000.

Brief Facts

The Plaintiffs Holland L.P. a company registered under the laws of United States of America, and its licensee, claimed to have pioneered the delivery of comprehensive and progressive transportation solutions in the field of railway transport, more particularly, the design and manufacture of container securement locks i.e. ATLs. The plaintiffs claimed exclusive rights in the drawings of such ATLs under Section 14 of the Copyright Act, 1957. Plaintiffs contended that the two fundamental features of the proprietary drawings of ATLs comprise: (i) uniquely configured shaft member for receiving springs of various types/material and (ii) spiral torsional springs that are made of tempered steel of which copyright is solely owned by the Plaintiff no.1, and such drawings were artistic work. In September 1997, the Container Corporation of India selected plaintiffs' ATLs, conforming to drawings No. CONTR-9405-S-21, which have been used by Indian railways in all its containers. The plaintiff was the sole approved vendor in terms of the Guidelines for Multisourcing of Automatic Twist Locks.

The Defendant no.1 (A. D. Electro Steel Company Pvt. Ltd) engaged in similar business is not a licensee of the Plaintiff or of the spare parts thereof, nor had been approved as a vendor for supply of securement locks. In the year 2009, AD Electro first attempted to infringe plaintiffs' copyright in their ATLs when it sought to supply ATLs conforming

[1] CS COMM 83/2017

to plaintiffs' drawings to Indian Railways. On 12.08.2009, the Northern railways raised an order upon AD Electro to supply ATLs conforming to Holland drawings. Such an order could not have been completed without defendant no.1 infringing the copyright of the plaintiffs' in its original proprietary drawings.

AD Electro, the Defendant no.1, on the other hand, has been participating in the tenders floated by the Ministry of Railways for supply of ATLs since the year 2009. The drawings and guidelines for manufacture and supply of ATLs are provided by RDSO to AD Electro on a request made by the latter. This tender *inter alia* contains an item description of ATL devices specifying the drawing numbers which are provided by defendant No.2 on the basis of which specifications and final drawings have to be prepared by AD Electro and to be submitted to defendant No.2 for its approval. Defendant No.2 provided the necessary drawings which drawings numbers were mentioned by the Railways in their tenders along with the Guidelines for the supply of ATL devices. The plaintiffs in spite of being aware of the specifications, character and dimensions of the ATL device supplied by AD Electro, did not raise any objection till the filing of the suit in 2014. The plaintiffs in fact never challenged the tenders floated by the Railways for the supply of ATLs conforming to the drawings of the plaintiffs.

Contentions of the parties

The Plaintiff contended that it was the owner of copyright in the drawings of ATLs which are artistic works within the meaning of Section 2 (c) read with Section 13 of the Copyright Act and that Plaintiffs alone have the right to convert a two dimensional artistic work into a three dimensional construction. They further contended that only an aesthetic feature can be registered under Section 2(d) of the Designs Act whereas the functional features are not capable of being registered under the Act. The Plaintiffs placed reliance on 2013 (55) PTC 61 *Mohan Lal* v. *Sona Paint and Hardwares* as well as 1999 PTC 36 (DEL) *Escorts Construction Equipment V. Action Construction Equipment.* The Plaintiff no.1 had been granted a patent in USA for the ATLs, and hence it argued that this *prima-facie* demonstrated that the same have functional features and it had the exclusive right to reproduce these drawings into a 3-D article. Moreover, drawing No. CONTR-9405-S/21 details only the interfacing of the plaintiffs' ATLs and does not detail the internal components. The Multisourcing Guidelines deal with the physical characteristics of the ATLs and do not permit AD Electro to infringe upon the drawings of the plaintiffs. Merely because the plaintiffs' drawings are used as reference point or quoted in the tender so prescribed by defendant No.2 does not take away the copyright of the plaintiffs and such drawings cannot be held to have become part of public domain.

AD Electro contended that the drawing was uploaded by RSDO and given to AD Electro who acted in conformity with the said drawings and, therefore, it did not amount to

an infringement as these drawings were now in public domain. It was further contended that shape, configuration and pattern detailed in the drawings fall within the meaning of 'design' under Section 2(d) of the Design Act and have to be necessarily registered. Further, any copyright in such design, which has been reproduced more than 50 times, ceases to exist if the design has not been already registered. It was contended that no details, numbers or marks of identification are disclosed as to which intellectual property of the plaintiffs has been infringed by AD Electro. The defendant argued that it cannot be restrained from carrying out lawful trade particularly when the plaintiffs were aware that AD Electro had been in this business in 2009 but chose not to file a suit till 2014.

Decision of the Court

The Single Judge after hearing both the parties took note of the fact that the Plaintiffs' drawings were given to AD Electro by defendant no.2 as far back as 2007-08 and that on the basis of such drawings AD Electro designed its ATLs which was evident from the various purchase orders filed by the AD Electro placed on it by the Railways from time to time. The Single Judge took further note of the fact that such purchase orders and various letters sent by Ministry of Railways to AD Electro also reflected the intent of the Govt. to accord to AD Electro the status of a regular supplier of its ATLs.

The Single Judge held that supplies had been made by defendant no.1 to various branches of Railways since 2009, which fact was stated in the written statement of defendant no.1, to which there is no denial. Thus, no explanation was provided by the Plaintiffs as to why no action was taken by them till 2014 if they were really aggrieved by the activities of defendants which resulted in infringement of proprietary rights of the plaintiffs. The Court reiterated section 2(d) of the Designs Act, 2000 and held that shape, configuration, pattern and composition of the lines mentioned in the pictorial drawing of the plaintiff prima facie fall within the definition of "design" as contained in Section 2(d) of the Designs Act. It opined that the drawing cannot simpliciter be termed as a mechanical device to get the benefit of being excluded from Section 2(d) of the said Act. The Single Judge further held that design in the instant case was capable of being registered but has not been registered and has been reproduced more than 50 times, and therefore, in accordance with section 15(2) of the Copyright Act, it would lose its copyright under the Copyright Act as well.

The Court, thus, held that plaintiffs failed to show that they have any exclusive rights over the drawing no. CONTR-9405-S-21 as it is this drawing which has been used by defendant no.2 as a benchmark to allow other competitors to come into the market and dismissed the application of Plaintiffs for interim injunction against the defendants.

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Statutory Updates

Public Notices in relation to online filing of and payment of fee for international applications

As per Public Notice dated 26-4-2017, all applicants filing international applications under PCT at Indian Patent Office as receiving office and selecting Indian Patent office as the International Searching and Examining Authority will have to remit the prescribed fee – search fee, preliminary examination fee etc., as mentioned in Fifth Schedule to Patent Rules, 2003, except late fee and handling fee by online transfer. With effect from 1-5-2017 the Receiving Office will not accept demand drafts.

Authorised patent agents and applicants who wish to file international patent applications under PCT will have to use the WIPO ePCT online service and hence applications in paper form are to be discouraged from 1-5-2017. Public Notice dated 1-5-2017 has been issued in this regard.

Ratio decidendi

Trademark infringement – Similarity of marks to be considered first

Observing that the marks FERANTA and INTAS' FERINTAS are sufficiently distinguishable and does not satisfy Section 29(2)(b) of the Trade Marks Act, a Single Judge of the Bombay High Court has refused to grant an interim injunction in favour of the Plaintiffs in a trademark infringement and passing off suit. The Court in this regard rejected the view that there was visual, phonetic and structural similarity between the marks, and that the Intas' mark was deceptively similar, causing confusion.

The Court noted that while the plaintiff's mark was a word mark, the mark of the defendant was a composite word and label mark, with the characters FER in black and INTAS in rust red colour. It was held that the use of the word INTAS' visually and structurally distinguished the product of the defendant from that of the plaintiff, and that the comparison has nothing to do with dissection of marks into etymological constituents. Looking at the two marks as a whole, the Court was of the view that there was not the remotest chance of buyers being misguided or confused. Similarly arguments of harm to public interest and consideration of question of balance of convenience were also rejected by the Court citing absence of similarity. Finally, dismissing the motion, the Court commented on the sequencing in a case involving infringement, and observed that identity or similarity of the mark should be first considered before considering similarity of goods. [*Ajanta Pharma Ltd.* v. *Theon Pharmaceuticals Ltd.* – Judgement dated 5-5-2017 in Notice of Motion No. 2681/2016 in Suit No. 798 of 2016, Bombay High Court]

Trademarks – German origin word which is not indicative of business, is not generic

Taking note of the fact that plaintiff had acquired a distinctive reputation and goodwill of its own under the trade names "ASIAN HAUS" and "SUSHI HAUS" for its food delivery outlets, Delhi High Court has restrained the defendants by an interim injunction from using the name "HAUS" for latter's food delivery outlets in the name of "Curry Haus". The Court relied on the sales figures of the plaintiff and increase in the number of their outlets during a period of time. It rejected the contention of the defendant that the word "HAUS" is a well-known terminology and no one can have a monopoly on this word.

Further, observing that the word "HAUS" does not find mention in the English dictionary, and that the definition of "HAUS" in the German dictionary being "HOUSE" is not indicative of the business which the plaintiff has set up, which is the supply of food at the doorstep of the customer, the Court also found 'dishonest intent' on the part of the defendant. It was also held that word "HAUS" having a German origin cannot be said to be an ordinary generic word. [*Foodcraft India Private Limited* v. *Saurabh Anand Trading as Urban Pallette Restaurants* – Judgement dated 9-5-2017 in CS(COMM) 278/2017, Delhi High Court]

Patents – Correction under Section 78

Delhi High Court has set aside the 'deemed to be withdrawn' status of a patent application and restored the Indian National Phase application. The issue involved incorrect mention of the number of the patent application in Form 18 as well as in its covering letter, and absence of communication from the department seeking correction under Section 78 of the Patents Act. Rejecting the contention of the Patent Office that the power of the Controller to correct clerical errors can only be exercised when patent application is in examination procedure, and hence no office action was possible in present case, the Court observed that if the examiner had examined the application under 11B, in time and submitted his report, it would have been brought to the notice of the Petitioner well before the expiry of 48 months prescribed period and the petitioner could have taken steps to remedy the error. It was held that if the Patent Office had struck to the timelines for examination, the patent application would have been in the examination procedure.

Further the court also noted that since there is no form prescribed by the Act or the Rules for seeking correction under Section 78, even a letter would be sufficient, and that a request under Section 78 is not dependent on the examination procedure or any office action on the patent application. [*Iritech Inc.* v. *Controller of Patents* – Judgement dated 20-4-2017 in W.P. (C) 7850/2014, Delhi High Court]

Vacation of interim injunction on basis of non-binding undertaking, not correct

A Division Bench of the Delhi High Court has set aside the decision of the Single Judge

Bench wherein the latter had vacated the earlier *ex-parte* interim injunction granted in favour of the Plaintiffs in a designs infringement case. The Single Judge Bench had vacated the interim order on the basis of undertaking by the defendant, without ensuring that the defendants' application under Order 39 Rule 4 was served on the Plaintiffs and their response was placed on record. The Division Bench in this regard also took note of the fact that though the undertaking was extracted in the order of the Single Judge, the same was not accepted by the Judge, and that the SJ Order did not reflect consideration of any submission on behalf of the appellant.

However considering the fact that vacation of interim injunction had continued to operate for more than 3 months, the court did not direct restoration of injunction. It instead accepted the undertaking of the defendant and allowed the appellant to file response within 4 days. [*Kent RO Systems Pvt. Ltd.* v. *Amazon Seller Services Private Limited* – Judgement dated 12-4-2017 in FAO(OS) (COMM) 81/2017 and CM Nos.13700-01/2017, Delhi High Court]

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