Newsletter

June - July 2014 Edition

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News from the Controller General of Patent, Designs and Trademarks (CGPDTM)

Pilot Project by the Controller-Balancing of Workload

The Office of the Controller General launched a Pilot Project for the purpose of developing an efficient system of transferring patent applications among different locations. The transfer of files will help utilize the expertise of officers available within the Indian Patent Office(IPO) to the maximum possible extent and develop a system of auto location based on workload. The project aims to balance the workload at different IPO locations which in turn will increase the capacity of processing applications which have been pending for over 5 years. The oldest files are available in Delhi and these files will be referred electronically to examiners all over India without reference to their location. No transfer of physical files shall however, be allowed.

Notice regarding mandatory deposition of biological material with the International Depository Authority

The Office of Controller General published a notice in relation to patent applications which require the deposition of biological material with the International Depository Authority (IDA) under the Budapest Treaty. It has been found by the Office that either the deposition is done later than the date of filing or the reference of deposition is not made at all. The Patents Act, 1970 mandates that such deposition should be made prior to the date of filing and the Patent Rules, 2003 provide that the reference be made within three months thereof. The notice calls upon the applicants to ensure that the time lines are met and warns that non-compliance will result in refusal of the applications.

Amendment to statement of use mentioned in the trade mark application not to be permitted - IPAA's representation rejected

The Intellectual Property Attorneys' Association (IPAA) had moved a writ petition before the Hon'ble High Court of Delhi, challenging Clause 3 of the Trade Marks Registry's (TMR) Office Order No.16 of 2012 which states *inter alia* that requests for substantial amendments in application for registration of a trade mark including alterations to the trade mark, specifications and statement of use shall not be allowed. The IPAA had earlier filed a representation dated February 11, 2013 before the TMR, which remained pending. On May 29, 2014, the court directed TMR to dispose the said representation within six months, after giving an oral hearing to an authorised representative of the IPAA.

The TMR heard the IPAA on June 26, 2014 wherein the IPAA submitted that the Office Order, to the extent that it absolutely restrains amending the statement of use, should be recalled. The Controller General disposed IPAA's representation *vide* Order dated July 23, 2014. Observing that it is the duty of the trader/his agent to ensure due diligence at the time of filing and that amendment to statement of use may adversely affect the *bona fide* rights of rivals in trade, the Controller General stated that the balance of convenience lies in the trader filing a fresh application if he wishes to claim a change and rejected the representation dated February 11, 2013. The Controller General observed that the statement as to use of the mark is the most vital information of the application and any amendment may re-define the rights of the parties. The Controller General also relied upon a decision of the IPAB wherein it had been held that an application for amendment of user which alters the nature of the application cannot be allowed.

Update – Ministry of Corporate Affairs

Clarification on e-voting procedure

The Companies Act, 2013 has introduced voting through electronic means under Section 108 (Rule 20 of the Companies (Management and Administration) Rules, 2014 implements the provision). To address some practical difficulties concerning e-voting, the Ministry of Corporate Affairs has issued certain clarifications *vide* General Circular No. 20/2014 dated June 17, 2014. These seek to ensure uniformity in the e-voting procedure and deal with issues such as whether e-voting is possible by show of hands, participation in General Meeting after voting by e-means, the manner of voting in case of shareholders present in the General Meeting and voting by way of postal ballet by a shareholder who is not able to participate in the General Meeting and is also not exercising voting through e-means.

Clarifications with regard to provisions of Corporate Social Responsibility

The Ministry of Corporate Affairs has issued clarifications *vide* General Circular No. 21/2014 dated June 18, 2014, pursuant to the many representations it received from various stakeholders on Section 135 of the Companies Act, 2013. The clarifications pertain to the activities to be undertaken as per Schedule VII of the Companies Act, 2013. E.g. one-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programs etc. would not qualify as part of Corporate Social Responsibility (CSR) expenditure; expenses incurred by companies for the fulfilment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure; salaries paid to regular CSR staff as well as to volunteers in proportion to company's time/hours spent specifically on CSR can be factored into CSR project cost as part of the CSR expenditure etc.

MCA proposes Draft Notification exempting Private Companies

The Ministry of Corporate Affairs (MCA) has presented before the Parliament a draft notification under Section 462 of the Companies Act, 2013. The draft notification proposes to exempt private companies from certain provisions of the Act, which include provisions relating to disclosure of interest by the directors, loan to directors, eligibility qualifications and disqualifications of the directors, etc. Section 462 permits the Central Government to exempt application of any of the provisions of this Act to such class or classes of companies by issuing a notification, a copy of which must be laid down in draft before each house of parliament, when it is in session.

Update - FDI Guidelines

No decision on FDI in multi-brand retail; French giant Carrefour exiting India, shutting its five cash and carry stores.

Commerce and Industry Minister Ms. Nirmala Sitharaman had reportedly maintained the stand on FDI not being allowed in multi-brand retail. However, the parliament was informed on July 09, 2014 that no formal decision has been taken by the Government. It is also not clear whether the new Government will revoke the prevailing policy.

Carrefour, world's second largest retailer, which had forayed into India has decided to shut its five cash & carry stores in the country. The French company had made significant investments in India but did not consider it viable or lucrative to only have a cash-and-carry business in the country without being supported by front-end. After China and Taiwan, India would have been the third Asian nation for the Carrefour group.

Walmart launches its B2B e-commerce venture in Lucknow and Hyderabad

Walmart has launched Bestpricewholesale.co.in, to be operable in Lucknow and Hyderabad. The website can only be used by business owners who have a membership with Best Price. The company currently operates 20 wholesale office stores across eight states in the country. As for single-brand retail companies with FDI, they cannot engage in retail trading in any form by means of e-commerce. Multinational chains such as Sweden's IKEA and H&M have reportedly confirmed to the Government that they wouldn't engage in e-commerce. On the other hand, single-brand retail companies such as Mango, Aldo, Charles & Keith, Promod operating in India through the franchise route may sell online in the country. Foreign companies such as Lenovo, LG and Samsung, with a manufacturing base in India, do not require any approvals as far as e-commerce is concerned.

FDI limit in the defence sector raised to 49%; Proposal to raise FDI in insurance sector to be put up in Parliament

In line with the Government's assertions to expand the domestic defence industrial manufacturing base in the country, the Finance Minister, Mr. Arun Jaitley announced the budget on July 07, 2014 and increased cap on FDI in the defence sector from 26% to 49% with full Indian management and control through the Foreign Investment Promotion Board route. Reportedly, the Ministry for Commerce and Industry had earlier circulated a Cabinet note for inter-ministerial consultation, to allow raising of FDI limit to 100 per cent. The said note proposed allowing FDI upto 49% without requiring any technology transfer, upto 74 % where there is a technology transfer and the no-cap policy for cases where there is a transfer of state-of-the-art technology. Indian defence companies expressed dissent to such expansion, claiming that increased FDI should be allowed only where Indian companies get similar reciprocal access in foreign markets, and in line with the aforesaid, the defence ministry had also suggested that FDI be allowed in the sector upto 49%.

As has been the demand of the industry for years, it has also been proposed to raise FDI in insurance sector to 49% from 26%, subject to Indian management and control, through the Foreign Investment Promotion Board route. The proposal was approved by the Cabinet on July 24, 2014 and the Government intends to put forth the proposed revision to the Parliament this session by way of the Insurance Laws (Amendment) Bill.

News from the Courts

Elevation to Supreme Court

The President has cleared the elevation of Justice Arun Mishra and Justice Adarsh Kumar Goel, and Senior Advocate Rohinton Nariman as Judges of the Hon'ble Supreme Court of India. Reportedly, the Union Government has also cleared four other names recommended by the Supreme Court collegium, Senior Advocate Mr. UU Lalit, Meghalaya Chief Justice Mr. Prafull Chandra Pant, Gauhati Chief Justice Mr. Abhay Manohar Sapre and Jharkhand Chief Justice Mr. R Banumathi and sent them for the President's assent for their appointment to the Supreme Court.

Revocation of a patent by only one of the courses envisaged under the Patents Act, 1970

Enercon India Limited, respondent no. 3 before the Supreme Court of India, is a joint-venture through which Dr. Aloys Wobben, the appellant was carrying on manufacturing of wind turbines. Yogesh Mehra and Ajay Mehra, respondent nos. 1 and 2, were partners in the joint venture. Respondent No. 3 was granted several licenses relating to patents owned by the appellant. The parties are involved in multiple litigations where it is the case of the appellant that despite termination of all licence agreements with Enercon, respondents continued the use of the appellant's patents and intellectual property rights without due authority whereas, the respondents challenge the validity of the patents.

Respondent no. 3 had filed 19 revocation petitions before the Intellectual Property Appellate Board (IPAB) under Section 64(1) of the Act in January 2009. Thereafter, the appellant filed 10 suits claiming infringement of his patents against the respondents. The respondents filed counter-claims, as provided in Section 64(1), in response to some of the infringement suits. Further, respondent no. 3 also filed 4 revocation petitions before the IPAB after the appellant's institution of the infringement suits. In all, 23 revocation petitions have been filed by the respondents before the IPAB and at the time the matter was before the Hon'ble Supreme Court, some of the revocation petitions filed by the respondents had been decided by the IPAB whereas, some were still pending. The prayer/s made by the respondents in the revocation petitions have also been made by way of the counter-claims to the infringement suits. The primary issue before the Supreme Court of India involved examination of Section 64 of the Patents Act, 1970 which allows *inter alia,* "any person interested" to apply for revocation of a patent before the Appellate Board and also, a defendant to challenge a patent in an infringement suit by way of a counter-claim.

In one of the infringement suits filed before the Delhi High Court, the appellant filed an application praying that the respondents be directed to withdraw certain revocation proceedings and that two revocation proceedings before the IPAB be stayed. The said application was rejected by the Single Judge, after which the appellant filed an appeal to the Division Bench of the High Court, which was rejected. The appellant approached the Supreme Court against the Division Bench's order dated January 20, 2012 rejecting the said appeal. Before the Supreme Court the appellant contended *inter alia*, that where a counter-claim is instituted in response to a suit for infringement of a patent in the High Court, there can be no further proceedings in the revocation petition filed in respect of the same patent before the IPAB, irrespective of whether such proceedings had been instituted prior to, or after the filing of the suit for infringement. The appellant referred to use of the word "or" in Section 64(1) and contended that the multiple liberties granted thereunder cannot be adopted simultaneously by the same person, i.e., firstly, by filing a revocation petition, and at the same time, by filing a counter-claim in a suit for infringement. The appellant, during the proceedings, also referred to a consent order passed by the Madras High Court wherein the respondents had agreed, that the suits and counter-claims pending between the parties should be consolidated, and should be heard by the High Court itself.

The court firstly, examined Section 64(1) of the Act in conjunction with Section 25 which provides for opposition to an application for the grant of a patent and also, opposition to the grant of a patent within one year of the publication of such grant. The court noted that Section 64 is prefaced by the words "Subject to the provisions contained in this Act..." and hence, concluded that the provisions contained in Section 64 are subservient to all the other provisions contained in the Patents Act. Therefore, if any proceedings have been initiated by "any person interested", under Section 25(2) of the Patents Act, the same will eclipse the right of the same person to file a counter-claim or any other right of revocation under Section 64. The court then examined the right of revocation by filing an application before the IPAB vis-à-vis the right of revocation by filing a counter-claim, both available under Section 64(1). It was observed that the word "or" is used to separate the different remedies, and therefore held that any party is disentitled to avail both the remedies, for the same purpose, simultaneously. Further, the court stated that for all intents and purposes a counter-claim must be understood and treated as a plaint, and is governed by the rules applicable to plaints. Relying on Section 10 of the Code of Civil Procedure, 1908, it was held that if the respondents in their capacity as “any person interested”, had filed a “revocation petition” before the institution of an “infringement suit”, they cannot be permitted to file a “counter-claim” on the same cause of action and *vice versa*.

The court then moved to the consent order referred by the appellant. The court stated that as per the procedure envisaged by law, the course to be adopted will depend upon the date of institution of proceedings under Section 25(2), the date of institution of a revocation petition under Section 64(1), as also, the date of institution of a counter-claim in an infringement suit. However, noting that procedure is nothing but a handmaiden of Justice, and on account of the same nature of disputes between the same parties, the court stated that for convenience of the parties concerned, it would be open for them to accept, by consent, one of the remedies out of the many remedies available, but, after consenting to one of the available remedies a party cannot seek redressal from a forum in addition to the consented forum. Holding that the consent order was fully justified in the facts and circumstances of the case, the Hon’ble Supreme Court set aside the Order of the Division Bench.

Bombay High Court upholds IPAB decision in Nexavar compulsory license case

The Bombay High Court has upheld the compulsory license granted to NATCO to manufacture and sell the generic version of Bayer’s kidney cancer drug Nexavar. As covered in our April-May 2014 Newsletter, NATCO had obtained the compulsory license, India’s first, in March 2012, the grant of which was upheld by the Intellectual Property Appellate Board (IPAB) *vide* order dated March 9, 2013. Aggrieved by the said IPAB order, Bayer Corporation had filed a writ petition before the Bombay High Court challenging IPAB’s findings.

The Bombay High Court has refused to interfere with the order passed by the IPAB and has dismissed the writ petition. Reportedly, Bayer intends to agitate the said dismissal before the Hon’ble Supreme Court of India.

Delhi High Court approves mediation in patent infringement matter

The patent litigation between Merck Sharp and Dohme Corporation (Merck) and Glenmark Pharmaceuticals Ltd. (Glenmark) pending before the Hon'ble High Court of Delhi has been referred to mediation on an application filed by Merck.

Merck had approached the court last year seeking an injunction restraining Glenmark from launching a generic version of its anti-diabetes drug SITAGLIPTIN, sold in India under the brand names JANUVIA and JANUMET. Merck had claimed that Glenmark had started distributing the generic version of Merck's drug under the names ZITA and ZITA-MET, which were primarily composed of Sitagliptin Phosphate Monohydrate. Merck contended that any salt of Sitagliptin is covered under the claims of Merck's patent. The court had however, refused to grant interim relief to Merck on account of an earlier patent application, later abandoned by Merck, which claimed Sitagliptin Phosphate to be a new invention.

This is yet another patent case to be referred to mediation after the patent infringement case filed by F. Hoffmann-La Roche Ltd against Cipla Ltd., though unlike the Merck-Glenmark matter, which was referred to mediation on application of Merck, the Roche-Cipla case was apparently referred to mediation pursuant to court orders.

Suit for infringement of a registered design may lie against a registered proprietor

Whirlpool of India Ltd. (Whirlpool) had brought an infringement action against Videocon Industries Ltd. (Videocon) before the Hon'ble High Court of Bombay, claiming infringement of design registrations numbered 223833 and 223835 in respect of washing machines, passing off and damages and had obtained interim injunction on July 25, 2012. The Bombay High Court has *vide* judgment dated May 27, 2014 confirmed the said interim injunction.

It was alleged that Videocon had infringed the aforesaid registrations by manufacturing and marketing washing machines having virtually the same and/or similar design and features of shape and configuration under the brand name “Videocon Pebble”. Further, Videocon allegedly also copied the distinctive color scheme and/or two tone combination used by Whirlpool and applied to its washing machines the same combination, pattern and placement of colours which made machines from the two brands indistinguishable on an initial look. Videocon was relying upon its registration of the design of washing machine “Videocon Pebble”.

Before the court, Videocon had conceded that an action for passing off can be maintained in respect of a registered design. Be that as it may, the court had to consider whether a suit for infringement can lie against a registered proprietor of a design. The court considered the submissions of both the parties, primarily advanced in respect of the interpretation to be given to the words “any person” used in Section 22 of the Designs Act, 2000 and held that a plain reading of Section 22 of the Act, as also the use of “any person” in Sections 17, 19 and 41 of the Act makes it evident that the said expression must be given a plain, natural and ordinary meaning and includes even the registered proprietor. Hence, the court found that a suit for infringement by a registered proprietor lies against any person including a registered proprietor.

On merits, the court held, *inter alia* that Videocon had slavishly copied Whirlpool’s design. The court disregarded the differences in the products of the parties pointed out by Videocon as trivial, on the ground that if such minor differences are held to be sufficient enough to avoid a finding of infringement, it will enable a skillful defendant to escape consequences of infringement by making some cosmetic and minor changes in its products. The court held that Videocon had infringed Whirlpool’s registered designs bearing Nos. 223833 and 223835.

On the issue of whether Videocon was guilty of passing off, the court noted at the outset that an action for passing off will lie to protect the goodwill and/or reputation stemming from the shape of the goods and further, that the definition of a mark under Section 2(z) of the Trade Marks Act, 1999 includes ‘shape of goods’. The court then looked into the question whether a consumer, misled into believing that he was purchasing Whirlpool’s washing machine, is likely to purchase Videocon’s washing machine instead. The court, observing that in the period of two years since its launch and till the suit was filed, more than 308152 of Whirlpool’s machines were sold with aggregate sales in excess of Rs. 308 crores, found that substantial goodwill and reputation vests in Whirlpool machines’ distinctive shape, get up, colour scheme and/or overall appearance. The court further found that the reason for the immense popularity of the said machine was the introduction of a completely new, revolutionary and distinct shape which was not present in the market. Videocon had contended that consumers buying washing machines, which are expensive items, will purchase the same primarily by reference to the brand or manufacturer and the shape of the washing machine is irrelevant. However, the court noted that these were semi-automatic machines which were not very expensive and are likely to be purchased by semi-literate persons or persons who are not literate and/or reside in villages or rural areas. Such persons may come across Whirlpool machines and receive positive feedback at other households and thereafter, on seeing Videocon's machines believe them to be the same washing machines they had come across earlier and purchase the same under the false belief. Consequently, it was held that not only was Videocon guilty of obvious and fraudulent imitation of Whirlpool's design but also of passing off.

MSM obtains injunctions against broadcasting, streaming and sharing of the 2014 FIFA World Cup Matches

Multi Screen Media Pvt. Ltd. (MSM), an entertainment and sports broadcaster which broadcasts channels such as Sony Entertainment Television (SET), SONY SIX, SONY PIX, filed an infringement suit against websites and their operators/owners in the High Court of Delhi seeking a John Doe order restraining them from *inter alia* hosting, streaming, making available for viewing and downloading the 2014 FIFA World Cup matches and contents related thereto through the internet. MSM submitted that it has the exclusive Television Rights, Radio Rights, Mobile Transmission Rights and Broadband Internet Transmission Rights in respect of the 2014 FIFA World Cup in India and the said rights include the live, delayed, highlights, on demand, and repeat broadcasting of the 2014 FIFA World Cup Matches. It was further submitted that MSM has an internet and mobile portal known as Sony LIV and provides a dedicated digital sports entertainment service (transmitted through internet and mobile) known as LIV Sports which offers to viewers the various general entertainment programs that are broadcast on the channels of MSM.

MSM contended that various websites are indulging in hosting, streaming and/or providing access to broadcast of the 2014 FIFA World Cup matches and contents related thereto without obtaining permission from MSM, which amounts to infringement of their exclusive rights of broadcast and re-production. The court, in light of MSM's exclusive rights in relation to 2014 FIFA World Cup Matches and it being the official internet and mobile broadcaster of the matches, held that any activity of defendants in hosting, streaming, providing access to the 2014 FIFA World Cup Matches would amount to an act of piracy. Further, it was held that since international football matches are played for a limited number of days, MSM has limited opportunity to exploit its rights and a John Doe order was hence, warranted. The court *vide* Order dated June 23, 2014 directed that 472 websites be blocked and further injuncted any person/organisation/body from *inter alia* hosting, stream, broadcasting 2014 FIFA World Cup Matches and related content or infringing the aforesaid rights of MSM in any other manner.

Interestingly, another suit was filed by MSM against cable operators, multi-system operators (MSOs), hotels and commercial establishments wherein MSM had obtained interim injunction restraining them from *inter alia* broadcasting, telecasting or sharing of MSM's channels i.e. SONY MAX, SONY SIX and SONY SIX HD showing the 2014 Season of IPL in April, 2014. In the said suit, MSM had obtained a clarification of the said interim injunction order in May, to the effect that the interim order would apply to any other special event including FIFA World Cup, 2014.

Punitive damages awarded instead of rendition of accounts against parties evading court proceedings

In the past few months, Delhi High Court has awarded punitive damages instead of the relief of rendition of accounts, against defendants which were proceeded *ex parte* in several infringement suits. The court following its judgment in *Time Incorporated v. Lokesh Srivastava and Anr reported at 2005 (30) PTC 3 (Del)*, held that a party should not be permitted to enjoy the benefits of evasion of court proceedings as a contrary view would result in a situation where a defendant who appears in court and submits its account books would be liable for damages, and on the other hand defendant who evades court proceedings would escape the liability on account of failure of the availability of account books.

Atlantic Industries vs Simron Food Processors (P) Ltd.

In the suit instituted by Atlantic Industries (Atlantic) against Simron Food Processors (P) Ltd. (SFPL), it was claimed that SFPL had infringed Atlantic's rights by adopting the trade mark SCHWEPPES and a nearly identical label. The court confirmed the temporary injunction awarded to Atlantic against SFPL, restraining it from dealing with the goods bearing the infringing mark SCHWEPPES. SFPL had submitted at the initial stage of proceedings that it had not used, nor intended to use the impugned mark or label and was ready to enter into a compromise. However, subsequently, its Counsel cited lack of instructions despite repeated written communication and withdrew from the matter. SFPL then prayed for time to engage new Counsel. However, none appeared for SFPL on the next date and the matter was proceeded *ex-parte*. The court found that SFPL's adoption and use of the trade mark SCHWEPPES and copying of the trade dress as used by Atlantic which comprised Schweppes written in a stylized manner with a fountain device and a unique colour combination consisting of the colours silver and yellow amount to infringement of the registered word marks SCHWEPPES (word) and SCHWEPPES (stylized logo along with "Fountain device") and infringement of the copyright in the SCHWEPPES label and passing off. The court, to discourage parties from indulging in such acts of deception, awarded damages of INR 200,000 in favour of Atlantic.

Disney Enterprises Inc. vs Mr. Santosh Kumar & Anr.

Disney Enterprises Inc. (Disney) had approached the Delhi High Court against one Mr. Santosh Kumar and his associate, who were involved in manufacturing goods bearing trade marks owned by Disney. Defendants had appeared at the initial stage of proceedings and had even stated on affidavit that they did not wish to contest the matter, however, were proceeded *ex parte* after not appearing on subsequent dates. It was found that defendants were engaged in sale and distribution of goods with plaintiff's trade mark and copyright protected characters such as "Hannah Montana", "Donald Duck", "Mickey Mouse", "Winnie the Pooh" etc. Further, it was held that defendants adopted the said characters with *malafide* to pass off their goods as those of the plaintiff's and to cash upon its goodwill and reputation. Punitive damages amounting to INR 500,000 were awarded in favour of the plaintiff.

Jockey International Inc. & Anr. v. R. Chandra Mohan & Ors.

Jockey International Inc. (Jockey Inc.) had brought an infringement action before the Delhi High Court against seven defendants. Jockey Inc. had contended that JOCKEY is a well-known mark and claimed that defendants had infringed its trade mark rights by adopting and using its trade mark JOCKEY. All defendants except defendent no. 6 arrived at amicable settlement and the suit was decreed accordingly. Defendant no. 6, however, could not be served initially and was later served by substituted service. Since defendant no. 6 did not appear before the court, it was proceeded *ex parte*. The court held that defendant no. 6, by using the trade mark JOCKEY and JOCKEY SPORT, was infringing Jockey Inc.'s rights in the trade mark JOCKEY which is likely to erode its goodwill and reputation in the market. In addition to the relief of injunction, the court awarded punitive damages of INR 300,000 against defendant no.6.

Pepsico INC vs Aqua Mineral (India)

The Delhi High Court confirmed its interim order and permanently injuncted Aqua Mineral (India) from using the mark AQUAFINE. Pepsico Inc. (Pepsico) had approached the court claiming that Aqua Mineral was using the mark AQUAFINE in violation and infringement of Pepsico's trade mark and copyright in its trademark, trade name, label and logo AQUAFINA. The court held, on the basis of documents brought on record, that Pepsico was the owner of the trade mark, trade name, logo and label AQUAFINA, having the exclusive right to use the same. Further, it was held that Pepsico's label constituted original artistic work falling within the meaning of Section 2(c) of the Copyrights Act, 1957. The court found that the mark AQUAFINE is identical and/or deceptively similar to Pepsico's mark AQUAFINA, and its use by Aqua Mineral in respect of packaged drinking water, is causing infringement of rights in the trademark and copyright of Pepsico. The court also awarded damages of INR 500,000 in favour of Pepsico.

Abraxis denied patent by the Indian Patent Office for the second time

Abraxis BioScience LLC (Abraxis) had filed an application seeking a patent for its invention "composition and method for delivery of pharmacological agents" under the (Indian) Patents Act, 1970.

Natco Pharma Ltd. (Natco), which had launched the generic version of the drug under the name 'Albupax', filed a pre-grant opposition against the said application and the Assistant Controller of Patents and Designs rejected the patent application *vide* Order dated April 28, 2009. Abraxis appealed against the said rejection claiming violation of principles of natural justice and contending that despite making a specific request it had been denied an opportunity of hearing as provided under Section 14 of the Act. Upholding Abraxis' contentions, the IPAB set aside the aforesaid Order and directed the Controller to hear the matter on merits.

The application has been rejected yet again by the Patent Office on the ground that the claims in the application lacked inventive step and do not constitute an invention. Further, the invention is a new form of a known substance and does not result in enhanced efficacy as envisaged under Section 3(d) of the Act. It was also held that the application lacked sufficient disclosure as envisaged in Section 10 of the Act.

Bombay High Court grants interim injunction against ShaadiHiShaadi.com

The People Interactive Pvt. Ltd. (PIPL), proprietor of the trade marks shaadi.com and shadi.com filed a suit before the Bombay High Court seeking injunction against one Gaurav Jerry, proprietor of ShaadiHiShaadi.com, restraining him from using the domain name, or any other word or expression identical or confusingly similar to registered trade marks Shaadi.com and Shadi.com in any manner, including as part of domain name for an internet or web-based service. The Bombay High Court noted that the domain name/web property of PIPL has achieved a unique status so much so that the phrase shaadi.com, PIPL's proprietary mark, is uniquely identified with its services and PIPL has statutory, proprietary and common law rights in the domain names Shaadi.com and Shadi.com, including the right to restrain others from using deceptively or confusingly similar names or marks.

The court took notice of defendant's use of meta-tags to divert traffic from PIPL's website to ShaadiHiShaadi.com. Meta tags are special lines of code embedded in web pages which do not affect the page display and provide additional information such as the author of the web page or a general description of the contents. The court further observed that by incorporating PIPL's mark and domain name into his web pages, defendant had diverted as much as 10.33% and 4.67% of the internet traffic away from PIPL's to his website. Hence, the court granted interim injunction in favour of PIPL, finding defendant guilty of passing off and hijacking PIPL's reputation and goodwill. It also injuncted the domain name-issuing company and the hosting company, Go Daddy, from hosting the website ShaadiHiShaadi.com and directed it to suspend and cancel the web hosting services that it may be offering to defendant's website.

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