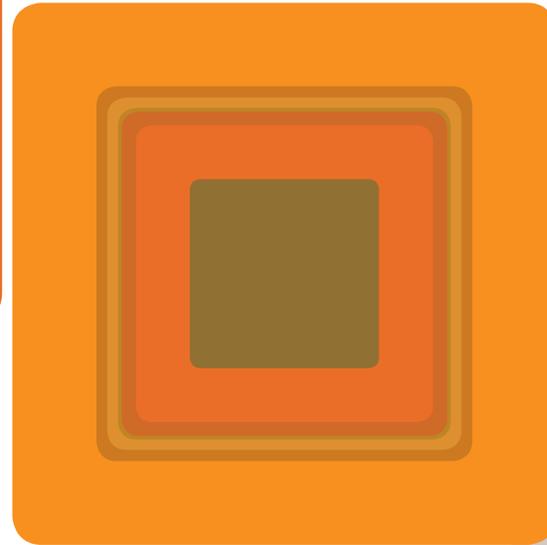
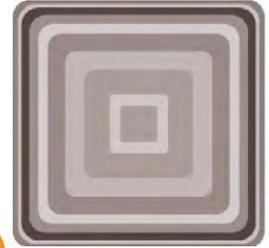


Newsletter



February 2016 - March 2016 Edition

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News from Controller General of Patents, Designs and Trade Marks (CGPDTM)

Abandonment of pending applications/oppositions by the Office of CGPDTM

On March 29, 2016, the Trade Mark Registry initiated a drive to clear the backlog of pending trade mark applications and oppositions. About 1,94,000 applications and 20,000 oppositions were treated as abandoned during the period March 20, 2016 and April 4, 2016 under Rule 38(5) of the Trade Marks Rules 2002. This was done on the grounds that the objections raised in the examination report were not replied to and/or the counter statements to the oppositions were not filed by the applicants and/or their agents/attorneys on record.

This unprecedented move of the Registry constrained the Intellectual Property Attorneys Association (IPAA), an association of Intellectual Property practitioners primarily from New Delhi, to challenge the same before the Delhi High Court by way of a writ petition [WP(C) 3067/2016] alleging that the Registry treated substantial number of pending trade mark applications as 'ABANDONED' arbitrarily and without issuing notices to the applicants and/or their agents/attorneys on record or providing any reasons for such abandonment. Additionally, it was pleaded that such orders were passed in haste and without application of mind.

CRIs Guidelines finalised and published

Vide Office Order No. 11 dated February 19, 2016, the Guidelines for Examination of Computer Related Inventions (CRIs), which were issued in August, 2015 (covered in our newsletter of Aug-Sept, 2015) and subsequently kept in abeyance for consideration of stakeholder's views (covered in our newsletter of Dec-Jan, 2016), have been finalised, published and now in effect.

Mediation before the Trade Marks Registry, Delhi

In view of the pendency of opposition/rectification matters at the Trade Marks Registry, Delhi, the Office of CGPDTM in collaboration with Delhi State Legal Service Authority (DSLISA) has embarked upon a project to address the backlog through mediation/conciliation. Initially, the project will comprise 500 pending matters. Parties interested to have the matters decided through the alternate dispute resolution mechanism have been invited to submit their consent in the prescribed "Consent Form".





News from Ministry of Corporate Affairs (MCA)

The Companies (Amendment) Bill, 2016 - an insight

The Central Government on March 16, 2016, introduced the Companies (Amendment) Bill, 2016, in the Lok Sabha (lower house of the Parliament), to amend the Companies Act, 2013. The Bill, with close to 100 modifications, is a result of the recommendations of the Companies Law Committee, consisting of representatives from the industry, institutes of chartered accountants, cost accountants and company secretaries, and a former High Court Judge under the chairmanship of Secretary, Ministry of Corporate Affairs.

The proposed changes are broadly aimed at addressing difficulties in implementation; facilitating ease of doing business in order to promote growth with employment; harmonisation with accounting standards, the Securities and Exchange Board of India Act, 1992 and the regulations made thereunder, and the Reserve Bank of India Act, 1934 and the regulations made thereunder; rectifying omissions and inconsistencies in the Act and carrying out amendments in the provisions relating to qualifications and selection of members of the National Company Law Tribunal and the National Company Law Appellate Tribunal in accordance with the directions of the Supreme Court.

The Companies (Amendment) Bill, 2016, among other things, proposes the following:

- Simplifying private placement process by doing away with separate offer letter, by making filing of details or records of applicants to be part of return of allotment only, and reducing number of filings with the Registrar;
- Removing restrictions on layers of subsidiaries and investment companies;
- Amending CSR provisions to bring greater clarity;
- Allows for exempting certain class of foreign entities from the compliance regime under the Act.





Basmati finally gets GI tag

The Agricultural and Processed Food Products Export Development Authority (APEDA), a statutory authority established by the Government of India under the Agricultural and Processed Food Products Export Development Authority Act, 1985 had applied for registration of “Basmati” as a geographical indication in Class 30 in respect of ‘Rice’ under the Geographical Indications of Goods (Registration and Protection) Act, 1999. The application covered six states of the country viz. Punjab, Haryana, Delhi, Himachal Pradesh, Uttarakhand and parts of Uttar Pradesh and Jammu and Kashmir as Basmati growing states on the basis of longitudinal and latitudinal extent.

The aforesaid application was however, opposed by 6 (six) opponents under section 14(1) of the Act on the grounds that APEDA failed to include in its application, areas that cultivate Basmati rice in Madhya Pradesh (MP) without any rational basis. They alleged that its non-inclusion as a Basmati growing area would adversely affect the lives of the farmers. The rice companies from MP also argued that the regions had similar soil and climate, since these regions were also located in the Indo-Gangetic Plains (IGP). Further, they submitted expert evidence to support their claims, along with DNA evidence. Doubts were also casted on APEDA having *locus standi* to file the application in terms of Section 11 of the Act.

The Assistant Registrar of the GI Registry, after hearing the arguments and evaluating the evidence, allowed the oppositions to APEDA’s application and directed APEDA *via* Order dated December 31, 2013 to amend its application to include uncovered areas, with a map of the region clearly demarcating the area of production, within 60 days from the date of the Order.

APEDA challenged the Order of the Learned Assistant Registrar before the Intellectual Property Appellate Board (IPAB) and contended that the Assistant Registrar had concluded wrongly that all places where there is production of the so-called ‘Basmati’ shall be included in the growing area for GI purposes. It further alleged that the impugned order was passed without referring to the detailed evidence adduced by APEDA to prove public recognition and association of ‘Basmati’ with the areas set out in its application.

The IPAB *vide* Order dated February 5, 2016, held that in view of the documents filed by APEDA in support of its application and taking note of the efforts undertaken by APEDA for protecting the cause of Basmati, there is no justification in prolonging and protracting the grant of ‘GI tag’ for ‘Basmati’ rice grown areas. Further, it observed that APEDA has the *locus standi* to file the GI application and reputation is a standalone factor for recognition of a GI under the Act. The IPAB was of the view that the Assistant Registrar had placed reliance only on the opponents’ evidence and had overlooked APEDA’s case. Therefore, the IPAB held that APEDA is entitled to the ‘GI tag’ in respect of the areas and regions specified in its application and consequently, directed the Assistant Registrar to proceed with the registration and issue the certificate of registration within a period of four weeks.

As for the inclusion of the areas claimed by the opponents, the IPAB directed the Assistant Registrar to reconsider the matter afresh by affording a reasonable opportunity to both sides within six months from the date of receipt of the IPAB’s Order.





The State of MP has approached the Hon'ble High Court of Madras by way of a Writ Petition calling for the records of the proceedings before the IPAB and quashing of its order and further direction that the Assistant Registrar should hear the entire matter *de novo*. Further, it has been averred that certain states of India have been included in the application *in toto* whereas only certain specified areas ought to have been covered where Basmati rice is cultivated. The contention before the Writ Court is that this plea could not be taken before the Assistant Registrar but can be raised before the High Court. APEDA has opposed the contention of the State of MP as such a plea had not been raised hitherto. The High Court has agreed to examine this limited controversy.





Ethnic packaging of tea protected

The plaintiffs, Sanjay Kapur and Naina Kapur, brought an action before the High Court of Delhi to restrain the defendant, Dev Agri Farms Pvt. Ltd., from exporting or selling its tea products i.e. 'BAGAN FRESH TEA' in the packaging which is either identical or deceptively similar to the plaintiffs' packaging.

To give the background, Kapurs sold tea under the trade name 'San-Cha' and packed the tea in a soft paper packet shaped as a rectangular cuboid. The package is then slipped into a fabric sleeve and tied at the mouth by a traditional drawstring/dori. Further, the said pack is decorated with ribbon and the label is tied around the fabric bag. Lastly, the finished and ornamental pack is slipped inside a glossy see through poly sleeve. The plaintiffs emphasised in the suit that the trade dress consisted of distinctive elements which are completely unique and unknown prior to the plaintiffs having commissioned their first packaging.

It was urged that the packaging is unique, distinctive and is protectable under the statute and common law. The plaintiffs further claimed that the packaging is innovative/creative and constitutes an original artistic work under Section 2(c) of the Copyright Act, 1957, thus, capable of protection. It was alleged that the defendant had copied and imitated the packaging of the plaintiffs and the imitation was completely dishonest and a mala fide attempt to take advantage of the hard-earned market built by the plaintiffs.

Relying upon the sales effected by Kapurs and the advertisements used by them, the Learned Single Judge of the Delhi High Court granted interim injunction in favour of Kapurs on the ground that the plaintiffs had made out a *prima facie* case of long continuous use of the trade dress/ packaging. The submission of the defendant that where a trade mark is prominently displayed on a packaging material there can be no deception, did not find any favour. The defendant was thus restrained from selling or dealing with tea products in packaging using the brand name "BAGAN FRESH" which is identical and/or deceptively similar to the plaintiffs' packaging as depicted by the plaintiffs in the documents filed along with the plaint.

The defendant preferred an appeal against the aforesaid order with the Division Bench of the Delhi High Court. It argued that the trade dress sought to be protected by Kapurs is functional and hence, not capable of protection. Further, the trade marks are prominently displayed by Kapurs as also by the defendant and there could not be any deception. The cause of action was not of infringement of the trade mark and the class of buyers was the elite, educated and widely exposed to the ways of the world.

The Division Bench agreed with the Learned Single Judge who had opined that the overall effect of a colour scheme has to be the focus of attention in a dispute concerning a packaging material in which the product is sold. The Division Bench observed that from a review of the trade dress adopted by the defendant, it is apparent that it is using the same shade of maroon and blue colours in the backdrop with a floral design as the Kapurs; albeit the floral print being different, but with same golden yellow colour.





The third shade, being green, forming the backdrop hue of the third trade dress is also with a floral design; albeit the floral print being different in design as also the colour. For the fourth colour used, there is complete identity inasmuch as the same shade of red without any floral design is used by the defendant. It was further observed that the theft of the packaging by the appellant/defendant is so striking that even an elite, educated, widely exposed and travelled person is likely to be deceived. The appeal was dismissed with costs in sum of 25,000/- against the appellant/defendant and in favour of Kapurs.





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