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An e-newsletter from  
Lakshmikumaran & Sridharan.



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# Table of Contents

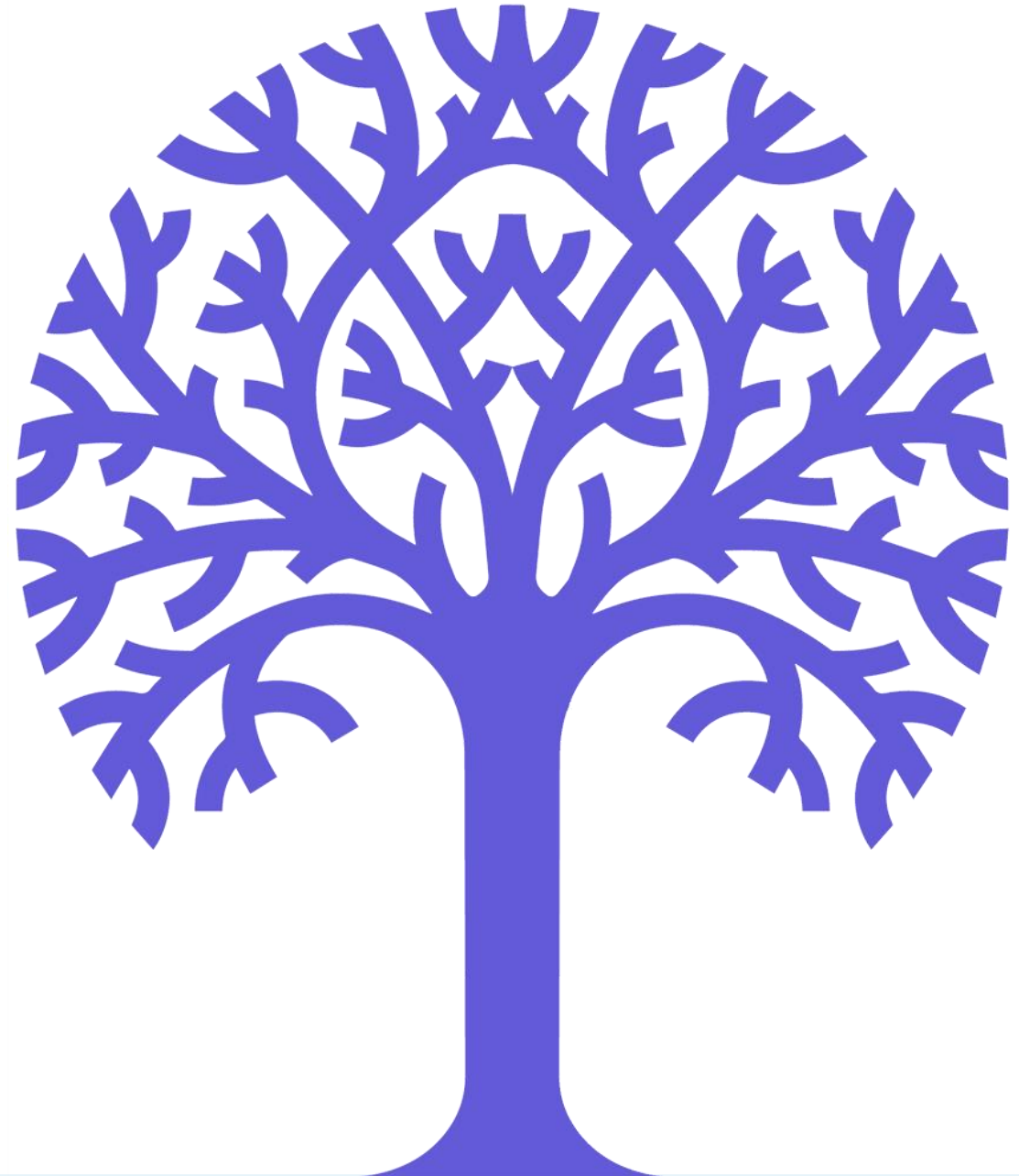
**Articles ..... 3**

- Emerging trends of award of damages in IP suits .....4
- Applicant not attending Hearing, cannot be the basis for refusal of Patent application – Delhi High Court remands matter to Patent Office .....9

**Statute Update ..... 13**

**Ratio Decidendi..... 15**

**News Nuggets..... 19**





# Articles

## Emerging trends of award of damages in IP suits

*By Ritwik Sharma and Vindhya S Mani*

Recently, Indian Courts have taken a proactive stance towards awarding increasing sums of damages for infringement in IPR matters. However, to balance competing goals of compensation, justice and uniformity, Courts have laid down several parameters which are to be considered while calculating damages. The first article in this issue of IPR Amicus, while exploring the subject, analyses various case law and the Intellectual Property Division Rules as issued by the Delhi High Court. The authors note that in so far as uncontested matters are concerned, the computation of damages is on a subjective basis. According to them, while Courts have held that in such cases, damages are to be considered on a reasonable/fair basis and that the Court can only make a broad assessment of profits, basis the evidence on record; it remains to be seen how Courts will make such assessments and on what factors/parameters.

# Emerging trends of award of damages in IP suits

By Ritwik Sharma and Vindhya S Mani

## Introduction

Myriad parameters and considerations influence the calculation of damages in Intellectual Property Rights disputes. The general perception of damages in IPR matters is that they serve as a means for restitution, i.e., to remit any unjust gains of infringement back to the Plaintiff. However, damages also serve a punitive end. They act as a deterrent for third parties looking to engage in questionable conduct that is violative of IPRs. Therefore, the nature and quantum of damages in India are determined on a case-by-case basis. Recently, Indian Courts have taken a proactive stance towards awarding increasing sums of damages for infringement in IPR matters. As recent as in March of this year, the Delhi High Court awarded Ericsson damages worth INR 2.44 billion in a Standard Essential Patent (SEP) infringement suit.<sup>1</sup> This is the largest quantum of damages awarded in a patent infringement suit in India.

## An emerging trend

The ruling in *Ericsson (supra)*, although landmark, is part of a recent trend of Indian Courts providing monetary compensation in IPR matters. However, to balance competing goals of compensation, justice and uniformity, Courts have laid down several parameters which are to be considered while calculating damages. These considerations were consolidated by the Delhi High Court in 2019 in *Koninlijke Philips N.V. and Another v. Amazestore and Ors.*<sup>2</sup> The Court in that case awarded damages to the tune of INR 31.5 million for infringement of the Plaintiff's patent. However, it is pertinent to note that the Court's decision recognized that such damages are not intended for cases involving first-time infringers. To ensure that a judicious approach is taken to arrive at a figure for damages, the Court consolidated the discussion on calculation of damages and devised the following formula:

<sup>1</sup> *Lava International Ltd. v. Telefonaktiebolaget LM Ericsson*, 2024 SCC Online Del 2497.

<sup>2</sup> 2019 SCC Online Del 8198

Degree of <i>mala fide</i> conduct	Proportionate award
First-time innocent infringer	Injunction
First-time knowing infringer	Injunction + Partial Costs
Repeated knowing infringer which causes minor impact to the Plaintiff	Injunction + Costs + Partial damages
Repeated knowing infringer which causes major impact to the Plaintiff	Injunction + Costs + Compensatory damages
Infringement which was deliberate and calculated (gangster/scam/mafia) + willful contempt of court	Injunction + Costs + Aggravated damages (Compensatory + Additional damages)

Thereafter, the Delhi High Court issued the Intellectual Property Division Rules<sup>3</sup> in 2022, to provide a comprehensive set of guidelines specific to IPR matters being litigated before the Delhi High Court. These Rules were a first in India and have set the ball rolling for an IP-Division in the Madras High Court and possibly one in the Calcutta High Court, in the near future. Amongst other aspects, the Rules address the issue of computation of damages. Rule 20 enlists the following 6 factors to determine the quantum of damages:

1. Lost profits suffered by the injured party;
2. Profits earned by the infringing party;
3. Quantum of income which the injured party may have earned through royalties/license fees, had the use of the subject IPR been duly authorized;
4. The duration of the infringement;
5. Degree of intention/neglect underlying the infringement;
6. Conduct of the infringing party to mitigate the damages incurred by the injured party.

In *Strix Ltd. v. Maharaja Appliances Ltd.*<sup>4</sup> the Delhi High Court awarded damages worth INR 8.1 million. In this case, the Defendant abandoned the litigation midway, thereby blinding the Court to the actual unjust profits gained by the Defendant. To overcome this hurdle, the Court relied on the material and evidence placed on record, which included the press clippings of the Defendant disclosing their annual turnover and product prices from invoices of the Defendant as submitted by the Plaintiff. Through this material, the Court estimated that the Defendant must have generated a profit worth INR 9.6 million through the sale of the infringing products. Accordingly, the

<sup>3</sup> <https://www.wipo.int/wipolex/en/legislation/details/21496>

<sup>4</sup> 2023 SCC Online Del 7128

Court determined damages to the tune of INR 5 million and added litigation costs of INR 3.1 million, which cumulatively added to INR 8.1 million. The Court in this case noted that damages are of three kinds i.e., notional damages, compensatory damages, and punitive damages. The Court held that in a case where the evidence is not led, the damages have to be notional and are to be considered on a reasonable/fair basis. In such a case, the Court can only make a broad assessment of profits, on the basis of the evidence on record.

### Relevance of market share and lost profits

Recently, the Delhi High Court awarded USD 2,60,45,250 as damages to the plaintiff in *Communication Components Antenna Inc. v. Mobi Antenna Technologies (Shenzhen) Co. Ltd. & Ors.*<sup>5</sup> The Plaintiff filed a suit for infringement against the Defendants, claiming violation of their rights in Patent for an invention titled '*Asymmetrical Beams for Spectrum Efficiency*'. Essentially, the invention comprised of a fixed beam split-sector antenna. The Plaintiff sought delivery up and rendition of accounts, along with an injunction to restrain the Defendants from exploiting their invention. The Defendants challenged the validity of the suit patent by way of a counterclaim.

At the outset, the Court dismissed the challenge to the validity of the suit patent, recognizing the novelty of the same. Relying on witness testimony and technical analysis, the Court concluded that the features of the suit patent were present and thus, infringed, by the Defendant's products.

On the aspect of damages, it was noted by the Court that a Plaintiff can be compensated by (a) rendition of accounts; or (b) compensatory damages for lost profits; or (c) reasonable royalty. Since the Plaintiff did not assert claims for rendition of accounts, the Court observed that sales by the Defendants during 2011 and 2014 could be a measure of damage caused to the Plaintiff and on this basis, royalty can be calculated. The Court also noted that the Defendants were previously directed to file the sales figures pertaining to sales of the impugned products, and that the affidavits filed in this regard, strangely showed 'Nil' sales for the said period of 2011-2014.

The Court therefore proceeded to analyze calculation of loss of profits for compensatory damages based on the evidence led by the expert witnesses of the Plaintiff. The witness provided to the Court a *Total Addressable Market* ('TAM') *Analysis, 2011*, which was originally intended to inform the

<sup>5</sup> CS(COMM) 977 of 2016, Delhi High Court

Plaintiff's board of directors and investors of quantitative details regarding the suit patent's commercial use in India.

The quantification of damages was made keeping in mind the following factors:- a) market size lost by the Plaintiff in India; b) retail price of antennas covered by the suit patent in India from 2007 to 2011; c) retail price of antennas covered by the suit patent in Canada and USA in 2011; d) retail price of the most basic model of antennas covered by the suit patent in Canada and USA post-2012; and e) cost price to manufacture antennas covered by the suit patent in India and North America.

Based on the above-mentioned factors, the Court noted that the Plaintiff would have lost a market size of 94,710 antenna units between 2011 to 2014<sup>6</sup>. Further, the per-unit profit received on the sale of the invented product was computed as USD 550<sup>7</sup>. The Court noted that the figure of 94,710 cannot be accepted in the absence of any evidence on the actual lost market share and that it cannot be concluded with certainty that the entire market share would have come to the kitty of the

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<sup>6</sup> A figure of 21,293 was taken as the market size lost at the end of 2011 and for the years 2012 to 2014, the market size lost was taken as 73,417.

Plaintiff. Therefore, the reasonable estimate of the lost market share, as per the Court, considering that Plaintiff is a patent holder and based on the number of base transceiver stations/tower sites that may have been available in the Indian market, was assessed as half of 94,710 units, i.e., 47,335. Accordingly, damages were computed to be USD 2,60,45,250 (INR 2,17,47,78,375 at the current US Dollar rate of INR 83.5)<sup>8</sup> for the period of 2011-2014. The Court denied the Plaintiff's prayer for punitive damages. Relying on *Strix Ltd. (supra)*, the Court reiterated that punitive damages are awarded only when compensatory damages were inadequate.

### Significance and impact

A survey of the above decisions indicates that in so far as uncontested matters are concerned, the computation of damages is on a subjective basis. While Courts have held that in such cases, damages are to be considered on a reasonable/fair basis and that the Court can only make a broad assessment of profits, basis the evidence on record; it remains to be seen how Courts will make such assessments and on what

<sup>7</sup> Plaintiff placed on record Purchase Orders reflecting the retail prices and average of the antennas sold in USA was assessed as USD 1,350. The average cost price was shown as USD 800 and therefore, the profit was assessed as USD 550 per unit.

<sup>8</sup> 47,335 units multiplied by USD 550 amounted to USD 2,60,45,250.

factors/parameters. For instance, would it be correct to take the lesser of two options in any given scenario or should the Courts seek the aid of an independent expert assessment and not merely rely on the Plaintiff's evidence, especially when the assessment being undertaken is not on actuals. In any case, it

is evident that Courts are now viewing the aspect of damages from different vantage points.

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





# Articles

## **Not attending Hearing cannot be the basis for refusal of Patent application – Delhi HC remands matter**

*By Devesh Aswal and Vindhya S Mani*

The second article in this issue of the newsletter discusses a recent decision of the Delhi High Court wherein the Court has held that non-appearance of the Applicant in the hearing before the Controller cannot dispense with the Controller's obligation to pass a reasoned and speaking order. The High Court has held that the Appellant not attending the hearing cannot be the basis for passing a decision under Section 15 of the Patents Act. The Court in this regard also noted that the Appellant's detailed response to FER casts a duty on the Respondent to pass a speaking order.

# Not attending Hearing cannot be the basis for refusal of Patent application – Delhi HC remands matter

*By Devesh Aswal and Vindhya S Mani*

The Delhi High Court in a recent decision<sup>9</sup> dated 30 July 2024 while adjudicating an appeal under the Patents Act, 1970 ('Act') filed against the Controller of Patents and Designs has held that the non-appearance of the Applicant in the hearing before the Controller cannot dispense with the Controller's obligation to pass a reasoned and speaking order. The Single Judge of the Delhi High Court set aside the refusal order and remanded the matter back to the Patent Office for fresh consideration, directing the Respondent to decide the matter on merits within 4 months of the date of the order.

## Facts

The instant patent appeal pertained to the Appellant's Indian patent application no. 202017011947, titled '*Composition, Methods, and Apparatuses for Catalytic Combustion*' (subject application). It was the case of the Appellant that the Respondent (Controller) passed the refusal order without

consideration of the Appellant's reply to First Examination Report (FER), resulting in an unreasoned order solely dictated by the non-appearance of the Applicant on the scheduled date of hearing and equating that to abandoning of the subject application. The Appellant submitted that the Appellant's Patent Attorney upon not attending the hearing on 08 December 2023, received a call from the office of the Controller seeking clarification for not having attended the hearing on the very same date. The Appellant acting upon the direction of the Controller *vide* E-mail(s) dated 15 December 2023 and 18 December 2023 apprised the Controller of the ongoing financial difficulty that persists on the Appellant.

That, it is after this that the Respondent passed the refusal order on 18 December 2023, refusing the subject application. The Appellant also submitted that post refusal, the Appellant wrote four e-mails to the Respondent dated 01 March 2024, 05 March 2024, 06 March 2024 and 12 March 2024, praying for

<sup>9</sup> *Star Scientific Limited v. Controller of Patents and Designs, C.A.(COMM.IPD-PAT) 20/2024* [Neutral Citation no. 2024:DHC:5643]

revival of the subject application. Owing to no updates from the Respondent, the Appellant also filed a representation before the Department of Administrative Reforms and Public Grievance on 05 March 2024.

The Respondent on the other hand, submitted that the Appellant had approached the Court with unclean hands and that the Appellant failed to provide a reason for not having attended the hearing. The Respondent asserted that the non-appearance on behalf of the Appellant is a conscious decision to abandon the subject application.

## Decision and analysis

The Court observed that the refusal under Section 15 of the Act was based on the ground that the Appellant did not attend the hearing. The Court observed that the Respondent had not assigned any specific reason and did not analyze as to why the subject application was not entitled to proceed for grant. The Court held the refusal order to be completely devoid of any merit, be it the reasoning or be it the outstanding objections.

The Court held that the Appellant not attending the hearing cannot be the basis for passing a decision under Section 15 of the Act. According to the Court, the Appellant's detailed

response to FER casts a duty on the Respondent to pass a speaking order.

The Court observed that the Respondent's contention with respect to the intent of the Appellant to abandon the subject application is misplaced and misguided. The filing of a detailed response to FER, coupled with e-mail(s) sent to the Respondent, makes it evident that even though the Appellant did not attend the hearing, there was a request for disposal of the subject application as per the provisions of the Act.

The Court further distinguished the case at hand with *Ferid Allani*<sup>10</sup>, wherein it was held that abandonment is never presumed and is discernible through the intent, action and conduct of the Applicant. The Court further analyzed the judgement in the case of *Merck Serono*<sup>11</sup>, wherein the Delhi High Court had held that providing detailed explanation to the objections raised in the FER and SER (Second Examination Report) would enjoin the Controller to pass a speaking order on merits under Section 15 of the Act and that the Controller cannot take recourse to Section 21(1) of the Act i.e., when the applications are deemed to be withdrawn for not rendering a reasoned decision.

<sup>10</sup> *Ferid Allani v. Union of India and Others*, 2008 SCC Online Del 1756

<sup>11</sup> *Merck Serono S.A. v. Union of India and Others*, 2014 SCC OnLine Del 1825

The Court further analyzed another aspect pertaining to the subject application having been granted patents in several other jurisdictions. The Court noting that this is a crucial factor for determining patentability of the subject application, relied on the case of *Otsuka*<sup>12</sup>, wherein the Delhi High Court had observed that grant of the subject matter in major jurisdictions ought to be taken into account while deciding the patentability of the same subject matter in India.

The Court held that it was incumbent upon the Respondent to pass a reasoned order, taking into account the submissions of the Appellant in the reply to the FER, and the documents filed along with the said reply. The Court relying on Rule 28(5) of the Patent Rules, 2003 held that the language of sub-rule (5) [*After hearing the applicant, or without a hearing if the applicant has not attended or has notified that he does not desire to be heard*], makes it clear that the Respondent is bound to decide the patent application, irrespective of whether or not the Applicant attended the hearing before the Respondent. The Court relying

on the case of *Huhtamaki*<sup>13</sup>, wherein the Delhi High Court while emphasizing on the need to pass a reasoned and speaking order, had categorically held that every order, be it rejection or acceptance has to be reasoned and shall deal systematically and sequentially with each objection that requires consideration.

The Court set aside the refusal order and remanded the matter to the Patent Office for a *de novo* consideration. Upon noting that the refusal order was passed within ten days of the scheduled date of hearing i.e., before the expiry period of the fifteen days' timeline for filing written submissions, the Court reinstated the right of the Appellant to file written submissions under Rule 28(7) of the Patent Rules, within a period of five days from the pronouncement of the High Court's order and directed the Respondent to dispose of the matter within four months.

**[The authors are Associate and Partner, respectively, in IPR practice at Lakshmikumar & Sridharan Attorneys]**

<sup>12</sup> *Otsuka Pharmaceutical Co. Ltd. v. Controller of Patents*, 2022 SCC OnLine Del 4982

<sup>13</sup> *Huhtamaki Oyj and Another v. Controller of Patents*, 2023 SCC OnLine Del 3272



# Statute Update

- Decriminalisation of certain provisions in Patents, Trademark and GI laws – Provisions of Jan Vishwas (Amendment of Provisions) Act, 2023 effective from 1 August 2024
- Trade Marks (Holding Inquiry and Appeal) Rules, 2024 notified

## Decriminalisation of certain provisions in Patents, Trademark and GI laws – Provisions of Jan Vishwas (Amendment of Provisions) Act, 2023 effective from 1 August 2024

The Department for Promotion of Industry and Internal Trade in the Ministry of Commerce and Industry has on 26 July 2024 issued a notification to bring into force from 1 August 2024 certain provisions of the Jan Vishwas (Amendment of Provisions) Act, 2023 ('Act'), as they relate to the Patents Act, 1970, the Trade Marks Act, 1999 and the Geographical Indications of Goods (Registration and Protection) Act, 1999.

The Act decriminalized some 183 provisions in 42 Central Acts administered by 19 Ministries/Departments and provides for pragmatic revision of fines and penalties commensurate to the offence committed, establishment of Adjudicating officers and Appellate Authorities, and periodic increase in quantum of fines and penalties.

A detailed news report on certain amendments in the abovementioned IPR laws, as covered in July 2023 when the Act was notified, are available [here](#).

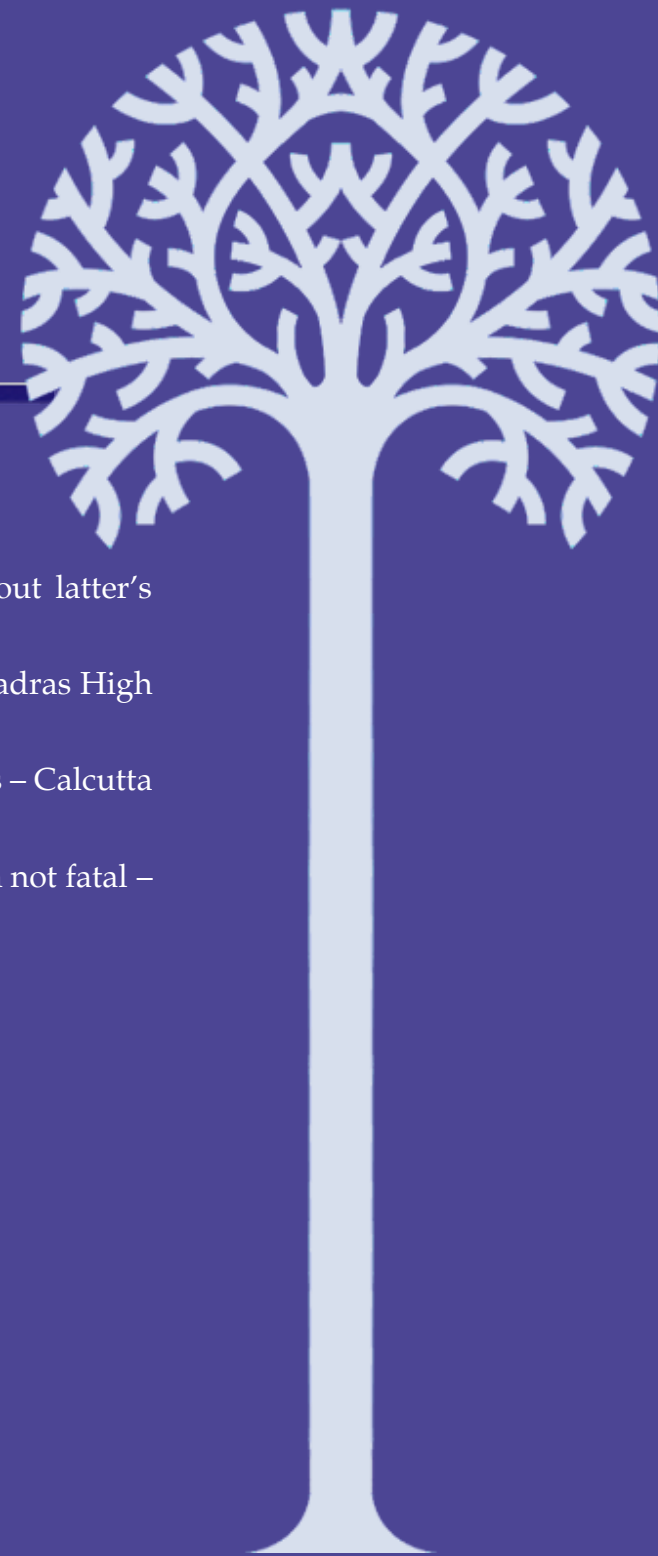
## Trade Marks (Holding Inquiry and Appeal) Rules, 2024 notified

Consequent to the notification of date of effect of Jan Vishwas (Amendment of Provisions) Act, 2023 in respect of certain IPR laws, the Department for Promotion of Industry and Internal Trade has on 16 August 2024 notified the Trade Marks (Holding Inquiry and Appeal) Rules, 2024. The new set of Rules provides for elaborate procedure of inquiry and appeal in case of alleged contravention committed under Section 107 of the Trade Marks Act, 1999 [*Penalty for falsely representing a trademark as registered.*].

Interestingly, as per the Rules, while the adjudicating officer *shall* complete the proceedings within 3 months from issuance of notice and the appellate authority is required to complete the proceedings *ordinarily* within 60 days of receipt of appeal, the provisions also provide that both the authorities may extend any period specified in these rules till such period as he may think fit.

It may be noted that as per Rule 3 of these Rules, any person may file a complaint in the specified form, through electronic means, to the adjudicating officer regarding any contravention committed under Section 107.

# Ratio Decidendi



- Personality rights – AI tools enabling conversion of any voice into that of a celebrity, without latter's permission, violate celebrity's personality rights – Bombay High Court
- Trademarks – 'ENRIL' and 'NURIL', used for medicines for different diseases, can coexist – Madras High Court
- Associate Managers appointed under Trademarks Section 3(2) cannot pass quasi-judicial orders – Calcutta High Court
- Search and seizure under Trade Marks Act – Non-compliance of proviso to Section 115(4) when not fatal – Karnataka High Court

## Personality rights – AI tools enabling conversion of any voice into that of a celebrity, without latter's permission, violate celebrity's personality rights

The Bombay High Court has held that making AI tools available that enable the conversion of any voice into that of a celebrity without his/her permission constitutes a violation of the celebrity's personality rights.

According to the Court, such tools facilitate unauthorized appropriation and manipulation of a celebrity's voice, which is a key component of their personal identity and public persona. The High Court was also of the view that this form of technological exploitation not only infringes upon the individual's right to control and protect his/her own likeness and voice but also undermines his/her ability to prevent commercial and deceptive uses of the identity.

In this case involving alleged misappropriation of attributes of the Plaintiff's (famous playback singer) personality traits without his express permission for a commercial purpose, the Court noted that celebrities are entitled to protection of the facets of their personality such as their name, images, likeness, voice,

signature, etc. against unauthorized commercial exploitation by third parties.

Granting an *ex-parte ad-interim* injunction in favour of the Plaintiff, the Court earlier in the decision noted that the Plaintiff is a notable singer / performer in India who has gained immense goodwill and reputation over the course of a very successful career and has acquired a 'celebrity' status in India. Further, it was of the view that creation of new audio or video content / songs / videos in the Plaintiff's AI name / voice, photograph, image, likeness and persona without the Plaintiff's consent and commercially using the same could jeopardize the Plaintiff's career / livelihood, thus not only severely harming him economically but will also leave room for opportunities for misutilization by unscrupulous individuals for nefarious purposes.

The High Court also agreed with the Plaintiff that freedom of speech and expression does not grant the license to exploit a celebrity's persona for commercial gain.

[*Arijit Singh v. Codible Ventures LLP and others* – Order dated 26 July 2024 in COM IPR SUIT (L) NO.23443 OF 2024, Bombay High Court]



## Trademarks – ‘ENRIL’ and ‘NURIL’, used for medicines for different diseases, can coexist

The Madras High Court has upheld the rejection of Opposition Application in a case where the trademark applicant was using the mark ‘ENRIL’ while the opponent was using the mark ‘NURIL’ in respect of different medicines for different diseases.

The Court noted that both the medicines contained same salt – Enalapril Maleate, which justified the coining of NURIL and ENRIL with a common suffix, RIL, and that neither the Opponent nor the applicant could claim any monopoly over the same, when it was descriptive of the drug. It was of the view that ‘EN’ and ‘NU’ being the distinguishing portions, were phonetically different and there was no possibility of even a slur leading to any confusion or deception. The fact that both the medicines were Schedule drugs which could be purchased by a patient/user only on production of a medical prescription was also noted for the purpose.

Rejecting the appeal, the Court also noted that the Opponent-Appellant was not able to demonstrate a single instance where the applicant-respondent’s ENRIL was sold instead of the Appellant’s NURIL, especially in the last close to 20 years. The Court noted that Appellant did not also prove that deception or

confusion was caused because of the similarity in the names or that the Respondent’s adoption of the trademark ENRIL was not honest.

Further, on the question of passing off, the Court noted that there was no adverse effect on the sales of the Appellant. It may be noted that the High Court in this case also rejected opposition in terms of Sections 13 and 18 of the Trade Marks Act, 1999.

[*USV Limited v. Aurobindo Pharma Ltd.* – Judgement dated 26 July 2024 in (T) CMA (TM) No.32 of 2023, Madras High Court]

## Associate Managers appointed under Trademarks Section 3(2) cannot pass *quasi-judicial* orders

The Calcutta High Court has held that Associate Managers appointed under Section 3(2) of the Trade Marks Act, 1999 are not empowered to pass *quasi-judicial* orders.

The Court in this regard held that sub-section (2) of Section 3 is only intended to empower the delegation of administrative power and not *quasi-judicial* power. It, for this purpose, noted that while Section 3(2) prescribes that the other officers appointed to discharge the functions of the Registrar are required to function under the superintendence and direction of the Registrar, the *quasi-judicial* functions are required to be performed independently and not subject to the

superintendence or direction of any other person including the Registrar.

Setting aside the orders passed by Associate Manager, the Court also noted that the concerned people (Associate Managers) who passed the impugned orders were not even holding the post of Associate Manager in terms of the offer of engagement on the date of such orders. The matter was remanded to the Registrar, Trade Marks to decide the matter afresh by a competent officer after giving an opportunity of hearing to all the parties.

[*Visa International Ltd. v. Visa International Service Association – Judgement dated 2 August 2024 in IPDTMA No. 82 of 2023 and Ors., Calcutta High Court*]

### Search and seizure under Trade Marks Act – Non-compliance of proviso to Section 115(4) when not fatal

The Karnataka High Court has reiterated that non-compliance of the requirement of the proviso to sub-section (4) of Section 115 of the Trade Marks Act, 1999 is an irregularity which would not require this Court to exercise its powers under Section 482 of the Cr.PC.

In terms of the said proviso, no Police Officer below the rank of Deputy Superintendent of Police can issue instructions to conduct any search or seizure unless he obtains the opinion of the Registrar of Trade Marks and he shall abide by such opinion.

The High Court was of the opinion that the non-obtainment of the opinion from the Registrar is only an irregularity which does not go to the root of the investigation. According to the Court, the trial can go on in such case and in the event of the accused being able to establish during trial that due to such irregularity, there is a failure of justice, then in that event, the trial court can dismiss the complaint on that ground.

The Court in this regard also noted that the complaint itself was registered under Section 63 of the Copyright Act, and it was only during the course of investigation when the items were seized that it came to light that offences under Sections 103, 104 and 105 of the Trade Marks Act were committed.

[*Manjunatha M.S. v. State by Arisikere Town Police – Order dated 8 July 2024 in Criminal Petition No. 1620 of 2017 (482), Karnataka High Court*]



# News Nuggets

- Patentability of computer programme – Rejection of patent application on ground that hardware was a general-purpose processor, memory and computing device, is wrong
- Trademarks – Crocodile device mark – Delhi HC rules in favour of Lacoste on infringement but observes that reputation and goodwill not established for passing off
- Patents – Combining different elements in alleged prior arts to somehow demonstrate lack of inventiveness is not correct
- Global patent dispute between Intel and R2 Semiconductor – UK Court rules in favour of Intel while German Court sided with R2
- Trademarks – Biscuit major restrained from using ‘Top Gold Star’
- WIPO and India’s NITI Aayog join hands to develop programs for global south countries
- US patents for gene therapy treatments – Sanofi sues Sarepta



## Patentability of computer programme – Rejection of patent application on ground that hardware was a general-purpose processor, memory and computing device, is wrong


The Madras High Court has set aside the Order of the Assistant Controller of Patents and Designs rejecting Indian Patent Application in respect of an invention titled 'Document length as a static relevance feature for ranking search results'. Directing the matter for reconsideration by a different officer, the Court in *Microsoft Technology Licensing, LLC v. Assistant Controller of Patents and Designs* [Judgement dated 8 August 2024] noted that the patent application was rejected by the impugned order on the ground that the hardware was in the form of a general-purpose processor, memory and computing device. The High Court in this regard observed that thus the principles formulated by the Delhi High Court and the present Court in relation to Section 3(k) of the Patents Act, 1970, concluding that it is not necessary for a computer related invention to be embedded or used in relation to novel hardware, were not noted by the Assistant Controller.

Further, in respect of certain prior arts, the Court noted that while the Assistant Controller (Respondent) had concluded that

the modification would be obvious from prior arts D1 and D2, the respondent had not set out reasons as to why the claimed invention would be obvious from such prior arts. According to the Court, since the conclusions recorded in the impugned order were not supported by cogent reasons, interference therewith was necessary. *The Appellant was represented by Lakshmikumaran & Sridharan Attorneys here.*

## Trademarks – Crocodile device mark – Delhi HC rules in favour of Lacoste on infringement but observes that reputation and goodwill not established for passing off

The Delhi High Court has ruled that the mark  owned by Defendant – Crocodile International, is deceptively similar to the mark  used by Lacoste. According to the Court, the visual and conceptual parallels between the marks support a strong case for trademark infringement, underscoring the importance of protecting the distinctiveness of the Lacoste trademarks. The High Court in this regard also held that under Section 29(1) of the Trade Marks Act, 1958, this degree of deceptive similarity can cause confusion and deceive the average consumer and thus violates the Plaintiffs' trademark rights.

It may be noted that the Court however, on the question of passing off, ruled that the oral and documentary evidence presented by the petitioner (Lacoste) did not establish their exclusive reputation and goodwill in the crocodile device in the Indian market as on the date of adoption of the  device by Crocodile International. The High Court in this regard observed that the manner of presenting crucial evidences for this purpose raises pertinent questions concerning the admissibility of electronic records and the necessary compliance with Section 65B of the Evidence Act. The Chartered Accountant's certificate produced by the petitioner was also found to lack in several respects.

Notably, the Court in *Lacoste & Anr. v. Crocodile International Pte Ltd.* [Judgement dated 14 August 2024] also did not find a case for copyright infringement by Crocodile International.

### Patents – Combining different elements in alleged prior arts to somehow demonstrate lack of inventiveness is not correct

The Delhi High Court has granted an interim relief in favour of the plaintiff in dispute involving patent relating to the ability of the PCA unit to automatically adjust cooling performance, according to at least one of the conditions i.e. type of aircraft,

ambient temperature, humidity, cabin temperature, outgoing temperature, and outgoing airflow from the PCA unit. This was achieved by driving the compressor through a VFD, and in turn controlling the various compressors with VFDs by a central controller. The Court *prima facie* upheld the plaintiffs' position that the claims were 'agnostic' to modularity and focus only on the VFD plus central controller.

Further, rejecting the submission of the defendant regarding invalidity on the ground of lack of inventive step, the Court in *ITW GSE APS v. Dabico Airport Solutions Pvt. Ltd.* [Judgement dated 4 July 2024] observed that the defendants failed to establish how, even upon mosaicking of the different prior arts cited, a person skilled in the art may be able to take obvious steps leading towards the inventive concept in the suit patent. It, in this regard, noted that perusal of the prior arts brought into focus by the defendants reflected that there was clear improvement and categorical difference between the said prior arts and the invention in the suit patent. According to the Court, the prior arts were used to combine different elements to somehow demonstrate lack of inventiveness.

## Global patent dispute between Intel and R2 Semiconductor – UK Court rules in favour of Intel while German Court sided with R2

In a multinational patent dispute brought by R2 Semiconductor alleging that Intel infringed on its voltage regulation technology, the High Court of England and Wales in United Kingdom has ruled in favour of Intel. The High Court has invalidated the R2's patent in a counterclaim submission by Intel and held that R2's patent is invalid due to the lack of an 'inventive step' when building on previous inventions. It may be noted that as per news reports available [here](#), the ruling also determined that Intel's products would have violated the patents – had they been valid.

Interestingly, the Düsseldorf Regional Court in Germany had in February this year ruled that Intel had infringed on R2's patent. As per news reports available [here](#), the German Court had granted an injunction barring the sale of chips containing the offending technology. The matter is pending in appeal.

## Trademarks – Biscuit major restrained from using 'Top Gold Star'

The Calcutta High Court has restrained a major biscuit manufacturer from selling products under the 'Top Gold Star' brand. A Kolkata-based biscuits maker had adopted the 'Top Gold' mark for one of its products in 2005 while the biscuit major had recently launched a new biscuit product under 'Top Gold Star'. As per news reports available [here](#), the Court while granting interim protection observed that the petitioner (Kolkata-based company) had made out a *prima facie* case and that the balance of convenience and inconvenience was in favour of the petitioner. In this dispute involving SAJ Food Products' Bisk Farm brand and Parle Biscuits, the High Court however allowed Parle to use the branding 'Top' without using the word 'Gold' along with 'Top'.

## WIPO and India's NITI Aayog join hands to develop programs for global south countries

With the aim of building programs for innovation, entrepreneurship and intellectual property (IP) for countries in the global south, India's NITI Aayog under its Atal Innovation

Mission ('AIM') has recently signed a Joint Letter of Intent with World Intellectual Property Organisation (WIPO).

As per news reports available [here](#), Dr. Chintan Vaishnav, Mission Director, AIM, on the occasion stated that AIM-WIPO partnership will benefit many nations for whom models such as Atal Tinkering Labs and Atal Innovation Centres are needed to build their innovation ecosystems.

## US patents for gene therapy treatments – Sanofi sues Sarepta

Sanofi-owned biotech company Genzyme has sued rival Sarepta Therapeutics in Delaware Federal Court for allegedly infringing two patents related to Sarepta's Duchenne Muscular Dystrophy (DMD) treatment Elevidys. As per news reports available [here](#), according to Genzyme, Sarepta mimics Genzyme's technology for modifying viruses used to deliver genes into human cells in gene-therapy treatments like Elevidys.

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