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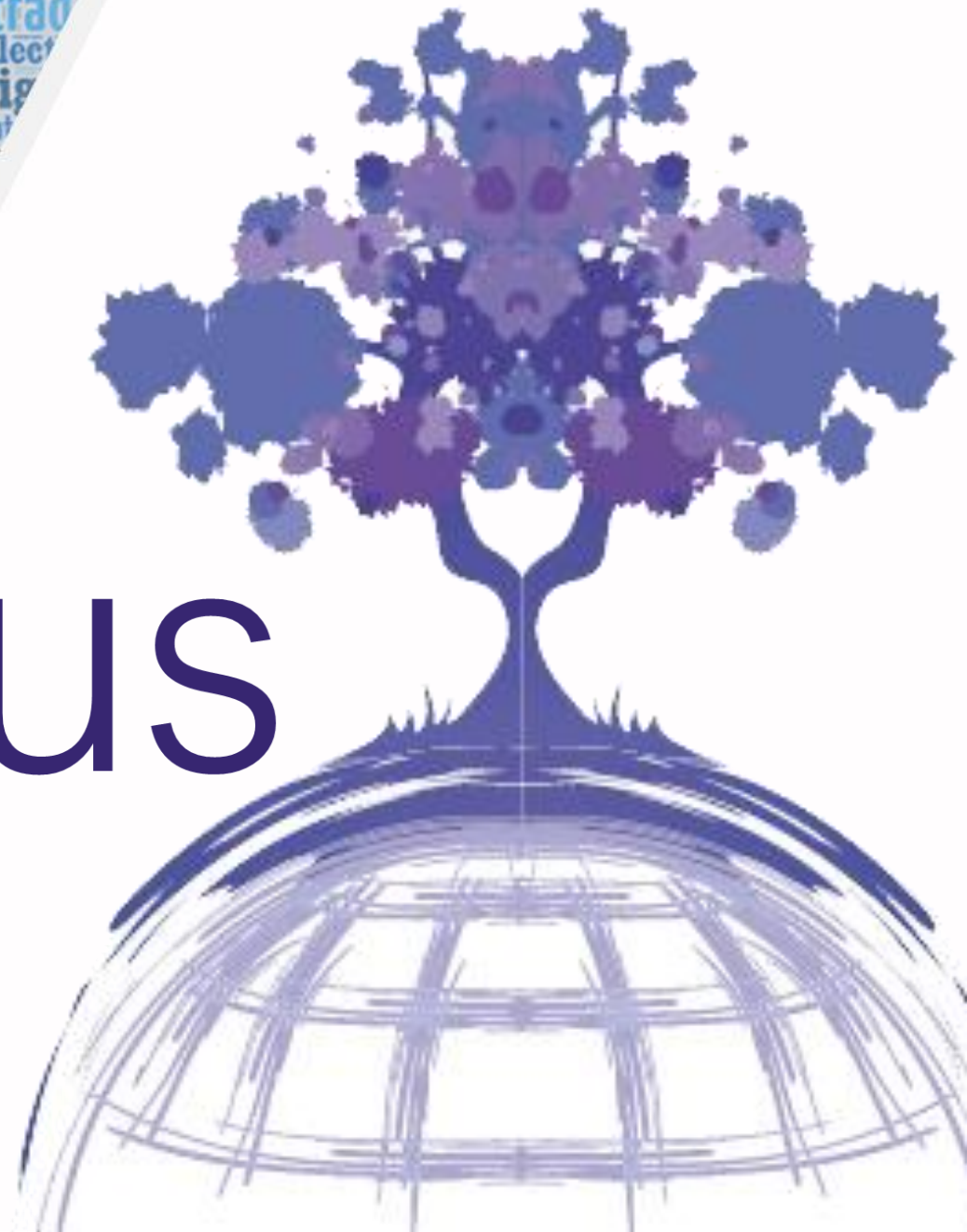


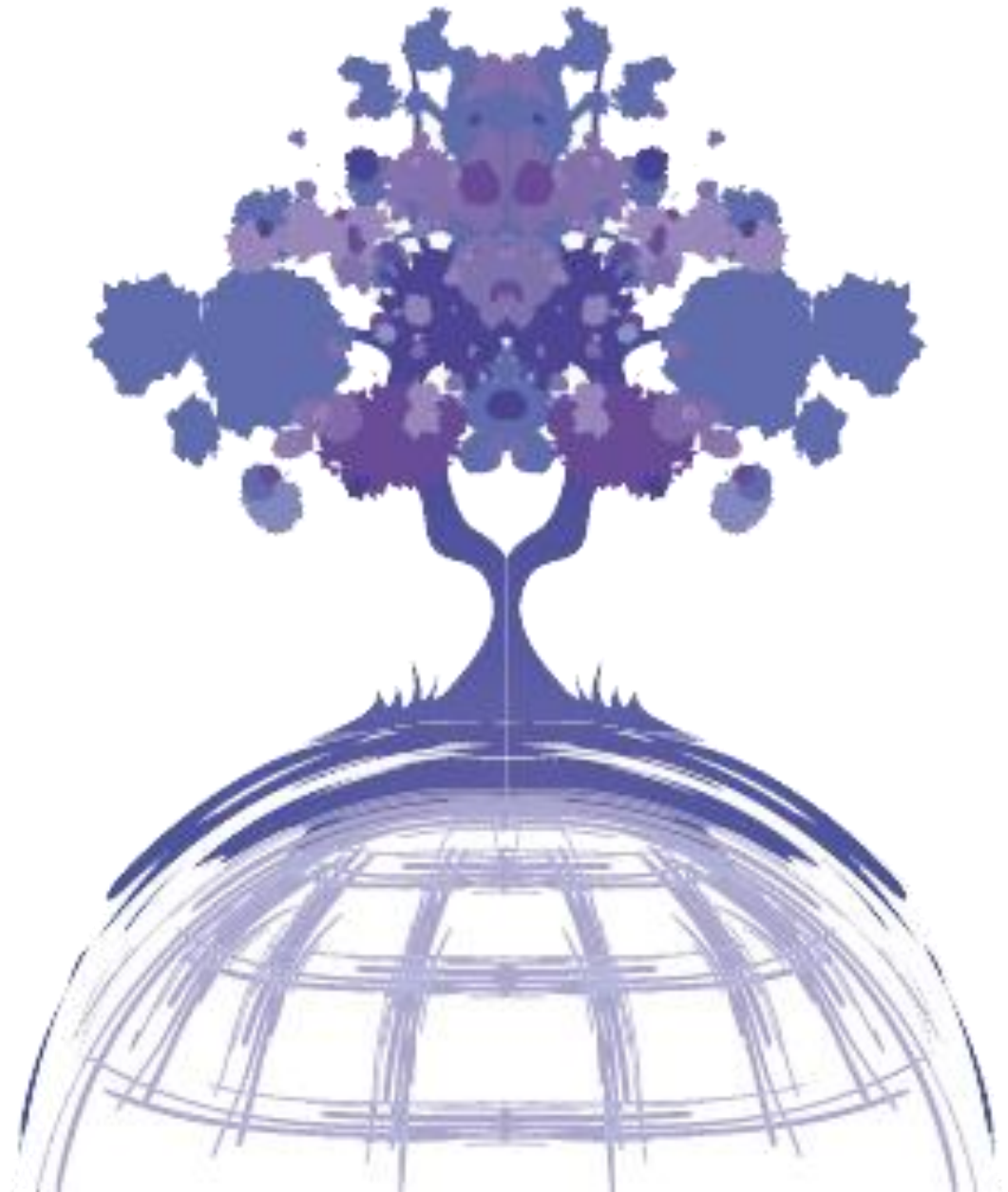
Table of Contents

Articles 3

- Personality Rights: Protection under IP laws4
- Trademark tangle: Deepika Padukone’s beauty brand dances through the tunes of ‘use in a trademark sense’ v. ‘descriptive use’9

Ratio Decidendi..... 16

News Nuggets..... 21





Articles

Personality Rights: Protection under IP laws

By Veena Chandra and Kriti Sood

There are two discernible facets when a celebrity wants to protect their personality rights: first, the right to protect one's image from being commercially exploited without permission by treating it as a tort of passing off; mainly termed as publicity rights which comes under the ambit of IP Law and *second*, the right to privacy which entails one's right to be left alone. The first article in this issue of IPR Amicus discusses protection under IP laws. Discussing jurisprudential development in US and UK, the article elaborately summarises many case law governing jurisprudence in India. According to the authors, in the era of digital media and widespread information dissemination, the interplay between publicity and privacy rights remains a dynamic and complex area of law. They observe that balancing the interests of public figures in controlling their image with their right to personal privacy continues to be a challenge.

Personality Rights: Protection under IP laws

One of the most celebrated Marvel Cinematic universe actress Scarlett Johansson reportedly once said that *'Your face is your own, and nobody has the right to use it for profit without your permission.'* Johansson's quote reinforces the significance of rights that persons have in protecting their individuality, and the traits and characteristics associated with the person.

Personality Rights

The word 'celebrity' is perceived by a large chunk of population as an honour and a reward for success. Sportspersons and artists earn it by skill, businessman and TV personalities earn it by wit, politicians earn it by votes and for some it is spontaneous like in the case of princes and princesses, who acquire it by birth or by marriage. Certain others may acquire it by their chance involvement in newsworthy events.

Pertinently, there are two discernible facets when a celebrity wants to protect their personality rights: *first*, the right to protect one's image from being commercially exploited without permission by treating it as a tort of passing off; mainly termed as publicity

By Veena Chandra and Kriti Sood

rights which comes under the ambit of IP Law and *second*, the right to privacy which entails one's right to be left alone¹.

Jurisprudential development in US and UK

The roots of recognition of individuality and protection from intrusion can be traced from the advent of the principle of *'right to be left alone'* which gave the basis to right to publicity as a subset.

In the United States, the emergence of publicity rights for celebrities intertwined with privacy rights and has evolved through a combination of legal precedents and cultural shifts. The right of publicity, which grants individuals control over the commercial use of their name, likeness, and other personal attributes, began to gain recognition in the early 20th century. Notably, the case of *Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.*² set a foundational precedent for publicity rights. Pertinently, Haelan Laboratories and Topps Chewing Gum were rival manufacturers in chewing gum business. Further, in an effort to increase sales, Haelan Laboratories put together a set of cards which had faces of baseball players which was covered under exclusivity contract for set particular term period

¹ Tabrez Ahmad and Satya Ranjan Swain, 'Celebrity Rights: Protection under IP Law', Vol 16, January 2011, pp 7-16, Journal of Intellectual Property

² (1953) 202 F.2d.866 (2d cir).

wherein the players were not allowed to grant any other gum manufacturer a similar right during the term of contract with the Plaintiff. However, the rival company Topps Chewing Gum Inc. induced the athletes *via* its agents to use players photographs to sell its own branded chewing gum during the same time of the existence of the above-mentioned contract. In view of the same, the US court of appeal ruled that the defendants acted in breach of the contract. The defendant's contention that '*a man has no legal interest in the publication of his picture other than his right of privacy*' fell flat on the face of legal principles and the court held '*a man has a right in the publicity value of his photograph, and that such a grant may validly be made without an accompanying transfer of a business or of anything else*'. Thus, the right of publicity was recognized as an important right.

In the United Kingdom, the emergence of publicity rights for celebrities is a relatively recent legal development. Historically, English law primarily focused on protecting reputation through defamation laws, with limited consideration for privacy.

The pivotal shift came in the early 21st century with the case of *Douglas v. Hello! Ltd*³ which involved unauthorized publication of photographs from a celebrity wedding. This case marked a turning point, affirming the importance of safeguarding an individual's privacy against intrusive media practices. It emphasized that

celebrities, like any individual, possess a reasonable expectation of privacy in certain aspects of their personal lives.

Subsequently, the Human Rights Act, 1998, which incorporated the European Convention on Human Rights into the UK law, played a crucial role. The Article 8 of the Convention became a cornerstone for privacy rights which provides that '*protecting the privacy of the private and family life*' as an important statute.

Jurisprudence in India

In India with the rise of the entertainment industry, the concept of personality rights gained prominence along with the right to privacy. In 1995, the emergence of personality rights was catalysed by one notable case *R. Rajagopal v. State of Tamil Nadu*⁴ famously known as the *Auto Shankar* case, where the Supreme Court recognized a person's right to control the commercial use of their identity. This case marked a pivotal shift, acknowledging that individuals, including celebrities, possess a legitimate interest in controlling the exploitation of their persona for commercial gains. The Court explained that the '*freedom of the press flows from the freedom of speech and was subject to reasonable restrictions provided in Article 19(2), and that it was important to strike a balance between the freedom of press and the right to privacy*'. The Court held privacy to be a '*right to*

³ 2001 2 WLR 992

⁴ (1994) 6 SCC 632

be let alone' and that no one could publish anything referring to an individual's private affairs without the consent of the concerned person unless it was based upon public records.

As the concept developed further, another question came before the Hon'ble Delhi High Court regarding whether the personality rights shall vest with a corporation or not, in the landmark case of *ICC Development (International) Ltd. v. Arvee Enterprises*⁵, wherein the Delhi High Court stated that the right to publicity emerged from the right to privacy and only pertains to a specific person or any indication of their personality. Therefore, non-living creatures are not covered by the right of publicity. By involvement with an event, a person may obtain the Right of Publicity; however, neither the event in question nor the event's organizer are covered by this right. Any attempt to transfer a person's right to publicity to the event's organizer (a non-human entity) would be a violation of Articles 19 and 21 of the Indian Constitution.

In 2011, the Delhi High Court went ahead to define the concept of 'Publicity Right' of a celebrity in *Titan Industries Ltd. v. Ramkumar Jewellers*⁶ as '*The right to control commercial use of human identity is the right to publicity*'. The Court in this case further provided guidelines regarding the liability for infringement of the right of publicity.

In 2015, the Madras High Court in *Shivaji Rao Gaikwad, (also known as Mr. Rajinikanth) v. Varsha Productions*⁷, while relying on the above two judgements opined that the personality right vests on those persons, who have attained the status of celebrity. It further added that '*Infringement of right of publicity requires no proof of falsity, confusion, or deception, especially when the celebrity is identifiable*' and adjudicated that *prime facie* the plaintiff is liable to receive order in its favour.

In the order passed in the case of *Anil Kapoor v. Simply Life India & Ors.*⁸ the Delhi High Court tried to cater to also those areas which were earlier not addressed. That is personality rights associated with an individual's persona such as their name, voice, photograph/image/likeness, manner of speaking and dialogue delivery, gestures, and signatures etc. While pronouncing the judgement in the favour of the Plaintiff the court stated '*reputation and fame can transcend into damaging various rights of a person including his right to livelihood, right to privacy, right to live with dignity within a social structure, etc. There can be no doubt that free speech in respect of a well-known person is protected in the form of right to information, news, satire, parody that is authentic, and also genuine criticism. However, when the same crosses a line, and results in tarnishment, blackening or jeopardises the individual's personality, or attributes associated with the*

⁵ 2003 (26) PTC 245

⁶ (2012) 50 PTC 486

⁷ 2015 (62) PTC 351 (Madras)

⁸ CS(COMM) 652/2023 AND I.A. 18327/2013- 18243/2023

said individual, it would be illegal'. The court further stated that the 'Plaintiff's name, likeness, image, persona, etc., deserves to be protected, not only for Plaintiff's own sake but also for the sake of his family and friends who would not like to see his image, name and other elements being misused, especially for such tarnishing and negative use'.

It is pertinent to mention that this judgement shows how elements of intellectual property that protects the attribute of an individual, in fact have other dimensions including rights protected by the Constitution of India.

Conclusion

Today, in the era of digital media and widespread information dissemination, this interplay between publicity and privacy rights remains a dynamic and complex area of law. Balancing the interests of public figures in controlling their image with their right to personal privacy continues to be a challenge in this evolving legal landscape.

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Articles

Trademark tangle: Deepika Padukone's beauty brand dances through the tunes of 'use in a trademark sense' v. 'descriptive use'

By Vindhya S. Mani, Radhika Deekshay and Shivangi Rajan

A recent order passed by the Delhi High Court in favour of DPKA Universal Consumer Venture, rejecting the plea of interim injunction by Lotus Herbals against the former's use of 'Lotus Splash', has garnered a lot of attention. The decision discusses the question of infringement, with specific reference to Section 30(2)(a) of the Trade Marks Act, 1999. The second article in this newsletter discusses this interim order and analyses the jurisprudence on Section 30(2)(a). The authors opine that said section should most definitely be interpreted in such a manner to prevent the undesirable consequence of trademark owners using their IP rights to justify anticompetitive and exploitative behavior.

Trademark tangle: Deepika Padukone's beauty brand dances through the tunes of 'use in a trademark sense' v. 'descriptive use'

By Vindhya S. Mani, Radhika Deekshay and Shivangi Rajan

A recent order passed by the Delhi High Court in favour of DPKA Universal Consumer Ventures and others (the Defendants), rejecting the plea of interim injunction by Lotus Herbals (the Plaintiff) against the former's use of 'Lotus Splash', has garnered a lot of attention. The decision discusses the question of infringement, with specific reference to Section 30(2)(a) of the Trade Marks Act, 1999 ('Act') at length. This article discusses this interim order and analyses the jurisprudence on Section 30(2)(a) of the Act.

Interim order in Lotus Herbals v. DPKA9

Brief background and facts:

The Plaintiff claimed their brand LOTUS has been in business since 1993 and has become a household name in terms of offering skincare products. The Plaintiff further holds several trademark and copyright registrations over the mark 'LOTUS' *per se* and other 'LOTUS' formative marks.

The Plaintiff instituted a trademark infringement suit against the Defendants i.e., the company behind Deepika Padukone's co-owned brand '82°E', for its use of the name/logo 'Lotus Splash' for a face cleanser, which according to the Plaintiff infringes their registered 'LOTUS' formative marks and creates a false sense of association between the products of both the entities.

Plaintiff's contentions:

- i) The Defendants' use of the word 'Lotus' conjoined with 'Splash' as a trademark, despite being well aware of the pre-existing and registered 'LOTUS' marks of the Plaintiff, amounts to infringement under Section 29 of the Act.
- ii) The Defendants' use of 'Lotus Splash' on the packaging of their facial cleanser is in a trademark sense. The actual brand name i.e., '82°E' (as claimed by the Defendants) has been constrained at the bottom of the actual product bottle. Subsequently,

⁹ CS (COMM) 454/2023, I.A. 12308/2023, I.A. 17542/2023 and I.A. 19426/2023.

'Lotus Splash' would be perceived as the actual brand name because the point of reference for a consumer is the name of the mark and not its ingredient. The invoices of the Defendants depict that the Defendants, despite trying to prove otherwise, have been selling the product as 'Lotus Splash conditioning cleanser with lotus and bioflavonoids' with no mention whatsoever of the brand name '82°E'. The Defendants' social media handles and official website further substantiate that the Defendants are using 'Lotus Splash' as a trademark and not in a descriptive sense, barring them from claiming protection under Section 30(2)(a) on the grounds that 'Lotus' *per se* is descriptive of its facial cleanser that contains lotus extract.

- iii) Additionally, like 'Lotus Splash', the Defendants are also offering similar goods under similar marks 'Ashwagandha Bounce' and 'Patchouli Glow' (highlighting the primary ingredients in the products thereunder). The Plaintiff contended that not only did the Defendants conceal the fact that they applied for registration of these similar marks 'Ashwagandha Bounce' and 'Patchouli Glow' by themselves as

trademarks, but the same is also indicative that the use of 'Lotus Splash' by the Defendants is also in a trademark sense.

Defendant's contentions:

- (i) Claiming to be entitled to the benefit of Section 30(2)(a) of the Act, the Defendants took recourse to the argument that lotus being the star ingredient of the 'Lotus Splash' face cleanser, the mark 'Lotus Splash' is an indicator of the products constituents. Thus, the use is well within the governing legal principle of Section 30(2)(a) i.e., a registered trademark is not infringed where use is descriptive.
- (ii) With respect to the Plaintiff's contention that the Defendants have sought registration for other similar marks 'Ashwagandha Bounce' and 'Patchouli Glow', the Defendants asserted that *'even if such applications were filed seeking registration of descriptive trademark, they could at worst be regarded as misconceived, and could not operate as estoppel against the defendants in the present case'*.

Issue before the Court

The Court opined on the following key issues in the interim order in the present matter:

- 1) Whether the use by the Defendants amounts to infringement under Section 29 of the Act?
- 2) Whether the Defendants are liable to claim the defence of Section 30(2)(a) of the Act i.e., a registered trademark is not infringed where '*the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services*'?

Decision of the Court

With regard to the first issue, the Single Judge of the Delhi High Court reiterated the three cumulative conditions required to be satisfied for a finding of infringement under Section 29(2)(b) of the Act i.e., a) rival marks must be similar b) use in respect of identical or similar goods/ services c) and because of the existence of these two factors, there must be a likelihood of confusion on the part of the public or likelihood of the public believing an association between the rival marks. The Court opined that in the present scenario, it is evident that the goods under the Plaintiff's registered mark 'Lotus' and the

Defendants' unregistered 'Lotus Splash' mark are allied and identical. Additionally, the prominent use of 'Lotus' in the Defendants' mark could lead consumers to associate their product with the Plaintiff, thereby establishing a *prima facie* case for infringement within the meaning of Section 29 of the Act.

As regard the second issue, the Single Judge referred to the relevance of Section 30(2) of the Act in the present scenario. The Court observed that the Plaintiff's argument that the use of 'Lotus Splash' does not qualify for the defence of Section 30(2)(a) of the Act owing to its 'suggestive' rather than 'descriptive' nature, was inadequate. The Court reasoned that the Defendants' product contains lotus as a primary ingredient and the same has been consciously and extensively advertised by the Defendants. The same is also emphatically underscored in their product description – '*conditioning cleanser with lotus and bioflavonoid*', which is placed immediately below the 'Lotus Splash' mark on their packaging. Thus, according to the Court, an ordinary consumer would get the impression that the product contains lotus as one of its key ingredients. Further, the Court held that the brand name '82°E' appears at the lower edge of their packaging of the 'Lotus Splash' cleanser, thereby indicating that the trademark of the Defendants is '82°E' and not 'Lotus Splash'.

Consequently, the Court allowed the Defendants to claim recourse of Section 30(2)(a) of the Act and rejected the grant of the interim injunction in favour of the Plaintiff. Additionally, owing to the dissimilarity in appearance and the price points of the rival products as well as the sole similarity between them being the common term 'Lotus', the Court held that the Defendants' use of the 'Lotus Splash' mark does not amount to passing off the Plaintiff's mark.

Jurisprudence on Section 30(2)(a)

The tussle between use in a trademark sense vs. descriptive use is not new to Indian Courts. One such prominent litigation was the case of *Marico Limited v. Agro Tech Foods Limited*¹⁰, wherein the Delhi High Court held that the Plaintiff's rights in 'LOSORB' could not restrict the Defendant from using 'WITH LOW ABSORB TECHNOLOGY' on its packaging, as the same was merely descriptive use of normal English words that indicate the Defendant's goods i.e., oil. Further, the Court also noted that the Defendant is 'prominently' using its own trademark 'Sundrop' on its packaging i.e., in a much larger size than 'LOW ABSORB TECHNOLOGY' and this indicates the bonafides of the descriptive use.

¹⁰ (2010) 174 DLT 279

¹¹ (2014) 59 PTC 105

Meanwhile in *Anchor Health and Beauty Care v. Procter & Gamble*¹¹, the Delhi High Court rejected the defense of Section 30(2)(a) asserted by the Defendant, one of the reasons being that their packaging showed that the impugned mark 'ALL-AROUND PROTECTION' was being used as a standalone mark and not to describe any quality of the product, which are described separately on the packaging. Further, the Defendant had also applied for the mark 'ALL-AROUND PROTECTION' for registration, thereby proving its intention to use it in trademark sense and not merely descriptively.

Similarly in *Jagdish Gopal Kamath v. Lime and Chilli Hospitality Services*¹², the Bombay High Court noted that, the fact that the Defendant applied for registration for 'Café Madras' served as conclusive evidence of its intention to use it in trademark sense, and not merely descriptively to connote services of a Café originating in Chennai (as claimed by the Defendant).

In the matters of *Central Park Estates v. Samvara Buildtech*¹³ and *Cadila Healthcare Ltd. v. Gujarat Cooperative Milk Marketing*

¹² (2015) 4 AIR Bom R 272

¹³ 2023 SCC OnLine Del 1932

*Federation*¹⁴, the Delhi High Court took a more stabilizing approach: in both matters the Court agreed that the Defendants were using their impugned marks as mere descriptors (CENTRAL PARK for real estate services and SUGAR FREE for desserts, respectively), however to 'balance the equities' the Defendants were directed to use the descriptors less conspicuously. This was specifically to be done by reducing the font size of the descriptors, to make them smaller than their actual trademark on the packaging. The reasoning for this was comprehensively advanced in *Cadila (supra)*, wherein the Court noted that the get up of the Defendant's packaging is such that the entire focus is on the descriptor 'SUGAR FREE' so much that the actual trademark 'AMUL' gets overshadowed. While the average consumer would be well-informed about the origin of the goods, the Court noted however that the possibility of confusion with Plaintiff Cadila's 'SUGAR FREE' brand could not be ruled out. Thus, the Defendant was restrained from using 'SUGAR FREE' in the larger font size but was free to use it as part of a sentence or catchy legend.

Amongst the multitude of decisions by the Delhi High Court on Section 30(2)(a) of the Act, a more unique conclusion

was reached in *Piruz Khambatta v. Soex India Pvt. Ltd.*¹⁵. Here, the Defendant was offering 47 flavours for its tobacco products, one of them being 'Pan Rasna' i.e., containing the well-known registered RASNA trademark of the Plaintiff. The Court held that this was not merely descriptive use but rather used as a 'sub-brand' or 'sub-mark'.

While there are precedents galore in Indian jurisprudence on Section 30(2)(a), a reference may also be made to the jurisprudence of United States, which offers an insight into certain additional factors that may also be considered on this issue.

In *Freelancer International Pty. Ltd. v. Upwork Global, Inc.*¹⁶, the US Court of Appeals, Ninth Circuit reiterated two factors to ascertain use of a mark in a trademark sense, the first of which is essentially a reiteration of the Indian approach and the second is an additional insight:

- (i) *whether the term is used as a symbol to attract public attention, which can be demonstrated by the lettering, type style, size and visual placement and prominence of the challenged words.*
- (ii) *whether the infringing user undertook precautionary*

¹⁴ (2008) ILR 1 Delhi 1242

¹⁵ (2012) 193 DLT 670

¹⁶ 20-17196 (9th Cir. Jun. 22, 2021)

measures such as labeling or other devices designed to minimize the risk that the term will be understood in trademark sense.

The US Courts in the cases of *Engineered Mech. Serv. v. Applied Mech. Technology*¹⁷ and *TCPIP Holding Co., Inc. v. Haar Communications, Inc*¹⁸ further placed reliance on the publicity materials and advertising brochures of the Defendants, such that the use of a mark was termed not descriptive if it was prominently placed on the said promotional materials and if the products were referred to by the mark.

Analysis

From the above discussion, it can be concluded that several factors go into concluding descriptive use under Section 30(2)(a) of the Act:

- (i) **Packaging:** whether the impugned mark is displayed more conspicuously than the actual brand of the Defendant on its packaging i.e., in larger font, capitals, bold, stylized, and placed prominently. A highly conspicuous mark becomes a symbol to attract public attention, and this takes away from the descriptiveness of its use.

- (ii) **Promotion:** As observed in US jurisprudence, particular emphasis may also be laid on the advertisement/ promotional material of the Defendant's products, by scrutinizing whether the impugned mark is being placed prominently on such material, such that the goods are being referred to by the impugned mark.
- (iii) **Sub-brand:** An additional factor to be considered is whether the use by the Defendant of the impugned mark is such that it appears to be a sub-brand and not merely a descriptor of the main brand of the Defendant.
- (iv) **Estoppel vide trademark applications:** As repeatedly asserted by the Courts, if the Defendant is found to have sought registration for the same mark it asserts as descriptive, at any point, the same could constitute admission that the Defendant intends to use it as a trademark.

Consequently, in availing the defense of Section 30(2)(a), much depends upon the conduct of the Defendant. Section 30(2)(a) of the Act essentially operates on the premise that a

¹⁷ 584 F. Supp. 1149

¹⁸ 244 F.3d 88 (2d Cir. 2001)

person intending to take advantage of another's trademark would manifest that intention in some discernable form or manner while doing business under his or her own mark. Further, in cases where the use of a mark is genuinely descriptive but also likely create confusion, the Courts have adopted the 'balancing of equities' approach by refusing infringement but also directing the Defendant to use the descriptor less noticeably. This approach operates as a safeguard in favour of the interest of the associated parties and most importantly, the relevant public.

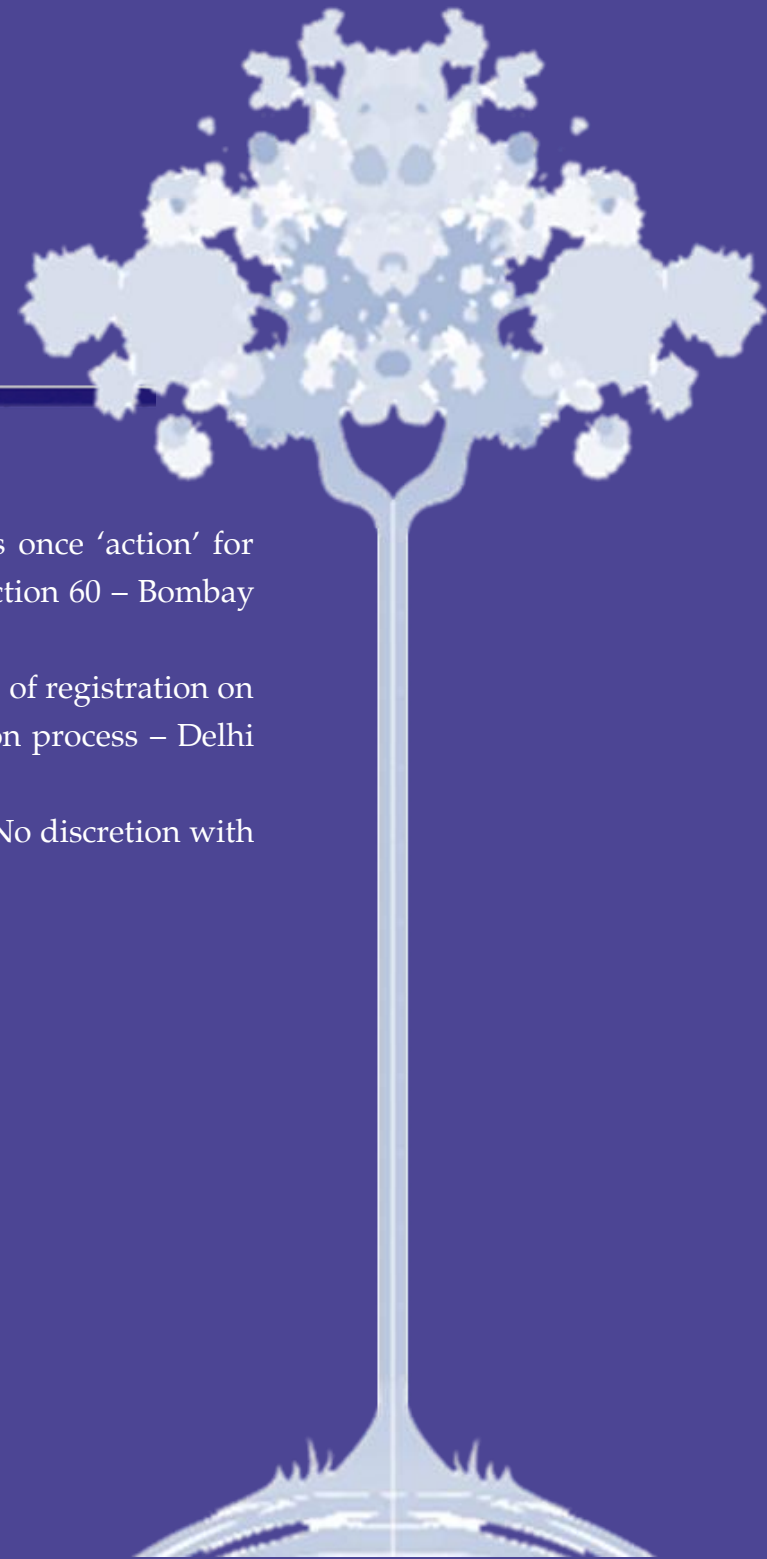
Conclusion

The interim order in *Lotus Herbals v. DPKA* and the jurisprudence around Section 30(2)(a) of the Act brings to fore, an important issue of gatekeeping i.e., trademark owners should not be allowed to gatekeep dictionary words/ phrases that are descriptive in nature of any goods/ services, even when such terms are registered. The authors opine that Section

30(2)(a) of the Act should most definitely be interpreted in such a manner to prevent the undesirable consequence of trademark owners using their IP rights to justify anticompetitive and exploitative behavior. The interim order in the instant case is appreciable for giving full effect to this intention behind Section 30(2)(a). There is however one aspect which still leaves room for some debate in the facts of the instant matter, i.e., the placement of 'Lotus Splash' more conspicuously on the packaging of Defendants' product than their actual brand 82°E, which appears meekly at the lower edge. It is not fully clear from the interim order whether the Court considered the promotional materials by the Defendants to ascertain whether the Defendants are advertising 'Lotus Splash' as a sub-brand rather than a mere descriptor.

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Ratio Decidendi



- Copyrights – Suit against groundless threat of legal proceedings becomes infructuous once ‘action’ for copyright infringement is initiated – FIR can constitute an ‘action’ under proviso to Section 60 – Bombay High Court
- Trademarks – Use of trademark as option in drop down menu provided to seller at time of registration on e-commerce site constitutes ‘use’ – E-commerce site liable in absence of any verification process – Delhi High Court
- Trademarks – Time period for filing evidence in support of opposition is mandatory – No discretion with Registrar to extend same – Delhi High Court

Copyrights – Suit against groundless threat of legal proceedings becomes infructuous once ‘action’ for copyright infringement is initiated – FIR can constitute an ‘action’ under proviso to Section 60

The Bombay High Court has held that once an action is initiated for the alleged infringement of copyright by the person who claims to be the owner thereof, *albeit bona fide* and with due diligence, the remedy for the alleged groundless threat of legal proceeding (under Section 60 of the Copyright Act), with the opponent, ceases to operate. According to the Court, the fact that such action for infringement of the copyright is initiated, by the person claiming the copyright, subsequent to the institution of the suit under the main part of Section 60, is of no consequence. The High Court hence held that even if a proceeding for infringement of a copyright is instituted after the institution of the suit under the main part of Section 60, still the proviso to said section becomes operative and the suit thereunder for groundless threat, etc., becomes infructuous.

Further, the Court was of the view that it depends on the facts of a given case whether a FIR constitutes a threat of groundless action under the main part of Section 60 or constitutes an ‘action’ under the proviso thereto. The Court in this regard noted that

where a private complaint is lodged before the criminal court or FIR is lodged with all the particulars requisite for determination of the question of infringement of copyright, which eventually leads to a trial on the question of infringement of copyright, it would be difficult to hold that the FIR would not constitute an action within the meaning of the proviso to Section 60. However, considering the facts of the case, the Court held that the FIR in the present case was denuded of the character of proceeding in which the issue of infringement of copyright could be agitated and adjudicated.

Also, observing that subsequent to the impugned order by the District Court, the defendant had filed a suit for infringement also, the Court remitted the matter to the District Judge observing that it would be necessary to have the determination by the trial Court on the issue as to whether the aforesaid suit for infringement of the copyright falls within the ambit of the proviso to Section 60 and its resultant effect on the instant suit and the order passed therein. The High Court in this regard also noted that the impugned order by the District Court transgressed the remit of determination under the enacting part of Section 60, as it ventured deep into the arena of infringement of the copyright or otherwise, in substance, at an interim stage. [*Manya Vejju v. Sapna Bhog – Judgement dated 13 December 2023 in appeal from order No. 438 of 2023, Bombay High Court*]

Trademarks – Use of trademark as option in drop down menu provided to seller at time of registration on e-commerce site constitutes ‘use’ – E-commerce site liable in absence of any verification process

The Single-Bench of the Delhi High Court addressed an issue involving the use of trademark to peddle counterfeit goods sold on an e-commerce website. The Court held that use of the plaintiff’s “Puma” trademark as one of the search options in the drop-down menu provided to the seller at the time of registration on the e-commerce site constitutes ‘use’ within the meaning of Sections 2(2)(b), 2(2)(c)(i) and 29(6) of the Trade Marks Act, 1999. It was of the view that a visual representation is a visual representation, irrespective of the purpose for which it is made, the person for whose eyes it is intended, and whether it is made at the backend, the front end or anywhere in between.

Applying the ratio in *Google LLC v. DRS Logistics (P) Ltd.* [2023 SCC OnLine Del 4809], the Court observed that the procedure to be followed by the prospective seller seeking to register himself on the respondent’s site indicated that the respondent (e-commerce site) was an active participant in promoting the use of trade mark – including the plaintiff’s PUMA trade mark as a choice from the drop down menu available to the seller for the purpose of peddling his product on the site. The Court noted

that there was no verification whatsoever, carried out by the site regarding the genuineness or veracity of the prospective seller, who registers himself as a seller of PUMA merchandise. The Court stated that mere incorporation, in its terms and conditions of use, or the requirement of an undertaking being required to be given by the prospective seller that he would not be infringing any intellectual property right of third party, is hardly due diligence. According to the Court hence there was existence of actual confusion and not merely likelihood of confusion taking place.

The Court however drew a fundamental difference between the *Google LLC* case (in the case of ad words provided in the Google Ads program) and the case in hand and held that unlike the Google search engine, Indiamart platform is not merely in the form of directory but is an e-commerce website, across which goods are bought and sold. The High Court noted that what is done by Google is merely a competitive advertisement which is permissible, but providing counterfeits in selling their products by masquerading as genuine goods is illegal and defrauding of consumers. The Court was hence of the view that a *prima facie* case of infringement within the meaning of Section 29(1), (2) and (4) of the Trade Marks Act, existed.

Finally, defendant's reliance on Section 79 of the Information Technology Act, for safe harbour, was also rejected by the Court while it observed that none of the three clauses (a) to (c) of Section 79(2) applied to the present case. It also noted that providing an avenue for counterfeiting is also, prima facie, aiding in the misdemeanour, and hence according to Section 79(3), safe harbour would not be available.

It may be noted that the High Court however held that the injunction need not to continue *ad infinitum*, as the site/platform can seek modification, or even vacation, of the order, if it can demonstrate to the Court that it has put, in place, sufficient regulatory and protective measures to render impossible abuse of the platform by counterfeiters. [*Puma SE v. Indiamart Intermesh Ltd.* – Judgement dated 3 January 2024 in CS(COMM) 607/2021, Delhi High Court]

Trademarks – Time period for filing evidence in support of opposition is mandatory – No discretion with Registrar to extend same

The Delhi High Court has held that the time limit for filing of evidence in support of Opposition to trademark cannot be extended beyond the period prescribed in Rule 50 of the Trade Marks Rules, 2002. The Court in this regard observed that if the

evidence is not filed within the two months' period, the opposition would be deemed to have been abandoned as the Registrar has no discretion either under Rule 50 of the Trade Marks Rules, 2002 or Rule 45 of the Trade Marks Rules, 2017 or Rules 101 and 109 respectively of the 2002 Rules and the 2017 Rules, to extend the time period.

The High Court in this regard observed that use of the term 'one month aggregate' in Rule 50 of the 2002 Rules and removal of discretion 'unless the Registrar otherwise directs,' in Rule 50(2) of the said Rules clearly points to the time limit prescribed as being mandatory.

Providing a tabulated comparison of the Trade Marks Rules, 1959, Trade Marks Rules, 2002 and the [present day] Trade Marks Rules, 2017, the Court observed that transition and evolution of the Rules points to a clear intention to ensure that strict timelines are prescribed for conclusion of pleadings/evidence in opposition proceedings. It also noted that the transition shows that the discretion, which was vested with the Registrar, has been taken away and the time period for filing of evidence has also been reduced.

The Court was also of the view that Rules 105 and 109 of the 2002 Rules and 2017 Rules respectively [providing for extension in absence of specific provision], would not aid in granting of

extension when the time periods are specifically prescribed in the Rules.

It may be noted that the High Court for this purpose also observed that the legislative intent behind the prescribed timelines in the Act and the Rules is to ensure that the registration of trademark is not unduly delayed, and Opponents

are not able to delay the registration of marks. It noted that if extension of time is granted for filing either pleadings or evidence in Opposition proceedings, without an outer deadline, the purpose of the Act and the Rules would be set at naught. [[Sun Pharma Laboratories Ltd. v. Dabur India Ltd. – Judgement dated 9 February 2024 in C.A.\(COMM.IPD-TM\) 146/2022, Delhi High Court](#)]



News Nuggets

- Territorial jurisdiction of Court – Decision under CPC Order VII Rule 10 to disregard pleadings stated in defence
- Trademarks – Jurisdiction of High Court to consider rectification/cancellation under Section 57 – Issue referred to Larger Bench of HC
- Compensatory cost is not dependent on quantum of damages claimed

Territorial jurisdiction of Court – Decision under CPC Order VII Rule 10 to disregard pleadings stated in defence

The Division Bench of the Delhi High Court has upheld the contention that the question whether the plaint is required to be returned under Order VII Rule 10 of the CPC [absence of territorial jurisdiction] is to be determined on a demurrer; that is, assuming the averments made in the plaint as correct and disregarding the pleadings as stated in the defence of the defendant. Coordinate Bench's decision in the case of *Allied Blenders & Distillers Pvt. Ltd. v. R.K. Distilleries Pvt. Ltd.*, was relied upon by the High Court for the purpose. The Court in *Kamdhenu Dreamz v. Dina Iron and Steel Limited* [Decision dated 25 January 2024] also took note of the unambiguous averments made in the plaint.

Trademarks – Jurisdiction of High Court to consider rectification/cancellation under Section 57 – Issue referred to Larger Bench of HC

The Single Bench of the Delhi High Court has referred to its Larger Bench the issue pertaining to the High Court's jurisdiction to consider rectification/cancellation petitions under Section 57 of the Trade Marks Act, 1999, following the

enactment of the Tribunal Reforms Act, 2021 which abolished the Intellectual Property Appellate Board (IPAB). The question in *Hershey Company v. Dilip Kumar Bacha* [Judgement dated 9 February 2024] before the High Court was whether rectification/cancellation petitions can be filed before any High Court where the cause of action arises, or whether they should be governed by the appropriate office handling the trademark application or registration. The Single Bench in this regard differed with the view of the Coordinate Bench decision in *Dr. Reddys Laboratories Ltd. v. Fast Cure Pharma*, which while dealing with the issue as under Patents Act, had relied upon earlier Full Bench decision in the case of *Girdhari Lal Gupta* (in context of Designs Act). The decision in *Dr. Reddys Laboratories Ltd.* had taken a view that rectification petitions would be maintainable not only before the High Courts within whose jurisdiction the offices of the Trade Mark Registry which granted the impugned registrations are situated, but also before the High Courts within whose jurisdiction the dynamic effect of the impugned registration is felt by the Petitioner.

Compensatory cost is not dependent on quantum of damages claimed

The Madras High Court has held that the award of compensatory cost under Section 35A of the Civil Procedure

Code is not dependent upon the quantum of damages claimed by the plaintiffs in the suit. According to the Court, the award of compensatory cost depends upon the facts and circumstances of each case, and it depends on the conduct of the defendant before filing of the suit and after filing of the suit as well. The High Court hence awarded a compensatory cost of INR 500,000 in a case where the plaintiff claimed damages of INR 100,000. The Court in *SPI Music Private Limited v. Kanchepuram S.M.Silks*

[Judgement dated 24 January 2024] observed that despite the cease and desist notice, the defendant continued to use plaintiff's works in the advertisements; have admitted their guilt; not disclosed the name of the freelancer who according to them had utilised the works without authorization; not paid any royalty despite admission of utilization; continued infringement even after interim order of Court; and failed to appear for mediation, etc.

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