

## IP news at a glance!

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## SNIPPETS

### Appointment of Justice Manmohan Singh as Chairman of IPAB

Justice Manmohan Singh who recently retired from the Delhi High Court has been appointed as the Chairman of the Intellectual Property Appellate Board (IPAB) for

a period of three years. He is one of the very few judges in India who has extensively adjudicated upon IPR matters at the Delhi High Court, some of them being very high-profile patent matters.

There are writ petitions pending before the Madras High Court as well as the Delhi High Court, inter alia, for appointing Chairman, Vice Chairman, Judicial Member, Technical Member (Patents) and other members for IPAB. The basis of these writs was the delay in appointment of these members of the IPAB, which would result in aggrieved patent applicants to flood the High Court with writ petitions, besides delaying justice. Effectively, the IPAB will resume regular proceedings only once the Technical Member (Patents) is appointed. We will keep the readers advised in this regard.

### IPO gives guidance for examination of applications involving Indian biological resources

The Indian Biodiversity Act, 2002 (BDA) imposes obligations on applicants using Indian biological resources in their inventions to seek permission from the National Biodiversity Authority (NBA) before filing a patent application/grant of patent. This has resulted in the IPO including objections relating to these issues during examination of such patent applications. To streamline the disposal of such cases, the IPO recently issued instructions/guidelines to its examiners to avoid issuing unnecessary objections. The key points covered are as follows:

<p>Where the invention does not relate to a biological resource defined under the BDA, such as:</p> <p>(a) Value-added product</p> <p>(b) Bio- wastes</p> <p>(c) Synthetically prepared biological material</p>	<p><b>(a)Value Added Product:</b> Examiners/Controllers shall verify from the disclosure in patent specification if the claimed invention resides in the biological resource or value-added product. If the invention resides in a value-added product, then they should avoid raising objection with respect to NBA approval while issuing First Examination Report.</p> <p><b>(b) Bio-wastes:</b> A bio-waste is generated after the economic use of the biological resource/material is exhausted. Therefore, a bio-waste may not be covered under the definition of the biological resource as envisaged in the BDA.</p> <p>Hence, NBA approval may not be sought from the applicant when the invention merely uses such bio-wastes (for example: incinerator, gas burner, etc.)</p> <p><b>(c) Synthetically prepared biological material:</b> NBA approval is required for IPRs which are based on research or information on the biological resource and ought not to be required if use is made of the synthetically prepared material like enzymes, pigments, gums, sucrose etc., which may be produced from a biological resource.</p> <p>Examiners/ Controllers should, therefore, verify whether the invention resides in synthetic material before issuing FER and not raise objections when explicit declaration is made by the applicant to this effect supported by sufficient disclosure in the specification.</p>
<p>Where the biological resource/material used in the invention is <u>not</u> obtained /sourced from India.</p>	<p>No approval from NBA is necessary when the invention is based on any research or information on a biological resource not obtained from India.</p> <p>When an applicant makes an unequivocal declaration in application for patent (Form 1) that the biological material used in the invention is neither obtained from India nor sourced from India, Examiners/Controllers should duly consider such declaration before issuing FER and avoid raising an objection with respect to the requirement of NBA approval.</p>

Although the above is a positive step by the IPO, it would be good to have some clarification on the term “value added products”. This will not only help bring consistency in the examination but will also assuage the apprehensions of applicants in this area. We will keep the readers updated in this regard.

## Letters Patent Document (LPD) goes digital



As part of its ongoing digitization and paperless initiatives, the IPO through a circular dated July 3, 2017, announced that all Letters Patent Documents (LPDs) will henceforth be generated through an automated system upon grant of a patent by the Controller. The LPDs so generated will be transmitted to the applicant concerned or his authorised patent agent electronically and will also be made available on the official website ([www.ipindia.gov.in](http://www.ipindia.gov.in)) of the IPO. The LPD can be, if desired, downloaded and printed by the applicant. With this move, the IPO will no longer be sending original LPD certificates.

## Guidelines on Computer related inventions (CRI) see the light of the day



The IPO finally released the much talked about CRI guidelines after almost two years of issuing the same in the first instance. The CRI guidelines were first issued in August 2015 only to be swiftly withdrawn and replaced by revised guidelines in February of 2016. These guidelines made it necessary that, if the claims relate to a computer program, a novel hardware be defined in conjunction with the computer program. The term “novel hardware” in the guidelines referred to a hardware having constructional novelty such as novel circuitry, novel elements, novel structure, etc. Thus, while the Indian Patents Act bars patentability of computer program ‘*per se*’, the guidelines went beyond this and barred any computer program which is not *per se* a program/algorithm and mandated novel hardware to be a part of the inventive technical feature. This came under severe criticism from several quarters and it was alleged that the earlier guidelines were withdrawn under pressure from open source software groups. The Department of Industrial Policy and Promotion (DIPP) formed a committee to review this situation and held extensive deliberations and several stakeholders’ meetings to finally issue the latest guidelines.

### **Key highlights**

The major highlights of the new CRI guidelines are as follows:

1. Patentability to be determined based on the substance of the invention and not merely the language at the claims.

**For example:** Exclusions may not apply to inventions which include mathematical formulae but result in systems for encoding, reducing noise in

communications/ electrical/electronic systems or encrypting/ decrypting electronic communications.

2. Mere use of terms in claims related to business/commercial activities not to be construed as business method in the first instance.
3. Illustrations of claims not considered patentable deleted.
4. Notably, the revised guidelines appear to indicate that the following claim format may be allowed subject to the substance of the invention:
  - processor + memory form of claims
  - processor is programmed to... or apparatus comprising a processor and configured/ programmed to...

The revised guidelines are a positive step as they will encourage examiners not to reject patentability merely based on language. While terms such as “technical advancement” and “technical feature” remain ambiguous, we hope that in the coming days, these guidelines will pave way to streamline examinations of CRI related inventions across the four patent offices in the country.

## CASE LAW UPDATE

### PATENTS

### CCI directs investigation against Roche in the Trastuzumab biosimilar case



The Competition Commission of India (CCI), vide an order dated April 21, 2017 instituted a detailed investigation against Roche Group for *prima-facie* abuse of dominance and anti-competitive behaviour with respect to the cancer drug, Trastuzumab, on the basis of information presented by complainants, Biocon Limited (Biocon) and Mylan Pharmaceuticals Private Limited (Mylan).

Biocon and Mylan alleged contravention/ violation with respect to:

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- a) practices resulting in denial of market access;
  - b) imposition of unfair prices;
  - c) imposition of unfair conditions;
  - d) leveraging; and
  - e) limiting or restricting the market.

The CCI, upon consideration of the complainants' pleas made the following observations:

- **On maintainability of complaint:** Roche argued that the issues raised before the CCI were squarely covered by the civil suit pending before the Delhi High Court. Thus, similar issues should not be permitted to be raised before the CCI. Biocon and Mylan on the other hand, argued that the reliefs available before the Delhi High Court and the CCI were distinct in that the complaint before the Delhi High Court pertained to the validity of approvals granted by DCGI to them and the complaint before the CCI pertained to the violation of competition law norms.

Relying on the judgment of the Delhi High Court in the matter of *Ericsson vs. CCI* which raised similar issues, CCI upheld the maintainability of the complaint and consequently examined whether there existed a *prima facie* case under Section 26(1) of CCI<sup>1</sup>.

- **Dominant position of Roche in the market:** CCI concluded that though a biosimilar product is not identical to the reference biological product, it is highly analogous to an already approved biological product and may not have any meaningful difference from the reference product. Thus, the relevant market, for the purposes of the present case would be the "*market for biological drugs based on Trastuzumab, including its biosimilars*".

Further, as the conditions of competition are homogenous across India for pharmaceutical products, the relevant geographic market is 'India'. Thus, the relevant market is, "*market for biological drugs based on Trastuzumab, including its biosimilars in India*". On the basis of the various factors, *i.e.*, market share, size and resources of Roche Group, dependence of the consumers, absence of countervailing buying power and high entry barriers, CCI *prima facie* found Roche Group as a dominant player in the relevant market.

- **On *prima facie* abuse of dominant position:** Biocon and Mylan urged that Roche had filed vexatious suits before the Delhi High Court and such conduct should be considered as anti-competitive. However, keeping in mind the ongoing tussle between Ericsson and CCI, the Commission refused to consider the said argument.

Biocon and Mylan also alleged that Roche is influencing regulatory authorities (DCGI), medical stores and practitioners by sending letters and copies of injunction order of the Single Judge of Delhi High Court, without disclosing that same had been stayed by Division Bench. Further, it was alleged that Roche was advertising that products of Biocon and Mylan are not as efficacious as its product. Roche did not challenge the veracity of any of the above allegations and merely countered the allegations stating that such letters/communications can, at best, be labelled as an expression of opinion or statement of facts or benign marketing

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<sup>1</sup> 26. (1) On receipt of a reference from the Central Government or a State Government or a statutory authority or on its own knowledge or information received under section 19, if the Commission is of the opinion that there exists a *prima facie* case, it shall direct the Director General to cause an investigation to be made into the matter: Provided that if the

subject matter of an information received is, in the opinion of the Commission, substantially the same as or has been covered by any previous information received, then the new information may be clubbed with the previous information.

strategy adopted by every player, which cannot be held to be anti-competitive.

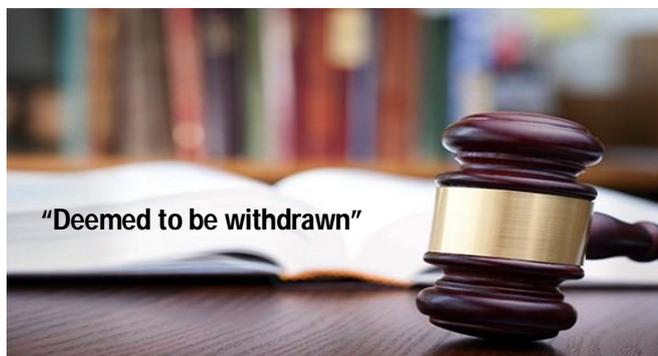
The CCI observed that the practices adopted by Roche to create an impression about the propriety of the approvals granted, safety and efficacy of biosimilars, outcome of the ongoing court proceedings, when seen collectively, *prima facie* appear to be aimed to adversely affect the penetration of biosimilars in the market.

Regarding the allegation on unfair pricing, CCI was not *prima facie* convinced, since it felt that Roche, being the innovator, may have invested huge sums on research and development of Trastuzumab.

Based on the above, the CCI found *prima facie* merit in the complainants' pleas listed above against Roche and accordingly directed the Director General, CCI for investigation against Roche under Section 26(1) of the Act.

Roche has since filed a writ petition before the Delhi High Court against the order of CCI, however Delhi High Court refused to stay the order. Writ proceedings are currently pending.

## Delhi High Court restores "Deemed to be withdrawn" patent application



In India, a request for examination (RFE) must be filed within 48 months from the date of priority to initiate examination proceedings. Failure to file such RFE within this timeline results in the patent application being deemed as withdrawn irrevocably. In the past, applicants have failed to restore their patent

applications once this deadline was missed. In this interesting precedent (*Iritech Inc. vs. The Controller of Patents, Delhi High Court 20.04.2017*), the applicant, "Iritech" filed a constitutional writ before the Delhi High Court seeking to quash the "deemed to be withdrawn" status of its application No. 5272/DELNP/2008 under section 11B of the Patents Act, 1970 (the Act) and restoration thereof.

Iritech claimed that they filed a patent application on 18.06.2008 before the Indian Patent Office (IPO) claiming a priority date of 07.01.2006 and that on 30.06.2008, well before the expiry of the 48-month period, they had filed the RFE. During follow up actions, Iritech noticed that in the RFE form as well as the forwarding letter, the number of the Indian National Phase application had been incorrectly typed as 6272/DELNP/2008 instead of 5272/DELNP/2008. Iritech's request for correction of this clerical error under Section 78 of the Act was denied by the IPO resulting in the writ petition.

Before the Delhi High Court, IPO argued that Iritech's request under Section 78 was not as per procedure and that the power of the Controller to correct clerical errors could only be exercised when the patent application is under examination. Relying on the decision of the Delhi High Court in the matter of *Nippon Steel Corporation V. Union of India*, the IPO contended that the Controller is not competent to allow a request for amendment after the patent application is deemed to have been withdrawn.

The Court noted that both the RFE and the request for correction of clerical error were made prior to the application was deemed as withdrawn by the IPO. Further, Section 78 of the Act, inter-alia, empowers the Controller to correct any clerical error in any patent or in any specification or other document filed in pursuance of such application or in any application for a patent or in any matter which is entered in the Register. Rejecting the IPO's arguments that the request under Section 78 was not permissible and that

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Iritech had not filed such request as per the prescribed provisions, the Court held that all the facts on record indicated that this was indeed a clerical error. The Court pointed out that since the request for correction was filed well before the expiry of the 48-month period along with the prescribed fees, there is no reason why Iritech's request should not have been considered.

The Court, accordingly, quashed the "deemed to be withdrawn" status and restored the application as pending. The Court also directed the IPO to correct the clerical error in the RFE and its supporting documents submitted by Iritech and to proceed with the examination of the said application.

### **Delhi High Court directs IPO to comply with IPAB order on condonation of delay in national phase filing**



#### **BUILT FOR BIFURCATION**

The Delhi High Court recently directed the IPO to comply with the earlier directions of the IPAB to examine a National Phase Application filed in India with a delay of 8 days after the expiry of the 31 months' deadline.

Tryton Medical Inc. (Tryton) filed a National Phase Application in India along with a petition seeking condonation of delay of 8 days in filing the application. The IPO rejected the application of Tryton on the ground that such delay cannot be condoned. Aggrieved by the order, Tryton filed an appeal before the IPAB, which, vide an order dated 24.03.2015, directed the IPO to condone the delay.

Pursuant to the IPAB's order, though Tryton was offered a hearing by the IPO after multiple requests, the IPO once again rejected the patent application on the ground that the application was time barred. Tryton once again appealed to the IPAB and the IPAB

vide its order of 07.03.2016 set aside the IPO's order and yet again directed it to take the National Phase application on record. However, IPO still did not comply with the same which resulted in Tryton filing a constitutional writ before the Delhi High Court.

The High Court vide its order dated 10.07.2017 took serious note of the IPO's conduct, which, it found to be not only contrary to the settled judicial principles but also to the established protocol for subordinate authorities, that they should follow orders and directions of superior courts/tribunals. Accordingly, the Court directed IPO to comply with the orders passed by the IPAB.

## **TRADEMARKS**

### **Delhi High Court busts online counterfeiting of Louis Vuitton products**

In a civil suit filed by the French luxury giant Louis Vuitton against local defendants (*Louis Vuitton v. Gaurav Bhatia & Ors*), the Delhi High Court has granted an injunction against the defendants not only directing to pull down the infringing website but also to desist from manufacturing, selling, advertising and directly or indirectly dealing with the infringing goods bearing Louis Vuitton's marks. Since there was no evidence placed before the Court by Louis Vuitton to ascertain actual damages suffered by it, the Court refused to grant damages stating that damages would have to be actual.

The defendants indulged in online sale of counterfeit Louis Vuitton products, depicting them to be 100% authentic products. Upon being notified by Louis Vuitton, they chose to change the ISP that hosted the website to continue the infringing activities than to desist from further infringement, thereby compelling Louis Vuitton to file the suit.

### **Quia timet action to stop the use of identical name for a film title fails before the Bombay High Court**

Can there be a right against passing off in film titles? This question came up in one such case (*Anil Kapoor*

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*Film Company Pvt. Ltd. V. Make My Day Entertainment & Another*) before a Single Judge of the Bombay High Court, arising from Bollywood, a popular name for the Bombay film industry.

The respective titles of the plaintiff and the defendant in question were *Veere di Wedding* and *Veere ki Wedding*, roughly translated as 'brother's wedding'. While *Veere di Wedding* had a popular young actress Sonam Kapoor, the protagonist in *Veere ki Wedding* was not a mainstream actor. In support of its claim that its film *Veere di Wedding* has acquired reputation among the public as exclusively originating from the plaintiff, the plaintiff produced newspaper reports regarding its shooting schedule and some expenses paid to artists and directors.

The Court was quite unimpressed by the claim and observed that the movie goes, in an age of information overload, with proliferation of online material on movies in the making and to be released, should not be assumed to be gullible or infantile to get deceived in such a situation, especially since the protagonists in both the movies themselves would be a primary distinguishing factor in movie posters and marquees. Refusing to grant an injunction to the plaintiff because no reputation could be established, the Court took strong exception to the plaintiff describing the action as *quia timet* and clarified that the said description related to an action brought before misrepresentation can be made and not before reputation is established.

### **Bombay High Court on standards of proof to establish copyright infringement and passing off in reality shows**



In this case (*Zee Entertainment v. Sony Pictures & Ors*), the two entertainment show giants, Zee and Sony, in the television space locked horns over rights in a reality

show involving acting talent hunt for children. It was the claim of Zee that Sony's show, '*Sabse Bada Kalakar*' (translated as 'the best artist'), was a copy of its show *India's Best Dramebaaz* (roughly translated as 'India's Best actor'), and that it amounted to passing-off its show as that of Zee's.

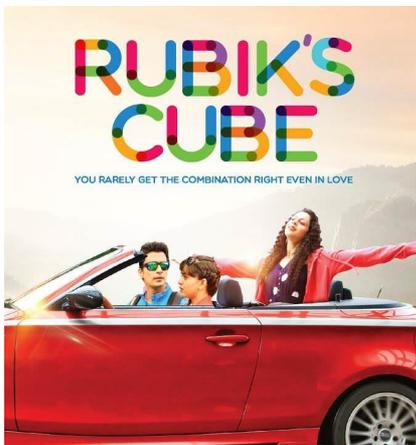
The claim of copyright was based on a concept note owned by Zee. While the Single judge did not dispute copyright in an original concept note, he observed that in a field as crowded as talent hunt shows, common elements are bound to be present and a plaintiff claiming copyright in some aspect of such a show should not claim copyright in those aspects that are demonstrably or undeniably in the public domain. Further, the Judge agreed with the defendants that to grant any kind of monopoly in such shows would stifle all creativity and put an end to all talent shows of every description.

As for the claim of passing-off, the Court found that it is even more difficult to establish because passing-off is deception as to source. In this case, it would amount to saying that Sony misled persons to believe that its show scheduled to air soon was made by Zee or in association with Zee or is copied from Zee's earlier show. To make out a claim of passing-off, Zee would be required to show that Sony could not possibly make a talent show of the kind that it seeks to do except by passing-off its show, '*Sabse Bada Kalakar*', as a continuation or copy of Zee's *India's Best Dramebaaz*. The standard of proof required in such case would be much higher and the Court did not find any material in the case to establish the likelihood of deception or even a high probability of deception to justify the grant of an injunction. The Court pointed out that the test in each case is whether the show is sufficiently novel and original to create a lasting and significant impression on the viewer and that unless Zee showed this, it must fail.

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## Can rights in the trademark “Rubik’s Cube” be violated if it is used as a film title?

This was the very interesting question that fell for consideration before the Bombay High Court in *Rubik’s Brand Ltd & Anr v. Mahesh Vaman Manjrekar & Ors*. The plaintiff in the case is Rubik’s Brand Limited (Rubik’s), the maker of the well-known 3-D puzzle Rubik’s Cube and the defendant, Mahesh Manjrekar (Manjrekar), is a film maker of some repute. The genesis of the suit for passing-off was Manjrekar’s proposal to make a film in Marathi language, one of the official languages of India, under the title “Rubik’s Cube”.



Rubik’s alleged that the film’s title as well as the promotional poster wherein the title was written in four of the six colours of the well-known puzzle was sufficient proof of Manjrekar’s knowledge of the famed puzzle. The Bombay High Court, found dilution in the acts of Manjrekar and restrained Manjrekar from releasing his film with the said title.

## Paramount v. Paramount: Local plaintiff’s action against Japanese trademark owner fails

The plaintiff, Paramount Surgimed Limited, established in 1993 claimed to be in the business of surgical

equipment as also in intensive care hospital beds. The defendant was a Japanese company incorporated in 1987 and was in the business of manufacture, sale and export of hospital beds under the trade mark PARAMOUNT.

It was the claim of the plaintiff in the suit (*Paramount Surgimed Limited v. Paramount Bed India Private Limited & Ors*) that they became aware of the defendant’s use of the mark PARAMOUNT on hospital beds in February 2017 and that such use is dishonest as the defendant was riding on the goodwill and reputation of the plaintiff. The defendant contested the suit and argued that it had been using the said mark since 1987 internationally and claimed trans-border reputation in India for the same since 2002 on the basis of a provisional order received for hospital beds in India. It also placed on record media articles dated 2007 referring to its business in India, as well as evidence of escalating annual revenues. It was also the allegation of the defendant that the plaintiff suppressed material facts before the Court because it was aware of the defendant way back in 2009 when the plaintiff opposed the defendant’s mark PARAMOUNT pursuant to which settlement negotiations ensued.

Taking serious note of the concealment of these material facts, the Court noted that equitable considerations must be weighed on the same balance qua even a registered mark holder. Considering the evidence placed on record by the defendant, the Court held that the plaintiff failed to establish a *prima facie* case in its favour and declined an injunction as the same will bring to a stand-still the business built up by the defendant over the years, which the plaintiff was well aware of.

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Phones: +91 (124) 4708 700, Fax: +91 (124) 4708 760/780  
E-mail: [postmaster@knspartners.com](mailto:postmaster@knspartners.com) Website: [www.knspartners.com](http://www.knspartners.com)  
**Offices at:** Bangalore | Chennai | Gurgaon | Hyderabad | Mumbai | New Delhi