

IP UPDATE

Vol. XI, Issue 1
January - March, 2013

Quarterly Newsletter from K&S Partners
For private circulation only

IP news at a glance!

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INSIGHT



The High Court of Delhi on the '*de minimus*' defense to copyright infringement

Is every infraction of copyright actionable? This was the issue in the two appeals before the Division Bench of the High Court of Delhi in the case of *India TV Independent News Service Pvt. Ltd. & Ors v. Yashraj Films Pvt. Ltd.*, in which an order was passed in the negative by the Division Bench on August 21, 2012. While the doctrine of *de minimus non curat lex* or the *de minimus* defense to copyright infringement is employed by courts in various jurisdictions of the world, this is perhaps the first decision

where an Indian Court applied the maxim in arriving at a finding.

The sets of facts involved in these appeals are as follows:

- (i) Five words from a popular Hindi film song were used in an advertisement for raising consumer awareness regarding adulteration of goods. The use of the song in question was for about three seconds in the background after which the advertisement unfolded and the song veered away. This was alleged to be a violation of the copyright in the sound recording of the respondent in the appeal.
- (ii) In the course of a chat show with a budding singer that lasted for 45 minutes, the singer was asked to sing from nine of her performances, which lasted in total for 10 minutes. The respondent claimed that, its copyright in seven out of the nine songs was violated by the chat show.

The Single Judge found in favour of the respondent who was the plaintiff before him and held, *inter alia*, that sound recordings were not covered under Section 52 of the Indian Copyright Act (unamended) which dealt with the statutory exceptions to copyright infringement and that in any event the uses in question were not fair use.

While considering the appeal, the Division Bench rightly noted that compared to other areas of law, copyright invited the maximum number of trivial violations and cited common examples such as singing of 'Happy Birthday To You' at a restaurant or even clicking of a picture of a sculpture etc. The Court observed that one solution to trivial violations of copyright law was to apply the legal maxim *de minimus non curat lex*.

CASE LAW UPDATE



‘XEROX’ is not generic

From small dusty towns to big metros in India, there is a rather common sight of a corner shop displaying a yellow board with ‘XEROX’ written in big letters, often followed by the version in the local language. At one point, such boards led Xerox Corporation to issue caution notices and awareness campaigns with catchy lines such as, ‘If you use Xerox the way you use Aspirin, we get a headache’!

Finally, what dragged Xerox Corporation into a legal wrangle against the rampant generic use was an audacious move by a Chennai based individual who applied before the Intellectual Property Appellate Board (IPAB) to rectify seven marks of Xerox Corporation on grounds, *inter alia*, that XEROX had become a generic word to denote ‘photocopy’ and that it had become *publici juris* (*Mr. B.V. Ilango Himachalapathy v. M/S. Xerox Limited*). In support of his claims, the applicant produced voluminous evidence comprising of documents to show that the word ‘XEROX’ had been used in Courts, notifications, circulars, judgements etc.

Xerox Corporation refuted the claims of the applicant and produced evidence to counter such claims. Such evidence included letters from some of the High Courts and Government undertakings wherein not only had they acknowledged the proprietary rights, but also the misuse of the mark, internal and external vigilance, third party unsolicited evidence and documents evidencing extensive use. In addition, Xerox Corporation pointed out that their leading competitors like Canon had always referred to themselves as ‘Canon Photocopiers’ and not ‘Canon Xerox Machines’.

Noting the efforts of Xerox Corporation in preventing the generic use of the mark, the IPAB found that it had perhaps acted just in time to save its mark from losing

‘*De minimus*’ was translated by the Court as: (i) the law does not concern itself with trifles, (ii) the law does not regard trifles, and (iii) the law cares not for small things.

The Court traversed several American decisions that relied on the *de minimus* defense and concluded that there were five commonly considered factors while applying the said defense as: (i) the size and type of the harm, (ii) the cost of adjudication, (iii) the purpose of the violated legal obligation, (iv) the effect on the legal rights of the third parties, and (v) the intent of the wrong doer.

Applying the relevant factors to both the sets of facts as described above, the Court found that in the first fact situation, the size of the harm was the use of mere five words from the song and the intent was to create a scene suitable to the message to be conveyed to the public through the advertisement and educate the public. Further, the Court found that being an advertisement for generating consumer awareness, it would not have been of any personal financial gain to the advertiser. In the second fact situation, the Court noted that the intention of the chat show was to inform the viewers as to how the singer was introduced into music and the milestones she had achieved in her career.

In short, the Court found that the viewer in the first case would remember the advertisement for its socially educative message and not the song used and in the second case he would remember the program as one encapsulating the life journey of the singer rather than for the songs sung by her.

This judgment assumes significance because for the first time an Indian Court has carved out a common law defense to copyright infringement which is not expressly stated in the Act. The Court has correctly noted that in the past, copyright owners perhaps felt that a legal dispute was not worth the effort over trivial violations; however, in the recent past increasing number of trivial copyright violations have been reaching the courts. One reason for this would be the advent of the internet and multiplicity of television and radio channels coupled with the converging media platforms. It is, therefore, apt that the Court has carved out this mechanism to separate wheat from chaff in this age where courts are often strained to segregate factual claims from trivial copyright violations.

its life. IPAB pointed out that one of the factors that led it to rule in favour of Xerox Corporation was the uniform acknowledgement of all those who had used the mark XEROX that their use was inadvertent and that they would refrain from doing anything in violation of the trademark rights of Xerox Corporation. Further, the long continuous existence of the XEROX mark on the Indian Register (since 1961) and the public acceptance of the trademark rights as and when pointed out were factors, according to the IPAB, that weighed in favour of Xerox Corporation.

India follows ‘international exhaustion’, rules Division Bench of the High Court of Delhi



A ruling by a Single Judge of the High Court of Delhi earlier this year to the effect that India followed national exhaustion of trade mark rights had raised several eyebrows in the IP circles. Mercifully, the issue has been put to rest by the Division Bench of the High Court in an appeal (*Kapil Wadhwa & Ors. v. Samsung Electronics Co. Ltd. & Anr.*) which reversed this ruling and affirmed that the Indian Trade Marks Act, 1999 adopted the principle of international exhaustion.

A suit was filed by Samsung Electronics Company Ltd. (Korea) along with its Indian subsidiary for infringement against one of their erstwhile authorized dealers, alleging that the defendant, without any express authorization from them was importing printers as well as their ink cartridges and toners and selling the same in the Indian market under the SAMSUNG trademark. It was further alleged that the defendant was also selling his products online by meta-tagging Samsung’s website thus creating a false belief amongst consumers that the defendant was in some manner associated with Samsung. The plaintiffs contended that these acts not only amounted to infringement of the SAMSUNG trademarks but also caused Samsung public injury and immense loss of reputation as Samsung could neither be held

responsible nor accountable for any quality issues nor for any after sales services related to the products sold by the defendant. The Single Judge granted an interim order to the plaintiffs, finding trademark infringement and injuncting the defendants, primarily on the ground that India followed national exhaustion of trade mark rights.

The defendant-appellant before the Division Bench argued, *inter alia*, that the importation and sale of the printers in India was legal as well as beneficial to public interest given the fact that the products imported and sold by the defendant were priced much lower than the products imported and sold by the plaintiff in India. The plaintiff-respondents argued that the physical features of the printers sold abroad were different from the features of the printers sold in India and that they had no control pertaining to the sale, distribution and after sales services of its goods which were imported by the appellants and sold in India.

The Division Bench held that it was irrelevant that physical features of the printers sold abroad and in India were different so long as the goods placed in the international market were not impaired or their condition changed. Holding that India followed international exhaustion of trade mark rights, the Court held that this itself took away the rights of the respondents to hold control over further sale and distribution of the goods. Also it held that with respect to after sales services, since the respondents did not warrant anything regarding their goods sold abroad, but imported into India and further sold, they were not being responsible for the warranty of those goods. The Court further pointed out that consumer interests in this context could be taken care of by passing suitable directions to the appellants to prominently display in their shop that the SAMSUNG printers sold by them were imported and that after sales services and warranties were neither guaranteed nor provided under the authority and control of the respondents and that the appellants did so at their own end with their own efforts.

The Court, however, affirmed the finding of the Single Judge that injuncted the appellants from meta-tagging their websites with those of the respondents. The Court has also clarified that the action was for infringement,

and not for passing off, in which territory of law, different principles of law would apply.

High Court of Delhi on defamation and the Use of a Trademark in a film song

Bata

The question that came up for consideration in an appeal before a Division Bench of the High Court of Delhi in the case of *Prakash Jha Productions v. Bata India Limited & Ors.* was whether the use of the well-known mark 'BATA' in a song forming part of a cinematograph film amounted to defamation of the Bata House. The lyrics in question, loosely translated, would read as:

“Whether Birla or Tata, Ambani or Bata/ In their own interests, all have exploited the country.....”

The said line reflected the main theme of the song that the industrial houses named therein, including Bata, were evil and sucked the blood of the nation. The Single Judge who heard the matter had held against the appellant/ defendant.

The Division Bench while allowing the appeal and vacating the stay ordered by the Single Judge observed that the appeal was of great public importance in the context of fundamental rights of the citizens to freely express themselves on social issues. The Division Bench noted the appellant's arguments that the song was no more than a rhetoric hyperbole; that any person viewing the cinematographic film or hearing the song would understand, in its contextual setting, that it reflected the story of the struggle between the 'haves' and the 'have nots'; and that there were other industrial houses named therein and the understanding of the song would not be with reference to a particular house but to a class which propagated the ideology of industrialization. It was further held that, *prima facie* viewed and heard as a whole in its contextual setting, the song was not derogatory or defamatory of the House of Bata and that four other leading and well-known industrial houses had been named and that

such naming was *prima facie* not likely to be taken literally by the viewer/listener.

A gold ring and a few lessons in GI protection



A recent order of the Intellectual Property Appellate Board (IPAB) in an appeal (*Payyannur Pavithra Ring, Artisans & Development Society v. K Balakrishnan*) from the order of the GI Registry raises important questions on the process for registering geographical indications in India. The GI in question was a gold ring called 'Payyannur Pavithra Mothiram', translated as 'the sacred ring from Payyannur'. Sacred, because it may be worn only after offering it before Lord Subramania of the Shri Subramania Swami Temple in Payyannur.

The appellant before IPAB had obtained a registration for the trade mark, 'Payyannur Pavithra Mothiram', under the Trade Marks Act, 1999 [the TM Act']. The respondent on the other hand was the registrant of the said geographical indication under the Geographical Indications of Goods (Registration & Protection) Act, 1999 [the GI Act']. The order of the Registrar of Geographical Indications granting the said registration was the one under challenge in the appeal.

The major ground of challenge in the appeal was that the respondent-registrant did not represent the interests of the producers and that several important stakeholders were left out. When the appeal came up for hearing, the IPAB directed that a publication be made in local newspapers to invite affidavits from interested persons such as artisans who might not have been aware of the proceedings. This resulted in several persons filing affidavits in the appeal stating their interests and one person filing an intervening petition which claimed that the registration ought not to have been given to the respondent-applicant who had no connection with the artisans of Payyannur Pavithra Mothiram and that the respondent-applicant obtained the GI registration by suppression and fabrication of documents, thereby seriously affecting the effective

livelihood of the artisans. The intervening petitioner also filed some photographs to demonstrate that the respondent-applicant was misusing the registration to secure benefits for its privately run jewelry shop.

The IPAB noted that both the appellant and the respondent-applicant wanted to take advantage of the reputation of the name 'Payyannur Pavithra Mothiram' because the appellant had obtained a trade mark registration for the said name under the TM Act and the respondent-applicant had got itself registered as a proprietor of the Geographical Indication in the said name under the GI Act and started using the same to promote its private business. It was also noted by the IPAB that the GI Act required an applicant to submit the particulars of the producers and that the least that the applicant should have done was to name the relevant producers, whether they make the ring or trade or deal in the making of the same. The IPAB noted that the application should show that the association represented the interests of the producers of the ring who were desirous of the registration of the Geographical Indication. Further, there should have been evidence to show that the respondent-applicant represented the interests of the producers and that the producers were desirous of coming together to protect the Geographical Indication. It was also pointed out by the IPAB that the members of the family in Payyannur which was entrusted with the technique of making the ring as per legend did not even have notice of the application; as such, IPAB felt that such an application would defeat the purpose of the GI Act.

Most importantly, the IPAB observed that the advertisement of an application under Section 13 of the Act in the GI Journal was of no use and would not serve the same purpose as a public notice and that a provision may be inserted in the GI Act which required each applicant to effect a publication notifying the application in a newspaper having good circulation in the locality and in the language of the territory, region or locality which was the geographical origin of the goods in question. In addition, it was pointed out that, such a notice must be affixed in prominent places in the territory, region or locality as the case may be so that the artisans would know that a Geographical Indication had been applied for in respect of the goods that they were creating. Since such artisans may not be fluent in English language, the publication must be in the local language.

When these artisans who were the creators or makers of a geographical indication complained that the application had been made behind their back, the registration could not be allowed to remain.

The IPAB also referred to Rule 33 of the GI Rules (in the context of examination of an application to register a geographical indication) which stated that the Registrar of Geographical Indications shall, prior to issuing an examination report, constitute a Consultative Group of not more than seven representatives chaired by him from organizations or authority or persons well versed in the varied intricacies of the law or 'the field' to ascertain the correctness of the particulars furnished in the Statement of Case accompanying the application. The IPAB felt that to ascertain whether the claim of the applicant that 'Payyannur' was a Geographical Indication for this ring, an artisan or a producer of repute from Kerala should have assisted the group in forming an opinion on the registration. In particular, the IPAB found that the expression "this field" in the Rule could not be ignored as the inclusion of a member with expertise in the relevant field would undoubtedly further the objectives of the Act and would ensure the protection of the artisans. A person of expertise should, therefore, be a member of the Consultative Group.

With the above important observations, the IPAB removed the name of the respondent-applicant from the register and remanded the matter to the Registrar of Geographical Indications with the following directions:

- The respondent-applicant may furnish evidence that it was an association of producers, who were desirous of registering the Geographical Indication.
- There must be evidence that the named producers were actually "producers" as defined by the Act.
- The membership fees for becoming the members of the respondent-applicant was said to be prohibitively high and not intended to include the artisans. The respondent-applicant may bear this in mind.
- The right of the intervener to be registered as a proprietor may also be considered, upon the Intervener filing the appropriate documents.
- The respondent-applicant shall forthwith remove the sign board from its privately owned jewelry shop

which prominently displayed the words ‘Payyannur Pavithra Mothiram’.

- Even after consideration of all the materials, if the Registrar of Geographical Indications were to come to the conclusion that the respondent-applicant was entitled to be the registered proprietor individually or jointly, the jewelry shop owned by the respondent-applicant may not take advantage of the registration of the Geographical Indication.

SNIPPETS



Darjeeling victory in Chile

The Tea Board India is in charge of the protection of the geographical indication ‘DARJEELING’ for a special and unique tea from the Darjeeling District of the Indian State of West Bengal. Recently, the Tea Board had a victory in Chile when it successfully opposed a class 43 application by a Chilean entity for registering the mark ‘DARJEELING’ with a logo for services relating to ‘restaurant, bar, supply of prepared food and beverages for consumption’. The Chilean Intellectual Property Office

allowed the opposition by Tea Board after taking into account the numerous registrations for ‘DARJEELING’ in various jurisdictions and the likelihood of confusion that could have been caused by the opposed mark as to the origin of the services claimed therein.

Delhi High Court injuncts ‘BOURJOIS’ spas



Based on a suit for infringement by the famous French cosmetic brand owner for the mark ‘BOURJOIS’, the High Court of Delhi recently injuncted a local spa and salon owner who was carrying on his business under the name ‘BOURJOIS’. While granting an injunction in favour of the French brand, the Court took note of the dishonesty on the part of the defendant in adopting a French name for its business and the lack of explanation for the adoption thereof. It was observed by the Court that refusing to injunct the defendant from using the impugned mark would not only amount to ignoring its dishonest and illegal acts and encouraging practices aimed at defrauding the consumers but also would prejudicially affect the reputation and goodwill of the plaintiff company going back to more than 100 years.

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