



Intellectual Property Attorneys

I N D I A

IP UPDATE

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INDIA'S ACCESSION TO MADRID PROTOCOL

India will be acceding to the Madrid Protocol shortly. The Union Cabinet of India has ratified the proposed accession and has given approval for amending the Trade Marks Act, 1999 towards this. With the proposed accession, Indian businesses would be able to spread their trademark wings across the globe with much more ease.

ALL PATENT APPEALS FROM THE CONTROLLER'S ORDERS TO BE HEARD NOW BY THE IPAB

As reported in the October 2003 issue of India IP Update, the Intellectual Property Appellate Board (IPAB) was set up to dispose of appeals and other proceedings arising from orders passed by the Registrar of Trademarks. Although Section 117 G of the Patents Act, 1970 (as amended) states that all appeals against any order or decision of the Patent Controller and all cases pertaining to revocation of patents other than a counter claim in a suit for infringement and rectification of register pending before any High Court, is to be transferred to the IPAB from such date as notified by the Central Government, such appeals continued to lie before the High Courts as there was no 'Technical Member' appointed in the IPAB to look into such appeals. Vide notifications dated April 2 & 3, 2007, the Central Government has directed that all such cases as mentioned above are to be transferred to the IPAB and the IPAB is to proceed with these matters either *de novo* or from the stage where it was so transferred. In the much publicized Novartis litigation pending before the High Court of Chennai, the attention of the Court was drawn to the aforesaid notifications and the matter has now been transferred to the IPAB.

INSIGHT

Creative Commons launched in India

It is trite to say that copyright is a bundle of exclusive rights available to an owner, comprising as it does the rights of reproduction, distribution, adaptation, performance and public display. "Copyright" operates on a complex platform of licenses, permissions, royalties etc. where each and every instance of commercial use of a given work must be sanctioned or authorized by the copyright owner. Without such license, such acts constitute infringement of the exclusive rights with civil and criminal consequences for the wrongdoer.

So long as exploitation of copyright works was confined to the analog world of physical copies, these principles of copyright law were manageable since the territory and identity of users was easily identifiable. However, the reach and development of the internet and other cheaper media technologies of reproduction have today obliterated traditional boundaries of exploitation of copyright works and allowed these works to be shared by a world-wide community of users simultaneously.

Predictably, these developments have spawned hotly-contested disputes between content owners and users and are perhaps best illustrated by the Napster and Grokster kind of cases. While the law has tried to deal with these developments with the aid of traditional principles of copyright law at its disposal, the outcomes

of these disputes are hardly satisfactory since these fail to address the growing popular need for a public domain of materials which can be used without prior permission or hefty royalties.

Partly as a response to this growing popular need and still working within the fundamental principles of copyright law, a movement, popularly called "the Copyleft Movement", has been gaining ground, founded as it is on the principles of free distribution, usage and collaborative development. With its historical roots in free software (such as Linux and GNU) with a structure of free software and open content licenses, this movement has today extended to all kinds of media with the same underlying principles.

On January 26, 2007, Creative Commons India was successfully launched, offering "an alternative and a more flexible approach to copyrighting" and providing "licensing and contract schemes to allow creators to waive some of their rights", with the avowed objectives of:

- providing young artists, authors and musicians a convenient launching pad to reach a wide range of audiences and thus establish their reputation;
- helping creators to bypass publishers or record companies with huge bargaining powers and thus cut out significant costs on account of intermediaries;

- encouraging content creators to express themselves for the sheer fun of creating and sharing and without any expectation of monetary gains.

Full details of Creative Commons India can be viewed at www.cc.india.org.

Indian version of the Bayh-Dole Act

India's Science and Technology Minister, Mr. Kapil Sibal recently announced his Government's plan to introduce a new legislation along the lines of the Bayh-Dole Act of the United States.



The Bayh-Dole Act, one of the most important IP legislations in the United States, has played a key role in bridging the gap between the academia

and the Industry. The Act allows the transfer of exclusive control over many government-funded inventions to universities and businesses operating with federal contracts for the purpose of further development and commercialization. It also confers on the government "march-in rights" to issue compulsory licenses in cases where a patent holder or original licensee is not making the invention available to the public on a reasonable basis.

The Act allows small businesses and non-profit organizations to retain title in a government funded "subject invention". To avail of the Act, a government funded business or organization must:

- Disclose each new invention to a government funding agency
- Elect to retain title in writing within a statutory time frame
- File for patent application within one year of intimation to the funding agency
- Grant the government a non-exclusive, non-transferable, irrevocable, paid up license to practice or have practised on its behalf throughout the world.
- Actively promote and attempt to commercialize the invention

- Share royalties with the inventor
- Use any remaining income for education and research

An Indian legislation, if enacted along the lines of the Bayh-Dole Act, would be greatly beneficial to the cause of advancement of science and technology since it would:

- Provide great motivation to the scientific community not only to innovate, but also seek patent protection for the innovation, thus paving the way for patent culture in India;
- Make the universities and the innovators more conscious of the need to be accountable for commercialization of their patents, thus preventing hoarding of patents;
- Encourage the academia to conduct more focused research in the relevant areas of technology which meet the needs of the industry and society at large

The plan, if implemented, is expected to provide a major boost towards filing of patent applications in India, which is already experiencing an annual growth rate of 30 % in the last few years.

CASE LAW UPDATE

Exception to use of artistic work in films?

One of the interesting issues for consideration that deserves some highlight in *Suneet Varma Design Pvt. Ltd. & Anr. v. Jas Kirat Singh Narula & Anr. [2007 PTC 81]* was whether the artistic work in the costumes worn by actors in a film are exempt under Section 52 (1)(u)(ii) of the Indian Copyright Act, 1957, which reads as follows:

"52. Certain acts not to be infringement of copyright.—(1) The following acts shall not constitute an infringement of copyright, namely:-

.....

(u) the inclusion in a cinematograph film of—

(i)

(ii) any other artistic work, if such inclusion is only by way of background or is otherwise incidental to the principal matters represented in the film."



The brief facts are that costume designer, Suneet Verma, claimed that M/s Yash Raj Films Private Limited, the producer of the recent blockbuster Hindi film

'*Bunty aur Babli*' used one of his designs to be worn by the lead female role in the film without his permission. The defense advanced by the producer was that costumes used in a film are incidental to the principal matters represented in the film and are therefore exempt from infringement under Section 52(1)(u)(ii) of the Act.

In an ever popular Indian film industry known for the brightness and brilliance of its costumes, colors music and drama, this is perhaps a very naïve argument for the simple reason that millions of Indian rupees are spent on the costumes of the lead roles in today's films and it is a booming business for designers. And let's not forget the fact that Indian designs and designers today are sought after even internationally, what with designers like Ritu Beri appointed to dress the likes of Katie Holmes in a recent Hollywood flick.

The court, therefore, rightly dismissed the producer's pleas and made certain apt observations relevant to the Indian film industry, alias 'Bollywood', as follows:

"the importance of costumes being worn by the actors in a film, particularly by the heroes and the heroines of a film, cannot be downplayed. In the films which are produced now-a-days, much importance and emphasis is given to the dresses which the lead actors would wear in such a film.

It is for this reason that the producers are now engaging the services of professional designers. It is realized that this enhances the prospect of the film inasmuch as such designer dresses, projected in the posters and on inlay cards etc, the photographs of the actors shown with such costumes, it is with the purpose of promotion of the movie as well as of audio/video cassettes, CDs, DVDs etc. of the film. Many times, for a particular role to be played by an actor in a film, the costumes are designed in such a way as to bring out the character that a particular actor is to play. The styling of the movie, therefore, is becoming as important as dialogue, screenplay or music. The audience look at an actor in the movie and then notice what he/she is wearing. To promote a particular dress used in the film, actors have started walking on the ramp-way during fashion shows. Bollywood has become integral to Indian fashion. In fact, in the award ceremonies, there are specific awards for best costumes in a film. Therefore, it cannot be presumed, per se, that for all kinds of clothes worn by the actors in a film provisions of Section 52(1)(u) of the Copyright Act would be applicable. Maybe, this argument would be relevant for most of the dresses worn in a film, however, whether a particular dress/costume in a film was only by way of background or incidental to the principal matters represented in the film will have to be viewed after the evidence is led. In the instant case, the dress in question designed by the plaintiff, indubitably, is worn by the lead actress of the film Rani Mukherji. Prime facie, the importance given to this dress cannot be counter-minded inasmuch as the defendant No. 2 (Yash Raj Films) itself thought that it would be of some worth to show Rani Mukherji wearing this dress on various promotional materials as well on the inlay cards used on audio/video cassettes. Rani Mukherji must have worn, in public scenes of the film 'Bunty or Bubli', innumerable dresses. Why the defendant No. 2 chose only this dress for the purpose of promotion of film? Prime facie, the defendant No. 2 thought that it was an eye-catching costume which would appeal to the public at large and would enhance the promotional prospects of not only the film but the sale of audios/videos in all forms, including cassettes/CDs/DVDs.

Therefore, at this state and without evidence being recorded, plea of the defendant NO. 2 that this particular costume worn by Rani Mukherji was by way of background or merely incidental cannot be accepted. Whether the attire in question played prominent role in the film or was by way of background or merely incidental, therefore, is a question of fact for which the parties will have to lead evidence.

The observations of the High Court of Delhi assumes importance as till date no Indian court has interpreted Section 52 (1)(u)(ii), a section that appears to be very relevant to the Indian film industry as well as fashion designers who seem to be an integral part of this industry.

Who owns copyright in case reports?

One of the issues that arose for consideration in *Infoseek Solutions & Anr v. Kerala Law Times & Ors 2007(1) CTMR 46 (Kerala)* was who owns the copyright in case reports. The appellant Infoseek Solutions approached the Kerala High Court to vacate an order prohibiting it from publishing advertising, reproducing, storing in any manner in any medium, transmitting, offering for sale, selling, distributing, issuing to the public, licensing, renting, allowing access either through their website or CD-ROMs either free or for a fee, judgments which are identical, or a substantial and/or colourable reproduction of the text of judgments of the Kerala Law Times (including headnotes,



short notes, long notes editorial notes, citations, various copy-editing inputs described therein) as published in the Kerala Law Times.

While holding in favour of Kerala Law Times the High Court of Kerala observed as follows:

“... the report of a judgment by a law reporter is a composite document and is

not to be sliced into head note on the one hand and the main text of the judgment on the other, for the purpose of appreciating it as a literary work to determine whether the reporter has a copyright on it. There appears to be no other way of looking at it. What the law reporter is expected to do is to present a judgment with the attendant comments, head notes, etc., that is, by itself, an art, that too, a literary exercise. It is wholly inappropriate to treat the main text of the judgment and the setting in which it is put, as also the head notes, etc into different slots, for considering whether each such part gives any separate copyright to the reporter. A report is a whole document and the copyright will have to rest on the report as a whole. If a reporter has presented a report, including a clear presentation of the text of the judgment, may be, by even including permissible indications as to any spelling error, etc., there is no reason why such presentation, which requires contribution of literary ability, ought not to be treated as one that creates a copyright as known to law and enjoined by the Act. A report of a judgment, which includes the entire text of the judgment and is placed as a report along with head notes or editorial notes and in any particular layout of a reporter and publisher, contains such originality as requires it to be treated as an original literary work for the purpose of section 13(1)(a) of the Act. Short notes of cases also stand in the same footing. So much so, the reporter, the plaintiff in this case, has copyright over the reports of judgments which are published in its publications either in the name of KLT or otherwise”

Evolving jurisprudence on damages in IP litigation in India

The last couple of years has seen several judgments, in particular by the High Court of Delhi, ordering damages in IP litigation. The latest in the line is a judgment by Justice (Ms) Gita Mittal in *Indian Performing Right Society v. Debashis Patnaik & Ors [2007(1)CTMR 1(Delhi)]*.

The facts of the case in brief are that the Indian Performing Rights Society (IPRS), one of the copyright societies under the Indian Copyright Act, 1957, which has

been authorized to carry on the business of collection of royalties in respect of literary and musical work from users of music and thereafter disburse the same to the respective owners, sued the defendant for causing public performance of music in its premises without license or permission from IPRS. It was further the case of the plaintiff that the defendant, despite its objections to the same, persisted with the acts of infringement, and, therefore, deserved to be discouraged from such activities through stringent terms. The plaintiff claimed various heads of damages such as the outstanding license fee of INR 141,788.57, punitive damages of INR 1,858,211.42 and costs to the proceedings.

While the judge granted the claim of outstanding license fee, punitive damages were granted only to the tune of INR 300,000 by observing that punitive damages have to bear a fair ratio to the compensatory damages awarded to the plaintiff. It was further observed that although the claimed amount of INR 1,858,211.42 as punitive damages was un rebutted, it was grossly disproportionate to the claim of compensatory damages and was highly excessive. Further the court also held that the plaintiff was entitled to INR 50,000 as costs to the proceedings.

With judicial pronouncements along this line, it is clear that Indian judiciary has set itself on a damages-friendly path for litigants. This might come as a reprieve to many foreign litigants who are accustomed to the well-established damages jurisprudence in their home turf.

K&S IN THE NEWS

Presentations made

- **Rajendra Kumar** made a presentation on 'Co-branding as a Market Strategy' at a workshop on Trademark, Copyright and Design organized by

the Technology, Information Forecasting and Assessment Council (TIFAC) in New Delhi on January 4, 2007.

- **Ravi Bhoka** made a presentation of "IP-Management" at the MPower Institute of Clinical Research, Bangalore on January 6, 2007
- **Ruchika Sukh** made a presentation on 'An Overview of Trademark Law in India' before PRS Legislative Research, Centre for Policy Research, New Delhi on January 17, 2007.
- **D.C. Gabriel** made a presentation to a group of Judges on 'Liberalization of Patent Regime' at the Cyberspace Camp held in Bangalore on February 10, 2007
- **Ravi Bhola** made a presentation on Patent Litigation" at a National seminar organized by National Research Development Corporation at Trivandrum on February 26, 2007.
- **Vivek Dhokalia** made a presentation on 'IP -What SME'S should Know?' before a seminar organized by EU & North Karnataka Chamber of Commerce at HUBLI, Karnataka on February 23, 2007
- **D.C. Gabriel** made a presentation on 'Patenting – Innovation Tool for Competitiveness' at the workshop on 'Innovation Valuation and IPR Issues' at ICRISAT, Hyderabad on February 25, 2007
- **D.C. Gabriel** a made presentation through teleconference session on 'Introduction to Patents and International Treaties' at IGNOU, New Delhi on March 10, 2007.
- **Latha R Nair** made two presentations on "Geographical Indications – Southern

Perspectives" and "Protection of GIs – A leaf out of India's Experience" at the DURAS (the French acronym for 'Promoting Sustainable Development in Agricultural Research Systems') workshop held in Cape Town, South Africa on March 29th and 30th, 2007 respectively.

- **D.C. Gabriel** made a presentation at a seminar on 'Intellectual Property Rights - International patent scenario-Indian Perspective' conducted by CII on March 30, 2007

Conferences attended

- **Jyoti Sagar, Rajendra Kumar, Calab Gabriel, Latha R Nair, Ravi Bhola and Cherry Thong** attended the 3rd Asian Conference by ITechlaw Association on February 14-15, 2007 in Bangalore.
- **Latha R Nair** participated in a one week conference cum field trip from March 26 to 31, 2007 organized by DURAS (the French acronym for 'Promoting Sustainable Development in Agricultural Research Systems') in South Africa. The conference, organized with the objective of understanding the economic and development implications of protection of geographical indications in South Africa, was attended by a select group of international experts and policy makers from various fields such as economics, development, law, academics and trade.
- **K&S Partners** was a Knowledge Partner in the Seminars on "International Patent Scenario" held on March 30, 2007 and March 31, 2007 in Bangalore and New Delhi respectively.

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