



INTELLECTUAL PROPERTY UPDATES FROM INDIA

Intellectual Property Team

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INTRODUCTION



In times of the coronavirus pandemic, while the world strives to restore a semblance of normalcy, the field of intellectual property continued to witness some interesting updates in the country. The courts swiftly normalized digital conferencing modes to adjudicate dispute matters and pass noteworthy decisions to enforce as well as rationally defend intellectual property rights of different brands. This newsletter brings to you the key intellectual property related updates in India for the third quarter of the year.

The Delhi High Court continued with its trend of passing dynamic injunction orders against rogue websites indulging in online violation of trademarks and copyrights, and provided reliefs to Indian brands viz. Amul, Aaj Tak and Snapdeal and international brand Disney.

In recent times, owing to the Black Lives Matter movement, colour-based discrimination and its impact on society has become a focal point of all discussions. In this backdrop, an interesting case came before the Bombay High Court, where at the heart of the matter was a trademark tussle between the international giant Hindustan Unilever Limited and an Indian cosmetic player Emami over a newly minted brand "Glow and Handsome" for men's fairness cream.

In another interesting case relating to the famous beer brand "Budweiser", the Delhi High Court (the "Court")

had the opportunity of analysing as to what extent a satirical video would lead to unfair competition, commercial disparagement, dilution and tarnishment of the goodwill and reputation of brand 'Budweiser' along with trademark infringement. The Court also in another case against Fox Star Studios revisited the principles surrounding copyright protection in theme/plot of a cinematographic film as laid down in landmark judgment of RG Anand v. Delux Films. The Court also examined the trend of filing injunction petitions at the eleventh hour in this case. In another significant case, the Court went on to modify its already-passed interim injunction order under the provisions of the Code of Civil Procedure, 1908, upon becoming aware of the plaintiff's limited use of their brand, which fact was hidden by them initially in their pleadings.

On the regulatory side, the Indian Performing Right Society, which is a copyright society under the Indian Copyright Act, 1957, refined its processes and functions for enhancing transparency for its members and licensees, by providing clarity on its monetisation policy, entering into licensing agreements and strategic deals with various market players in India and globally and digitization of its portals.

The above-mentioned update and notable cases are discussed below.

NOTABLE CASE LAWS

Dynamic Injunction Orders By The Delhi High Court

In the past months, the High Court of Delhi (the “Court”) was on a spree of passing dynamic injunction orders against rogue websites. On July 20, 2020, July 27, 2020, August 28, 2020 and September 24, 2020, different benches of the Court passed dynamic injunction orders in four separate suits which were instituted by Snapdeal Pvt. Ltd. (“Snapdeal”), Disney Enterprises Inc. (“Disney”), Gujarat Cooperative Milk Marketing Federation Ltd. (“Amul”) and Living Media India Ltd. (“Aaj Tak”) respectively against numerous rogue websites breaching their trademarks and copyrights. The suits filed by Aaj Tak, Amul and Snapdeal were filed against such rogue websites which were engaged in infringement of the respective registered trademarks of Aaj Tak, Amul and Snapdeal.¹ Disney had sought injunction against such rogue websites which were engaged in providing illegal and unauthorised distribution, broadcasting, rebroadcasting, transmission and streaming of Disney’s copyrighted content.²

These orders are in consonance with the parameters laid down in *UTV Software Communication Ltd. & Ors. vs. 1337x.to & Ors., 2019³* for passing dynamic injunction orders. In all four orders, the plaintiffs have been permitted to approach the Court for subsequent implementation of mirror/redirect/alphanumeric websites which provide access to the defendant websites, by filing an application under Order I Rule 10 of the Code of Civil Procedure, 1908.

Background:

In all four cases, it was contended by the respective plaintiffs that such illegal activities of the defendants’ websites have a direct impact on the plaintiffs’ business and constituted an infringement of the exclusive trademark and copyright rights conferred upon them.

Snapdeal had filed the suit against such websites which were infringing its registered trademark “Snapdeal” by offering fraudulent prize schemes, lotteries and lucky draws under it. Similarly, Amul and Aaj Tak had filed separate suits against such rogue websites which were using the registered trademarks ‘Amul’ and ‘Aaj Tak’ of the respective plaintiffs as part of their websites/domain names.

The suit filed by Disney was slightly different from the suits filed by Snapdeal, Amul and Aaj Tak as Disney’s grievance was against such rogue websites which were

enabling the down-streaming of their creative works protected by the copyright law, which includes films and other entertainment programmes, without requisite licenses.

In all four suits, the Domain Name Registrars (“DNRs”), Department of Telecom (“DOT”) and the concerned ministry of the Union of India i.e. MEITY were also arrayed as parties so that orders passed by the Court can be implemented effectively.

Findings of the Court:

In the four cases filed before the Court, different benches of the Court have rightly granted dynamic injunctions in favor of the plaintiffs by placing reliance on the evidence placed on record by the plaintiffs. The Court has also rightly applied the principles laid down in *UTV* (supra) to these cases while granting dynamic injunctions. Such dynamic injunction orders not only save precious judicial time but also help the courts to dynamically monitor such egregious illegality by rogue websites and, if necessary, pass interim orders to restrain similar rogue websites. Moreover, by granting a dynamic injunction, the Court has left the door open for the plaintiffs to easily approach the Court in case the defendants create mirror/redirect/alphanumeric websites in future. The practice adopted by the Court in cases involving rogue websites is laudable and is a positive development in the direction of the enforcement of intellectual property rights, digitally.

1. Snapdeal Pvt. Ltd. vs. Snapdealalucky-draw.org.in & Ors. CS(COMM) 264/2020; order dated 20.07.2020; Gujarat Cooperative Milk Marketing Federation Ltd. Vs. Amul Franchise.In & Ors CS(COMM) 350 of 2020; order dated 28.08.2020 and Living Media Limited & Anr. vs. www.news-aajtak.co.in & Ors; order dated 24.09.2020
2. Disney Enterprises Inc. & Ors vs. Kimcartoon. To & Ors. CS(COMM) 275/2020; order dated 27.07.2020
3. (78) PTC 375 (Del)

Hindustan Unilever Limited v. Emami Limited⁴

In a tussle over the use of the trademark 'GLOW & HANDSOME', the Bombay High Court (the "Court") granted an ad-interim relief to Hindustan Unilever Limited ("HUL"), against threats of legal proceedings by Emami Limited ("Emami"), while noting that whether the threats are groundless or unlawful is yet to be seen after hearing the pleas of both parties.

Background:

Applications to trademark the brand 'GLOW & HANDSOME' were filed by HUL in September 2018 and subsequently in June 2020. Soon thereafter, on July 2, 2020, HUL made official announcements that it is dropping the word "fair" from its popular brand FAIR & LOVELY used for skin lightening cream for women and rebranding it to 'GLOW & LOVELY'. HUL also announced that their skin care range of FAIR & LOVELY products for men would be rebranded and called as 'GLOW & HANDSOME'.

Immediately after the announcements were made by HUL, Emami gave statements in various newspapers inter alia threatening to adopt legal action against HUL for violating Emami's alleged rights in its mark 'EMAMI GLOW AND HANDSOME' / 'GLOW AND HANDSOME'.

This suit was thus filed by HUL under Section 142⁵ of the Trade Marks Act, 1999, seeking injunction against Emami from issuing 'groundless threats' to HUL in respect of the use of its trademark 'GLOW & HANDSOME'. The case of HUL in the suit was that they are the prior adopter of the trademark 'GLOW & HANDSOME', as they adopted the brand in 2018. HUL contended that Emami adopted their 'EMAMI GLOW AND HANDSOME' / 'GLOW AND HANDSOME' only in June 2020 (applications to register were filed by Emami around this time on 'proposed to be used' basis) and are yet to launch their products in the market thereunder, while HUL's products bearing the trademark 'GLOW & HANDSOME' are already being commercially advertised across the country.

HUL prayed for a limited relief to restrain Emami from wrongfully initiating proceedings in any court in India against HUL and trying to obtain ex-parte ad-interim reliefs against them.

Findings of the Court:

After hearing HUL's submissions and also having perused the record, the Court observed that HUL prima

facie appears to be the prior adopter of the trademark 'GLOW & HANDSOME'. The Court further noted that the statements made by Emami in various newspapers do amount to a threat, but whether such threats are groundless under the scope of Section 142 is yet to be determined.

Therefore, considering the facts and circumstances of the case and pending the hearing and final disposal of the suit, the Court directed Emami and all persons claiming under it to give at least seven clear working days prior written notice to HUL before initiating any legal proceedings against HUL.

Anheuser Busch LLC v. Rishav Sharma & Ors.⁶

Recently, a Single Judge bench of the Delhi High Court (the "Court") granted an ad-interim injunction in a suit filed by Anheuser Busch LLC ("ABL") restraining the proprietors of website www.thefauxy.com from continuing with activities amounting to unfair competition, commercial disparagement, dilution and tarnishment of the goodwill and reputation of brand 'Budweiser' along with trademark infringement, through the video content posted on their platform fauxy.com and its social media channels.

Background:

The issue arose when the proprietors of the website www.thefauxy.com (defendant nos. 1, 2 and 3), posted a satirical video ("the Impugned Video") regarding ABL's Budweiser beer on their platform and their social media channels such as YouTube (defendant no. 4) and Twitter (defendant no. 5). The Impugned Video essentially investigated whether the employees of ABL had actually been urinating in the Budweiser beer sold to the customers, as was claimed in another 'fake news' website. While the other 'fake news' post about Budweiser beer

4. LD/VC/IA/1/2020 in LD/VC/144/2020

5. The Trade Mark Act of 1999 provides for a special provision under Section 142 under which if a person receives a threat of legal proceeding from another by any means, and they believe them to be 'groundless or illegal', they can institute a suit against the person issuing the threats. In such a suit, they would pray for (1) having those threats declared as groundless or unjustifiable (2) injunction to prevent any more threats and (3) damages that they may have sustained. (Section 142 – Groundless threats of legal proceedings).

6. CS(COMM) 288/2020, IAs 6320/2020, 6321/2020, 6322/2020 & 6323/2020

clearly mentioned that the post was fake and satirical, the Impugned Video had no such disclaimer or note that the Impugned Video is also 'fake news', 'satirical' or 'for the sake of humour'.

The Impugned Video showed that defendant no. 1 tastes a sample of urine and a sample of ABL's Budweiser beer. On tasting the two, defendant No. 1 concludes and reports that the news that the employees of ABL have been urinating in the Budweiser beer sold to its customers has to be fake, since ABL's Budweiser beer tastes worse than urine. The Impugned Video led the brand Budweiser to trend on social media, and generating negative publicity for ABL.

This suit was thus initiated by ABL claiming trademark infringement, unfair competition, commercial disparagement, and dilution and tarnishment of the goodwill and reputation of its brand 'Budweiser' by the defendants. The case of ABL in the suit is that the Impugned Video which contained no disclaimer that such news is fake or fictitious, became viral, resulted in several hundred defamatory posts and videos across social media and caused even legitimate news publications to report the fictitious news as being a legitimate fact. ABL claimed that the defendants have knowingly and with malice published the defamatory Impugned Video to propagate the fictitious/fake news of ABL's employees urinating in the Budweiser beer sold to the customers as a correct one.

Defendant nos. 4 and 5 took the plea that they are only an intermediary, the Impugned Video has not been uploaded by them, the actual uploaders are defendant nos. 1, 2 and 3, and that the Impugned Video does not amount to defamation or disparagement. Defendant nos. 1, 2 and 3, however, remained *ex parte*.

Findings of the Court:

After hearing the submissions and also having watched the Impugned Video, the Court held that a *prima facie* case of trademark infringement and commercial disparagement is made by ABL and accordingly passed an order restraining defendant nos. 1, 2 and 3 and anyone acting for and on their behalf, from reproducing, broadcasting, communicating to the public, screening, publishing and distributing the Impugned Video or any other video on any media or platform and promoting the impugned video on the social media.

Vinay Vats vs Fox Star Studios India Pvt Ltd⁷

The High Court of Delhi (the "Court"), in a dispute relating to the movie "Lootcase" (the "Movie") dismissed an interim injunction seeking restraint on the release of the Movie that was alleged to be committing copyright infringement of a script claimed to be authored by the plaintiff. In the present case, the Court considered two pertinent questions; *firstly*, relating to the extent of copyright protection accorded to the theme/plot of a movie/cinematographic film, and *secondly*, the trend of filing last minute injunction applications.

Background:

On the eve of the release of the Movie i.e., July 30, 2020, Mr. Vinay Vats, a scriptwriter approached the Court seeking a restraint on the release of the Movie. He contended that there exists "*substantial similarities between the theme/plot of the Movie and the script for his movie TF*". Mr. Vats alleged that the script of the Movie was copied from his script which he had written in the year 2010-11 in relation to his yet to be released movie "Tukka Fitt ("TF"). He also claimed that he was the author and first owner of the copyright of a very similar script. He also claimed that in 2012, a trailer of the movie TF was uploaded on YouTube and since then his work has been in the public domain. Basis all this, he alleged that the Movie was a result of copyright violation relating to his work.

Fox Star Studios Private Limited ("Fox Star") producers of the Movie, stated that they had released the trailer of the Movie in June 2019 across various platforms and the Movie was slated for release on July 31, 2020. The filing of the present suit at the very last minute by Mr. Vats was simply an arm-twisting tactic adopted by him to harass Fox Star. Fox Star submitted that Mr. Vats' claim of copyright infringement of his script is completely faulty and as there is nothing to indicate that his script was ever in the public domain, till it was filed as an annexure with the present petition. It was further claimed that the present claim of infringement is based on trailer of the movie TF, which never transformed into a full-blown movie. Fox Star also highlighted that the promos of the Movie have been in the public domain since June, 2019 and that Mr. Vats, who claims to be a scriptwriter in the film industry for a number of years, could not profess ignorance thereof.⁸

7. CS(COMM.) 291/2020

8. Ibid

Findings of the Court:

On the question of whether copyright protection can be extended to a theme/plot per se, the Court relied on the judgement passed in the landmark case of *R.G Anand vs. Delux Films*⁹. In this case it was held that *"if the theme is same but is presented and treated differently so that the subsequent work becomes a completely new work, no question of violation of copyright arises.... Where the theme is the same Where however apart from the similarities appearing in the two works there are also material and broad dissimilarities which negate the intention to copy the original and the coincidences appearing in the two works are clearly incidental no infringement of the copyright comes into existence..."*¹⁰ Post analysing the case, the Court while noting the several dissimilarities between the trailer of the Movie and the script of TF, held that there exists no copyright in any idea, subject matter, theme or plot, and violation of copyright is confined to the form, manner and arrangement and the expression of the idea by the author of the copyright in the work. The Court further noted that the plot points on which Mr. Vats relied were based on ideas *"as old as the hills"* and which may figure in more than one movie/cinematographic film and cannot, therefore, be said to be the exclusive province of Mr. Vats.

On the other issue of last-minute filing of the suit for injunction, the Court took a strong objection to the same and was averse to granting the interim injunction. The Court highlighted that the promos of the Movie were in public domain since June, 2019 and as the trailer was launched on July 16, 2020, there was *"no justification for the Plaintiff having approached this Court on the eve of the release of the film"* and considered it an example of *"misuse of the judicial process"*.

On the basis of the above-mentioned reasonings, the Court was of the opinion that no claim of copyright infringement arises from the present suit and denied granting the interim injunction against Fox Star.

Mittal Electronics vs. Sujata Home Appliances Telegram Pvt Ltd & Ors¹¹

Recently, in an interesting case, a Single Judge of the Delhi High Court (the **"Court"**) modified the ad-interim injunction¹² granted to Mittal Electronics (**"ME"**) the proprietor of the electrical home appliance brand and trademark 'SUJATA' against Sujata Home Appliances

(**"SHA"**) who were selling their own set of products under the mark 'SUJATA'/'STAR SUJATA'. After the initial injunction order was passed, it was observed by the Court that even though ME is the prior registered proprietor of the mark 'SUJATA' for a wide range of goods, but the said mark has only been used and applied to goods such as geysers, mixer, grinders and blenders by ME. On the other hand, for the goods such as water filters, water purifiers and RO System, Mr. Rajesh Kumar Bansal i.e. the Director of SHA is the prior registered owner of the mark SUJATA and also the prior user. Thus, the Court observed that it would be unfair to SHA if a blanket injunction is granted to ME for restraining SHA from selling such goods which are not even sold by ME.

Background:

The present suit for infringement of trademark was filed by ME which is engaged in the business of selling electronic household and kitchen appliances. As per ME, the use of the brand SUJATA by them was long before the use of the brand SUJATA / STAR SUJATA by SHA in respect of similar, allied and cognate goods, and thus the adoption of the marks 'SUJATA' and 'STAR SUJATA' by SHA was alleged to be dishonest and the use thereof was alleged to be amounting to infringement.

After the receipt of summons relating to the initial interim injunction, SHA moved an application under Order XXXIX Rule 4¹³ of the Code of Civil Procedure, 1908 (the **"CPC"**) seeking modification of the interim order to the extent that SHA be allowed to manufacture, sell, offer for sell, advertise its products namely water purifiers, water filters and RO systems under the trademark 'SUJATA'. It was also pointed out by SHA that the plaint suffered from suppression of facts as Mr. Rajesh Kumar Bansal i.e. the Director of SHA is the prior registered owner of the mark 'SUJATA' as he was granted registration for the mark 'SUJATA' in class-11 with effect from 25.05.2012, and the said factum had not been disclosed by ME in its plaint although it was duly aware of the same at the time of

9. AIR 1978 SC 1613

10. Ibid

11. CS(COMM) No. 60/2020; Judgement dated 09.09.2020

12. Interim Order dated 07.02.2020

13. Rule 4 of Order XXXIX of the Code of Civil Procedure, 1908, allows for the modification of an ex-parte ad-interim injunction order that was originally passed by a civil court subject to certain conditions, one of them being, concealment of material facts in the matter by the Plaintiff.

filing the suit. While placing reliance upon the decision of the Supreme Court (the "SC") in *Nandhini Deluxe vs. Karnataka Co-operative Milk Producers Federation Ltd.*¹⁴, SHA also argued that ME has not used the mark SUJATA for the products under class 11 which SHA had in their portfolio, and was merely squatting over the whole class.

In response to SHA's contention, ME argued that they and SHA are using the trademark 'SUJATA' for sale of home and kitchen appliances and the goods of ME and SHA are allied and cognate goods even if SHA was using the mark for the purpose of water purifiers, water filters and RO systems.

Findings of the Court:

Considering the concealment of material facts by ME and the decision in *Nandhini (supra)*, the Court deemed it appropriate to modify the injunction order and allow SHA to continue manufacturing and selling water filters, water purifiers and RO Systems under the mark 'SUJATA'.

While modifying the ad-interim injunction order, the Court noted that as per the proviso to Order XXXIX Rule 4 of the CPC, if a party had obtained an ex parte order by concealing material facts, the court could modify its order in the interest of justice. The Court also relied and reaffirmed the principles laid down by the SC in the case of *Nandhini (supra)* and rightly stated that the registration of a mark in a certain class does not necessarily give rights to the proprietor over all the products falling in the entire class, instead, it only gives rights with respect to said good or service which were being sold/provided under the mark. The Court observed that in the current case, since ME was not manufacturing or selling water purifiers, water filters, and RO systems under the mark "SUJATA", it was not entitled to obtain an interim injunction with respect to these goods.

14. 2018 (9) SCC 183



REGULATORY UPDATE

The Indian Performing Right Society Limited launched 'IPRS 2.0' aimed at its members' welfare

To commemorate its 50th anniversary, Indian Performing Right Society ("IPRS")¹⁵, a recognized copyright society in India, launched 'IPRS 2.0' touted as one of its biggest transformation processes. With considerable investment, using cutting edge technology developed in Canada, IPRS plans to provide the highest level of transparency for its members and licensees.¹⁶ With an authoritative database of millions of musical works and literary song compositions, as well as unlimited scalable processing capacity, this robust system will provide the best-in-class monetization capacity for the members of IPRS.

In addition to providing better control and transparency to its members by way of a member portal¹⁷, IPRS 2.0 also plans to provide state-of-the-art license administration. Strategic deals with leading brands, digital music services and OTT players, viz. YouTube, Facebook, applemusic, Spotify, AmazonMusic, ALTBalaji, to name a few, have already opened new revenue streams for its members. With its scalable system, IPRS plans to accurately process million lines of data & claim royalties across all broadcast & digital platforms.¹⁸

While IPRS is collecting royalties for use of its members' works in the Indian market, it has also extended its reach and responsibilities for collecting royalties for Indian musical works being used in overseas markets. This process involves managing various data formats, varied and fluctuating currencies, and intense coordination while sharing mutual benefits with international copyright societies across the globe.



15. IPRS is India's only Copyright Society registered under the Copyright Act, 1957. IPRS is authorized under the Copyright Act, 1957 to carry on the business and granting of licenses in respect of literary works and musical works assigned to it by its members (which includes authors, composers and music publishers) as well as collect and distribute authors' statutory royalties, for the exploitation of these works either by way of live performances and/or sound recordings through any medium except when exhibited as a part of a cinematograph film shown in a cinema hall.

16. https://www.medianama.com/wp-content/uploads/IPRS_2.0_press_release1.docx.pdf

17. <https://indiaeducationdiary.in/the-indian-performing-right-society-ltd-unveils-iprs-2-0/>

18. Ibid, footnote 2

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