



# INTELLECTUAL PROPERTY UPDATES FROM INDIA

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Intellectual Property Team

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# INTRODUCTION

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As our country witnesses the second wave of the coronavirus pandemic and its impact, we continue to witness some interesting case updates that took place in the field of Intellectual Property. This newsletter brings to you the key intellectual property related updates in India for the first quarter of 2021.

Three major regulatory changes that occurred in this quarter are: the abolishment of Intellectual Property Appellate Board (IPAB) under the Tribunals Reforms (Rationalization and Conditions of Service) Ordinance, 2021, issued by the Ministry of Law and Justice, the Government of India; the notification of the Copyright Amendment Rules, 2021; and the notification of the Design Amendment Rules, 2021.

In what can be termed as a landmark decision, the Delhi High Court held that when a recorded song is communicated to the public by radio diffusion, underlying works (as integrated in the sound recording) are not utilized, as independent bundle of copyrights subsists in the sound recordings; and the same does not attract additional royalty payable to the owners of the underlying works. However, in an appeal filed against the decision, a division bench of the High Court stayed its operation and shall be deliberating upon the substantive principles more in due course.

In a key clarificatory judgement, the Bombay High Court held that copyright registration is not mandatory for seeking reliefs under the Copyright Act, 1957.

Further, the Hon'ble Supreme Court in a landmark tax law related judgment has held that the amounts paid by resident Indian end-users/distributors to non-resident computer software manufacturers/suppliers, as consideration for the resale/use of the computer software, does not amount to payment of royalty for the use of copyright in the computer software.

In another decision by the Delhi District Court relating to software copyrights, the Court granted a permanent injunction restraining Lucent Engineering Company from infringing the copyright in the software programs of Siemens Product Lifecycle Management Software Inc.

On the trademark side, the Bombay High Court, passed an interim order, restraining Urban Foodmart India Pvt. Ltd. from infringing and passing off trademark "BAJAJ" of Bajaj Electricals by unauthorizedly using the same in relation to their food retail chain with the name "BAJAJ SUPERMART" in Hyderabad.

In another case relating to trademark violations online, the Delhi High Court granted ad-interim injunction in favor of Shenzhen Jiayz Photo Industrial Ltd, the owner of BOYA wireless microphones and accessories and restrained several e-commerce websites such as Flipkart, Amazon India, Paytm Mall, Tata Cliq and Snapdeal from selling fakes and counterfeits of the Plaintiff's products on their respective platforms.

The above updates have been discussed below.

# REGULATORY UPDATES

## Intellectual Property Appellate Board (IPAB) Abolished

The Tribunals Reforms (Rationalization and Conditions of Service) Ordinance, 2021 (the “**Ordinance**”), issued by the Ministry of Law and Justice, the Government of India, has been notified and abolishes the IPAB<sup>1</sup>.

The Ordinance has brought key amendments in various industrial and commercial legislations such as – the Copyright Act, 1957, the Patents Act, 1970, the Trade Marks Act, 1999, the Geographical Indications of Goods (Registration and Protection) Act, 1999, the Protection of Plant Varieties and Farmers’ Rights Act, 2001, the Cinematograph Act, 1952, the Customs Act, 1962, the Airport Authority of India Act, 1994, the Finance Act, 2017, amongst others.

The IPAB had been the authority for appellate and related issues relating to intellectual property rights arising under the Trade Marks Act, 1999, the Patents Act, 1970, the Geographical Indications of Goods (Registration and Protection) Act, 1999, the Protection of Plant Varieties and Farmers’ Rights Act, 2001, and the Copyrights Act, 1957, and operated for almost 18 years. With the abolishment of the IPAB, the Ordinance makes the following key amendments:

- The appeals against various intellectual property offices will now be dealt by the High Court or the Commercial Court (also a Commercial Division of the High Court);
- The rectification, revocation and removal actions relating to the IP rights under the above statutes can now be initiated before the High Court having jurisdiction in addition to the IP Office; and
- Issues relating to the determination of compulsory / statutory licensing of certain kinds of IPs and the assignment of copyrights, are now to be determined by the Commercial Court or a Commercial Division of the High Court.

The process of rationalization of tribunals has been ongoing since 2015. As per the statement from the Government, the Ordinance seeks to remove such tribunals that have neither reduced the burden of the higher courts nor provided speedy disposal of cases. It is envisioned that reducing the number of tribunals will not only benefit the public but also decrease the burden on public exchequer and the shortage of staff at the tribunals.

However, it remains to be seen how the Government proposes to organize the process of determination of intricate IP issues and disputes (requiring subject-matter knowledge and expert understanding that was provided by IPAB’s technical members) by the High Courts and the Commercial Courts. Considering that the High Courts and the Commercial Courts are overburdened with huge backlog of regular cases pending disposal, the courts may further delay the process of determination of existing and new IP disputes and issues, unless special IP courts on the lines of the Commercial Division of the High Courts are additionally organized.

## The Copyright Amendment Rules, 2021, Notified

The Department of Industrial Policy and Promotion, the Government of India, has notified the Copyright (Amendment) Rules, 2021 (“2021 Rules”) in the official gazette recently.

The salient features of the 2021 Rules are as follows:

1. Relating to copyright societies: the 2021 Rules provide for strict and transparent processes to be followed by the copyright societies for their members in relation to the grants of licenses, royalty collections and distributions, etc., and to draw up and make public an Annual Transparency Report for each financial year;
2. Relating to transfer of appellate and related powers from the Copyright Board: the 2021 Rules also shift appellate powers of the Copyright Board along with related powers to hear petitions for revocation of copyright, petitions for fixation of royalties for statutory licensing, etc., to the Intellectual Property Appellate Board (IPAB), which are practically transferred to the High Courts after the abolition of the IPAB by the Tribunals Reforms (Rationalization and Conditions of Service) Ordinance, 2021;
3. Relating to software copyright applications: the 2021 Rules do away with the requirement of the submission of the object code (machine readable code generated by the compiler) as part of the copyright applications for the registration of software copyright; and now only the source code (human-made set of instructions

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1. Along with the IPAB, a few other tribunals like the Film Certification Appellate Tribunal, Customs Authority for Advance Rulings and the Airport Appellate Tribunal under different statutes have also been abolished by the Ordinance.

in a computer language) or part thereof, but without any redacted portions, needs to be submitted for software copyright registration; and

4. Relating to digital mode of communications: the 2021 Rules adopt electronic means as a primary mode of communication and working in the office in view of the digitization of records and smoother functioning.

### The Design Amendment Rules, 2021 Notified

The Department of Industrial Policy and Promotion, the Government of India, has notified the Design (Amendment) Rules, 2021 ("**2021 Rules**") in the official gazette recently.

The salient features of the 2021 Rules are as follows:

1. Relating to International Classification for Industrial Designs by WIPO: the 2021 Rules state that for the purposes of the registration of designs, articles shall be classified as per current edition of "International Classification for Industrial Designs (Locarno Classification)" published by World Intellectual Property Organization (WIPO)" along with the provisions of the Design Act, 2000.
2. Relating to start-ups: the 2021 Rules recognizes 'start-ups' under the definition clause in Rule 2. The 2021 Rules also state that when a startup or a small entity ceases to be a startup or a small entity, no difference in the scale of fees will be payable. Additionally, Form 1 and Form 24 are substituted to include start-ups.
3. Relating to digital mode of communications: the 2021 Rules adopt electronic means as a primary mode of communication in view of the digitization of records and smoother functioning.
4. Relating to difference of Fees: the 2021 Rules states that in case of a transfer of a design application from one entity to another, the difference in the scale of fees charged from the original applicant, being natural person, start-up or small entity and the fees chargeable from the transferee entity other than natural person, start-up or small entity, shall be paid by the new applicant with the request for the recordal of the transfer.
5. Relating to Amount of Fee Payable: the 2021 Rules have amended the fee structure wherein fees payable by all regular entities (not being startups or small entities) have been increased. A 'small entity' and a 'natural person' are required to pay a subsidized fee (25% of the fee payable by regular entities not being a startup or a small entity). A 'startup', the newly introduced entity, is also required to pay the same fees as payable by a 'small entity' and a 'natural person'.



# NOTABLE CASE LAWS

## The Indian Performing Rights Society Ltd. (IPRS) v. Entertainment Network (India) Ltd.

and

## Phonographic Performance Ltd. (PPL) & Anr. v. CRI Events Pvt. Ltd.

Earlier this year, the Delhi High Court ("**Court**") passed a common order<sup>2</sup> disposing off two long-pending cases about utilization of 'duality of copyrights', i.e., copyright in underlying works and copyright in sound recordings that get utilized when the sound recordings are licensed for radio broadcast. It was held by the Court that when a recorded song is communicated to the public by radio diffusion, the underlying works (as integrated in the sound recording) are not utilized as an independent bundle of copyrights subsists in the sound recordings as per the Copyright Act, 1957 (the "**Act**"); and the same does not attract additional royalty payable to the owners of the underlying works.

### Background:

The ruling of the Court relating to the abovementioned principle was substantially deliberated and discussed on various occasions and over the course of approximately 15 years by different courts, including the Supreme Court. The essential facts of the first suit before the Court are that Entertainment Network (India) Ltd., more commonly known as Radio Mirchi, ("**ENIL**") had been initially licensed music broadcast rights in seven (7) cities from IPRS in 2001. ENIL then without obtaining additional license from IPRS, broadcasted the said music in three (3) additional cities, against which IPRS brought an infringement claim seeking permanent injunction and damages in 2006. The second suit was filed by IPRS and PPL in 2009 against an event management company which played music without obtaining licenses from the plaintiffs in events organized in its banquet hall.

The main question before the Court was: Does communication of sound recordings amount to communication of underlying works as well?

### Findings of the Court:

The Court noted that while the Act recognizes different bundle of copyrights for literary works<sup>3</sup>, musical works<sup>4</sup> and sound recordings<sup>5</sup> independently of each other, when underlying works are used in sound recordings, it means that the owner of the underlying works has allowed an independent work (i.e., the sound recordings) to be created; and thereafter, cannot object to sound recordings being exploited by communicating to the

public in any manner independently of the underlying works.

The Court also noted that *"It is the owner of the sound recording who transforms the literary work which otherwise is a mere collection of words into a sound, capable of phonetic pleasure and who gives the composition of music a sound of various musical instruments."* As per the view taken by the Court, the sound recordings are created by the owner of the sound recordings by collaborating the musical works and literary works with that of the performers' works, and finally making a pleasurable recording of the derivative work. Therefore, royalty is only payable to the owner of the sound recording, when merely a sound recording is communicated to the public by radio broadcast.

The Court thus held that communication of a song in public by radio broadcast / diffusion does not constitute utilization of underlying works; and therefore, no authorization is required from the owners of the underlying works per se, i.e., IPRS in this case. The Court also clarified that if the communication of musical work in public is through an artist (and not of the recording), then license would be additionally required from the owners of the underlying works, i.e., IPRS in this case. The Court further went on to say that the 2012 amendment of the Copyright Act does not change legal position of the law and was merely clarificatory in nature.

It is interesting to highlight that less than a week ago, a completely opposite judgement was passed by the Intellectual Property Appellate Board (IPAB) in *Music Broadcast Limited v. Tips Industries Limited & Ors.*<sup>6</sup>, wherein it was held that when a sound recording is broadcasted on radio, separate royalties are payable for the use of copyrights in sound recording and in underlying works by radio companies. A note on this IPAB judgment could be referred in our previous newsletter<sup>7</sup>.

Further, an appeal is filed by IPRS against the judgment of the Delhi High Court. The division bench has held that until further orders, the single bench's decision of the Court shall not be cited or used as a precedent in any proceeding. An appeal is also filed by the radio broadcasters against the IPAB order. Both the appeals are listed before the same bench at the Delhi High Court.

2. CS(OS) 1996/2009, Date of decision: 4th January 2021

3. Section 13 (1) (a) of the Copyright Act, 1957

4. Section 13 (1) (a) of the Copyright Act, 1957

5. Section 13 (1) (c) of the Copyright Act, 1957

6. Order dated 31.12.2020.

7. <https://induslaw.com/app/webroot/publications/pdf/alerts-2021/Induslaw-Infoplex-Jan-2021.pdf>

## Sanjay Soya Pvt Ltd v. Narayani Trading Company<sup>8</sup>

Recently, the Bombay High Court disposed of an interim application with respect to the suit for trademark and copyright infringement, while importantly holding that copyright registration is not mandatory for seeking reliefs under the Copyright Act, 1957 (the "**Copyright Act**").

### Background:

Sanjay Soya Private Limited ("**SSPL**") instituted a suit for infringement of trademark and copyright<sup>9</sup> in respect of its label mark against the use of a confusingly similar label mark by Narayani Trading Company ("**NTC**"). A visual comparison of the rival labels is presented here:



SSPL claimed that its label is an original artistic work and was created by an employee of its sister concern SK Oil Industries, in 2003. Additionally, SSPL's label is a registered trademark in class 29 in relation to edible oils. Furthermore, SSPL also has years of reputation and goodwill associated with its label brand.

NTC primarily contended that the rival labels are different and there is no likelihood of confusion between the labels. Additionally, NTC also contended that SSPL's copyright is invalid as it is unregistered. NTC further argued that SSPL's sister concern cannot be the author of the artistic work as SL Oil Industries is not a natural person. NTC also challenged the assignment deed between SSPL and the sister concern.

### Findings of the Court:

The most crucial point of law discussed by the Court in this matter was whether registration of a copyright is mandatory for seeking reliefs under the Copyright Act.

The law was laid down in *Dhiraj Dharamdas Dewani v. Sonal Info Systems Pvt Ltd And Others*<sup>10</sup>; therefore, the validity of this judgement was also questioned.

The Court observed that the rival labels are confusingly similar. It was held, "*These variations are too irrelevant to warrant consideration. From a look at these products, it would be possible to tell one from the other. That is indeed the only test when it comes to trademark infringement, passing off or copyright infringement.*"

The Court further held that Section 51 of the Copyright Act, which deals with copyright infringement, does not limit itself to registered copyrights of works. The Court said that nowhere in the section it is said that only a registered copyright can be infringed. The Court held, "*This Section does not, per se, demand prior registration. It does not say so anywhere; and this has to be read with Section 45(1), which says that the owner of copyright may apply for registration.*" The Court relied on various judgements, legislative history of Copyright Act, the Berne Convention, 1886 and Trade-Related Aspects of Intellectual Property Rights, 1994 (TRIPS) to which India is a signatory, all which said that no prior registration is necessary to claim copyright.

On NTC's contention that SSPL's predecessor being a legal entity could not be the author of its label, the Court held that the Copyright Act does not mandate identification of a natural person as the actual author of an artistic work. Thus, the Court declared the law laid down in the Dhiraj case as *per incuriam* and determined the issues in favour of the Plaintiff.

## The conundrum of royalty on sale/purchase of software:

### Supreme Court and the ITAT come to rescue of the buyer and the non-resident seller.

Recently, the Hon'ble Supreme Court of India has *inter alia* held that the amounts paid by resident Indian end-users/distributors to non-resident computer software manufacturers/suppliers, as consideration for the resale/use of the computer software through the End-User Licence Agreements/distribution agreements, does not amount to payment of royalty for the use of copyright

8. 2021 SCC OnLine Bom 407, Order dated 09-03-2021.

9. Under the Trademarks Act, 1999 and the Copyright Act, 1957 respectively.

10. (2012 (3) Mh LJ 888)

in the computer software. The Apex Court further held that the same does not give rise to any income taxable in India. As a result of this, the persons (resident Indian importers) referred to in Section 195 of the Income Tax Act, 1961 (the "**Income Tax Act**") were not liable to deduct any TDS under Section 195 of the Income Tax Act.<sup>11</sup>

Almost a month prior to the Supreme Court's ruling, the Income Tax Appellate Tribunal, Pune ("**ITAT**") had also held that the sale consideration received by a non-resident software Company for sale of software products from the end users, distributors or resellers is business income and not royalty income; and as such, it is not taxable in India.<sup>12</sup>

### Background:

In India, a consideration for the assignment or license of copyright in "software" is a taxable income under the Income Tax Act. Over the years, lot of ambiguities have arisen regarding the payment made to a non-resident entity for the grant of the right for the use of computer software by a businessman in India for business purposes.

On one hand, the Income Tax Department ("**ITD**") has been treating such payments as royalty as the amounts are for the license of right to use of the software which is also a copyright subject matter under the Copyright Act, 1957 (the "**Copyright Act**"). The ITD accordingly, has been bringing the said payments under the purview of taxable income in India. On the other hand, the assesses who purchase rights to use of computer software, have been taking a stand that the aforesaid payment is of the nature of business profits; and therefore, the same would not be liable to tax in India, because of the provisions of the Double Taxation Avoidance Agreement (DTAA), entered into between India and several foreign countries.

In the lead matter before the Apex Court, Engineering Analysis Centre of Excellence Pvt. Ltd. was a resident Indian end-user of shrink-wrapped computer software, directly imported from the USA. The assessing officer found that what was in fact transferred in the transaction between the parties was the right to use the copyright which attracted the payment of royalty; and thus, it was required that tax be deducted at source by the Indian importer and end-user and it was held liable to pay the amount of Rs. 1,03,54,784.

In a similar case listed before the ITAT, Norton Lifelock Inc., a non-resident software company incorporated under the laws of USA ("**Assessee**") had challenged the order of the assessing officer whereby the assessing officer had

held that the consideration from sale of software licenses as received by the Assessee would be taxable as royalty in India. The Assessee argued that the revenue from the sale of software licenses in India is not chargeable to tax in the absence of it having any permanent establishment in India. Further, it was explained that the software licenses sold by it were meant for internal business purpose of the users and not for commercial exploitation and that the Assessee did not transfer any right in respect of the copyright in the said software and only right to use the software was transferred.

### Decisions of the Supreme Court and the ITAT:

The Apex Court while deciding around 86 appeals and cross-appeals filed by the software companies, similarly placed as Engineering Analysis Centre of Excellence Pvt. Ltd. and facing issues from the ITD, has put the issue to rest and has finally laid down that there is no obligation on the persons mentioned in section 195 of the Income Tax Act to deduct tax at source, as the distribution agreements/End-User License Agreements (EULAs) in the facts of these cases do not create any interest or right in such distributors/end-users, which would amount to the use of any copyrights. The Apex Court has noted that the EULAs of the softwares in question do not transfer or assign the copyrights over the softwares and what is granted to the distributors is only non-exclusive, non-transferable licenses to resell computer softwares, and it is expressly stipulated in the EULAs that no copyrights in the computer programs are transferred either to the distributors or to the ultimate end-users.

It was observed by the Court that in all these cases, the "license" that is granted vide the EULA, is not a license in terms of section 30 of the Copyright Act, which transfers an interest in all or any of the rights contained in sections 14(a) and 14(b) of the Copyright Act but is a "license" which imposes restrictions or conditions for the use of computer software.

The view taken by the ITAT earlier was almost identical. It was held that it is only one-to-one sale of the software products by the Assessee and at no stage, the right to use the copyright in the software is licensed either to the customer, distributor or the reseller. Thus, the income

11. *Engineering Alliance Centre of Excellence Pvt. Ltd. vs. The Commissioner of Income Tax & Anr.*, Civil Appeal Nos. 8733-8734 of 2018; Judgment dated 02.03.2021.

12. *Norton Lifelock Inc. vs. Assistant Commissioner of Income Tax; ITA Nos. 505&506/PUN/2020*, order dated 05.02.2021.

earned by the Assessee from sale of software, either directly to the customers in India or through Distributors or Resellers constitutes its business income and not the royalty income.

### Siemens Product Lifecycle Management Software Inc. and Anr. v. Lucent Engineering Company<sup>13</sup>

A Delhi District Court (the "**Court**") recently granted a permanent injunction restraining Lucent Engineering Company ("**Lucent Engineering**") from infringing the copyright in the software programmes of Siemens Product Lifecycle Management Software Inc. ("**Siemens**") and distributed in India through its Indian subsidiary.

#### Background:

It was the case of Siemens that it is a leading global provider of software systems and services in the area of managing the product lifecycle and management of industrial operations; and issues (through its Indian subsidiary) end-user licenses for the use of its software to customers in India.

Sometime around 2019, Siemens learnt that Lucent Engineering was in possession of various unlicensed versions of Siemens' NX software ("**NX Software**") and providing services to its clients using such unlicensed NX Software, thereby infringing the copyrights of Siemens. Consequently, Siemens engaged a professional investigator to enquire into the matter who confirmed about Lucent Engineering's possession and use of unlicensed NX Software.

Claiming rights and interests over the valuable NX Software and associated confidential information and trade secrets, Siemens instituted a suit for copyright infringement at a civil court at New Delhi, seeking permanent injunction for restraining Lucent Engineering and their representatives from directly or indirectly reproducing/ creating/ storing/ installing and/or using the unlicensed softwares of Siemens, including unlicensed NX Software, among other things, restraining Lucent from accessing the confidential information of Siemens, rendition of accounts and damages.

Basis the submissions made by Siemens in the suit, an *ex parte* ad interim injunction was granted in favour of Siemens and a Local Commissioner was appointed to visit premises of Lucent Engineering to carry out an inspection. During the inspection, the Local Commissioner found that Lucent Engineering were was

in fact using the unlicensed NX Software on five of its computer systems.

Lucent Engineering argued that the pleadings of Siemens did not contain any statement of truth and were thus liable to be rejected. Lucent Engineering also contended that the investigation report of the Local Commissioner was flawed and compromised, and the investigation was incomplete as it did not provide details of the software on the machines of Lucent Engineering.

#### Findings of the Court:

After hearing the submissions, and on perusal of the documentary and testimonial evidence placed on record, the Court did not find any merits in the contentions of Lucent Engineering.

The Court opined that the NX Software of Siemens are a 'Computer Programme' within the meaning of Section-2(ffc)<sup>14</sup> of the Copyright Act, 1957 (the "**Act**") and also included in the definition of literary work as per Section-2(o)<sup>15</sup> of the Act. The Court further observed that Lucent Engineering has indeed indulged in infringement of the copyright in the NX Software thus attracting liabilities under Section 51<sup>16</sup> of the Act.

The Court also took note of the high values of Siemens' NX Software, the heavy cost of litigation and the fees of the Local Commissioner incurred by Siemens, including the loss in business, goodwill and reputation of Siemens in the market due to the use of unlicensed NX Software by Lucent Engineering; and awarded compensatory and punitive damages to Siemens along with the cost of the suit.

13. CS (COMM) 272/19

14. **Section-2(ffc)** - "*computer programme*" means a set of instructions expressed in words, codes, schemes or in any other form, including a machine readable medium, capable of causing a computer to perform a particular task or achieve a particular result.

15. **Section-2(o)** - "*literary work*" includes computer programmes, tables and compilations including computer databases.

16. **Section 51** - Copyright in a work shall be deemed to be infringed - when any person, without a licence granted by the owner of the copyright or the Registrar of Copyrights under this Act or in contravention of the conditions of a licence so granted or of any condition imposed by a competent authority under this Act - does anything, the exclusive right to do which is by this Act conferred upon the owner of the copyright, or permits for profit any place to be used for the communication of the work to the public where such communication constitutes an infringement of the copyright in the work, unless he was not aware and had no reasonable ground for believing that such communication to the public would be an infringement of copyright.

The Court granted a permanent injunction in favour of Siemens, restraining Lucent Engineering from infringing the NX Software, and accessing the confidential information of Siemens comprised in the NX Software.

### **Bajaj Electricals Ltd. v. Urban Foodmart India Pvt. Ltd. & Ors.<sup>17</sup>**

The Bombay High Court (the "**Court**") passed an interim order restraining Urban Foodmart India Pvt. Ltd. ("**UFIPL**") from infringing and passing off trademark "**BAJAJ**" of Bajaj Electricals Limited ("**Bajaj Electricals**") by unauthorizedly using the same in relation to their food retail chain with the name "**BAJAJ SUPERMART**" in Hyderabad.

It is pertinent to highlight that the trademark BAJAJ of Bajaj Electricals was recognized as a well-known trademark<sup>18</sup> by an old judgment<sup>19</sup> of the same Court.

The Court further directed UFIPL to remove all their signage and other places on which they used their marks "**BAJAJ SUPERMART**", such as on shopping bags, cartons, packing material, etc. within a period of three weeks from the date of the order.

### **M/S Shenzhen Jiayz Photo Industrial Ltd. v. Flipkart Internet Pvt. Ltd. & Ors.<sup>20</sup>**

Recently a Single Judge of the Delhi High Court (the "**Court**") has granted ad-interim injunction in favor of Shenzhen Jiayz Photo Industrial Ltd., the owner of BOYA wireless microphones and accessories ("**SJPI**") and restrained several e-commerce websites such as Flipkart, Amazon India, Paytm Mall, Tata Cliq and Snapdeal (the "**Ecommerce Platforms**") from selling fakes and counterfeits of SJPI's products.

#### **Background:**

The present suit for infringement of trademark and passing off was filed by SJPI which specializes in microphones for smartphones, DSLR cameras, camcorders, audio recorders etc., since 2007. SJPI has been selling products in the name and style of 'BOYA', which is also a registered trademark.

It was pleaded by SJPI that during the pandemic, there has been an increase in the business of online purchase and it came to its notice that some sellers registered with the Ecommerce Platforms, are selling fake and counterfeit products bearing the mark 'BOYA'.

As there were complaints regarding the quality of the products, SJPI had placed test orders on the Ecommerce Platforms. On the arrival of the products, the suspicion of SJPI that fake products and counterfeits under its mark 'BOYA' were being sold on the Ecommerce Platforms, was confirmed. Thereafter, SJPI had issued legal notices (in the nature of take down notices) to the Ecommerce Platforms.

#### **Findings of the Court:**

After perusing the documents placed on record by SJPI to show that its trademark 'BOYA' is being infringed and counterfeit products are sold under the said mark, the Hon'ble Court was of the opinion that the balance of convenience lies in favor of SJPI. The Hon'ble Court granted ad-interim injunction in favor of SJPI and restrained the Ecommerce Platforms from selling counterfeit products under the mark 'BOYA'.

The Hon'ble Court also directed the Ecommerce Platforms that in case SJPI issues any communication to them, asserting that the counterfeiters (also made defendants in the suit) are indulging in advertising, selling, or in any manner dealing with the fake products of SJPI, the Ecommerce Platforms shall take steps to remove/delete the contents of such listing from their platform.

17. Interim Application (L) No. 2524 of 2021 In Commercial IP Suit (L) No. 2517 of 2021 With Leave Petition (L) No. 2526 of 2021

18. The Trademarks Act, 1999, defines "well-known trademark" as, "a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first mentioned goods or services."

19. Bajaj Electricals Limited vs Metals & Allied Products and Anr. (AIR 1988 Bom 167)

20. CS(COMM) No. 67/2021; Order dated 10.02.2021.

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