Law assumes life when it grinds against the touchstone of facts. Till they interact with facts, principles remain abstract theory. Principles acquire a meaning relatable to real life only when interpreted in the context of facts emerging out of real life situations.

Like in other areas of law, concepts in intellectual property law become clear only when appreciated in the context of how a court has interpreted it in a given set of facts. This article attempts to summarize some of the recently reported cases to enable readers understand how courts have applied some of these concepts. The cases summarized here are chosen as they convey a certain principle. To ensure that readers do not get distracted by other details, issues other than the main principle being explained have been left out.

The summary is intended only to kindle the interest of a knowledge-seeking mind to go through the full text of the cases and is not intended to be a definitive statement of law or a complete summary of the judgement being discussed.

The cases chosen are from those reported in January and February 2006 issues of ‘The Patents and Trade Marks Cases’, a leading monthly law journal of intellectual property rights.

**Trademark Law**

A court can try a suit only if the cause of action arises within its jurisdiction. Cause of action is the bundle of facts, which are necessary to be proved in a case. It is a settled law that a judgement and an order passed by the court having no territorial jurisdiction will be a nullity.

An interesting question on jurisdiction of a court in a composite suit for infringement of trademark as well as copyright was considered by the Supreme Court in *Dodha House v S K Maingi* 2006 (32) PTC 1 (SC).

The territorial jurisdiction of a Civil Court is governed by the provisions of the Civil Procedure Code (CPC). A suit under the Trade and Merchandise Marks Act, 1958 or the Copyright Act, 1957 can be instituted in the District Court where the whole or part of the cause of action arises. The territorial jurisdiction conferred upon the court in terms of the provisions of the CPC shall apply to a suit or proceeding under the Copyright Act and the Trademarks Act. But under the Copyright Act an additional forum is provided. As per Section 62(2) of the Copyright Act, the District Court having jurisdiction is the court of the district where the person instituting the suit actually resides or carries on business or personally works for gain, the provisions of CPC notwithstanding. There are no such provisions under the Trade and Merchandise Marks Act, 1958.

It was pleaded before SC in this case that there may be cases which involve a composite cause of action for initiating action both under the Copyright Act and under the Trademarks Act. For this proposition reliance was placed on the definition of ‘mark’ as contained in the Trademarks Act to urge that artistic work within the meaning of the Copyright Act could also be a ‘mark’ within the meaning of the Trademark Act and so the different causes of action arising under both the Acts can be combined. As per Section 2(m) of the Trademark Act, ‘marks’ include a device, a brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof.
Thus in the case of a registered trademark, a composite jurisdiction was pleaded.

Whether the special jurisdiction provided under the Copyright Act was available to such composite suits was the key question in this appeal, which was admitted by the Supreme Court against the decision of the Delhi High Court. There were conflicting opinions of the Delhi High Court involving two different marks of the same parties and thus two appeals. In the first case, the appellant had filed a suit against the respondent to protect the artwork in his label, the wrapper incorporating his registered trademark ‘Dodha House’ and also the copyright in the artwork. The suit was filed in the District Court of Ghaziabad where the appellant carried on the business of sweetmeats whereas the respondent carried on similar business in the district of Faridkot. The District Court of Ghaziabad ordered an injunction against the respondent. On an appeal, the single bench of the High Court of Delhi held that the civil court at Ghaziabad had no jurisdiction to try the suit. In another case which resulted in the second appeal, involving a registered trademark ‘Field Marshal’, the Division Bench of the Delhi High Court held that in a composite suit based on infringement of trademark and copyright, the Delhi High Court had territorial jurisdiction in entertaining the suit in its original side. The Supreme Court admitted the appeal in the light of these contrary views.

The Supreme Court observed that the cause of action in a given case under the Trademark Act and under the Copyright Act might overlap to some extent. The Copyright Act provided for an additional provision overriding the provisions of the CPC with a specific purpose. The object of incorporating such a provision in the Copyright Act was to enable authors to file a suit for violation of copyright at the place where they reside. The Parliament while enacting the Trade and Merchandise Act in 1958 was aware of the provisions of Copyright Act 1957. Since it did not choose to provide an additional forum in the Trademarks Act, makes its intention clear and explicit. The Parliament while enacting the Trade Marks Act 1999, provided for such a forum. The Supreme Court held that it should not readily presume jurisdiction, which is not conferred by the statute.

In terms of sub section (1) of Section 62 of the Copyright Act, a suit can be instituted for infringement of copyright in any work or the infringement of any other right conferred under the Copyright Act. Fulfilment of this condition leads to the operation of the non-obstante clause of Section 62(2) conferring jurisdiction upon the District Court within the local limits of whose jurisdiction the plaintiff is residing. It does not confer jurisdiction upon a District Court where the plaintiff resides if the cause of action arises under the Trade Marks Act. Further, to invoke jurisdiction under Section 62(2), the condition specified therein must be fulfilled, which is that the plaintiff must actually and voluntarily reside to carry on its business or work for gain. The phrase ‘carries on business’ would mean having interest in a business at that place, a voice in what is done, a share in the gain or loss, and some control over there. Though the expression is wide, just because the goods are being sold at a place does not mean that business is carried on at that place.

The Supreme Court found that the primary ground on which the jurisdiction of original side of Delhi High Court was evoked was the violation of the Trademark Act. But just because in a given case the activities on the part of the defendant may give rise to a cause of action both under the Trademark Act and the Copyright Act would not mean, irrespective of the nature of the violation, the plaintiff would be entitled to invoke jurisdiction in terms of Copyright Act. In cases where the two causes of action are joined, it would not confer jurisdiction upon a court, which had jurisdiction to try only the suit in respect of one cause of action and not the other. Recourse to the additional forum can be taken only if both causes of action arise within the jurisdiction of the Court which otherwise had necessary jurisdiction to decide all the issues.

Another issue, which was decided, in this case was whether an advertisement in a journal or paper inviting objection for registration of trademark by itself would be the basis for conferring jurisdiction on a court based on the fact that such jurisdiction appeared within its territorial limits. The Supreme Court held that a cause of action would arise only when a registered trademark is used and not when an application is filed for the registration of the trademark. In a given case, an application for grant of trademark may or may not be allowed. The persons opposing the registration of the mark have the opportunity to oppose the same by filing an application before the registrar. A suit may lie where an infringement of trademark or copyright takes place but a cause of action for filing the suit will not arise
within the jurisdiction of the court only because an advertisement has been issued in the Trademarks Journal or any other journal notifying the factum of such advertisement.

Whether a mark which is already entered in the Register of Trademarks can be removed through rectification proceedings for the reason of non-use was the issue in *Kabushiki Kaisha Toshiba (TC) v Toshiba Appliances Co & Ors*, 2006 (32) PTC 243 (Cal)(DB). The appellant petitioner was a company incorporated in Japan selling goods with the trademark, Toshiba. They registered the mark, Toshiba in respect of class 7 goods like electric washing machines, spin dryers, etc., in 1971. The respondent Toshiba Appliances is an Indian company carrying on business in various electrical appliances under the trademark ‘Tosiba’ since 1975. The respondent company had an annual turnover of over Rs 2 crores in 1989 and had spent substantial amounts in advertising their mark Tosiba.

Sometime in 1989, the appellant company served a legal notice of infringement and passing off in respect of their registered trademark on the respondent company. After receiving this notice the respondent filed an application for rectification and removal of the trademark Toshiba from the Trademark Register due to non-use. The rectification application was allowed by the registry and this order was confirmed by the Single Bench of the High Court. Aggrieved by this order, the appellant approached the Division Bench. The appellant contended that the trademark Toshiba was registered with the bona fide intention to use the mark in relation to the goods. They pleaded that the import policy of the government as it then existed prevented them from importing their class 7 goods but they had joint venture agreements with several Indian companies for VCRs, picture tubes, dry cells, etc. The main contention raised by the respondent company was that the mark that was registered in 1971 was not used for the next 20 years till the rectification application was made, except for a solitary advertisement in 1985.

The Court found that the only instance of the use of the mark since registration was the solitary advertisement in 1985. The question was whether this solitary instance of advertisement would amount to ‘use’ to justify the retention of the mark in the register. Relying on *M/s J N Nicholas Ltd v Rose and Thirstle* (AIR 1994 Calcutta), the appellants contended that even a single advertisement would amount to use. The Court did not agree. Drawing the rationale from Halsbury’s Laws of England, the Court held that the emphasis is on bona fide and genuine commercial use and not on frequency or repetition of use, which is not genuine and not bona fide. Whether the use was genuine must be judged from commercial standards and if the primary purpose of the use was not to sell the products but to validate the registration, then the use is not genuine. Hence, whether a mark should be prevented from being taken away from the register depends on (i) whether there has been use and (ii) whether such use has been bona fide.

The Court held that when a particular trademark is registered but the registered proprietor does not deal with the goods at all, the obvious purpose is to prevent others from dealing with goods. Therefore it does not become bona fide use of the registered trademark. The word bona fide use must be given a reasonable meaning. If a trader seeks to block the register it cannot be held that he has used the trademark in a bona fide manner. Obtaining trademark in such a way as to prevent others who are dealing in similar class of goods from trading does not amount to bona fide use.

**Patent Law**

Under the Patents Act 1970, process patents alone were considered inventions in the pharmaceutical and chemical field. The TRIPS Agreement stipulated grant of product patents to inventions in all fields of technology. For those countries, which were not granting product patents, a transitional provision was introduced by providing grant of Exclusive Marketing Rights (EMR). India introduced EMRs in through Patents amendment act 1999 vide section 24A of the Act. The EMR license confers an exclusive right to the holder to sell, and distribute in India the invention for a period of five years.

A case involving EMRs was reported in *Wockhardt Ltd v Hetero Drugs Ltd & Ors*, 2006 (32) PTC 65 (Mad) (DB). M/s Wockhardt Limited, a pharmaceutical company, was the holder of process patent for benzoquinolizines granted on 6 June 2003 from the date of application, 8 May 2000. An EMR was granted by the Controller of Patents with effect from 15 December 2003 (i.e., till 16 December 2008). This EMR certificate conferred an exclusive right to sell and distribute in India the pharmaceutical composition, containing, benzoquinolizines, namely, Nadifloxacin 1% cream marketed under the trademark.
Nadoxin. In the meantime M/s Hetero Drugs Limited applied to the Drugs Controller General of India, for the manufacturing license to manufacture Nadifloxacin 1% cream by adopting a US patent 1981 and Japan patent 1983 under the trademark Nadiderm and obtained the license on 14 September 2004. Thereafter they started manufacturing Nadifloxacin 1% cream. The plaintiffs sought permanent injunction to restrain the defendants from using in the composition, which they had patented for manufacture of Nadifloxacin 1% cream.

Though an interim injunction was granted, the learned Single Judge of the Madras High Court, after hearing both the parties vacated the interim injunction and dismissed the suit on the ground that the defendants product, Nadiderm was not using the patented composition of the plaintiff but is adopting the patent of US and Japan. Aggrieved by this order the plaintiffs filed an appeal before the Division Bench whose decision is reported in the present instance.

The plaintiff pleaded that the license issued by the Drug Controller to the defendant, Hetero Drugs was only concerned with product safety for human consumption and not about EMR or patent rights. They also referred to the finding of the single judge that prima facie, the process patent and EMRs were valid. The defendant pleaded that the EMR and process patents had been challenged in the Bombay High Court and that they were following a different process, based on a US patent granted to Otsuka Pharmaceuticals, Japan.

The Division Bench held that the Single Bench decision was wrong for two reasons, (i) there was no material to show that the manufacturing and marketing the impugned product was only by adopting the US did and the Japan patent, and (ii) the patent document containing 10 preparation examples did not show the manufacture of cream product. The patent granted to Otsuka Pharmaceuticals covers only manufacture of an ointment, film coated tablets or injectible preparations and not a cream. The Division Bench held that the learned single judge did not appreciate the contents of the affidavit of the expert filed on behalf of the appellants, which affirmed that (i) the Indian patent (process patent) granted to Wockhardt and their pending product patent application were different from and not anticipated by the US patent granted to Otsuka, under numbers 4,399,134 and 4,552,879, and (ii) that it was not possible to manufacture a cream based product with the process stated in these US patents. Moreover, the respondent had admitted in its writ petition challenging the grant of EMR to the appellant that it manufactured the same product for which EMR was granted. The Division Bench found that, on a plain examination, for the purpose of prima facie case, it was not possible for the defendants to manufacture Nadifloxacin 1% cream and that it was possible only to manufacture Nadifloxacin 1% ointment. The EMR granted to the appellant Wodkhardt was specifically for a product, namely, Nadifloxacin 1% cream. Hence, the Division Bench held that the respondent/defendant Hetero Drugs product infringes the EMR and could not be allowed to manufacture the cream as long as the EMR granted was subsisting.

Copyright Law

Copyright protection has interplay with other forms of IP protection like Trademark and Designs. The Section 15 of the Copyright Act, 1957 deals with the provision regarding copyright in designs registered or capable of being registered under the Designs Act. It provides that copyright shall not subsist on any design, which is registered under the Designs Act. But in the case of copyright in any design which is capable of being registered under the Designs Act but which has not been so registered, the copyright protection shall cease as soon as any article to which the design has been applied has been produced more than 50 times by an industrial process by the owner of copyright or with his permission. This interplay was the subject matter of dispute in Microfibers Inc v Giridhar &Co & Others, 2006 (32) PTC 157 (Del).

The plaintiff Microfibers is a company incorporated in US, engaged worldwide in the business of manufacturing and selling of upholstery fabrics. The plaintiff stated that it enjoyed copyright protection in India by virtue of international protection offered by Section 40 of the Copyright Act and the international conventions India is a member of. They claimed copyright in the drawings and designs on its upholstery fabrics as original artistic works within the meaning of Section 2(c) of the Copyright Act. The plaintiff alleged that the upholstery fabric manufactured and sold by the defendants were identical copies or colourable imitations of the artistic work in which the plaintiff had copyright.
The defendants pleaded that the plaintiff was not entitled to protection under the Copyright Act, as the works involved were floral designs, which were applied upon fabrics used for upholstery through an industrial process relating to textile products which were registrable under the Designs Act.

The court observed that in India there are different intellectual property legislations governing the protection of different nature of rights. Insofar as the protection of industrial designs is concerned, the protection is provided under the Designs Act, 2000 which repealed the earlier Designs Act, 1911. Both the old Act as well as the new Act classified fabric designs on textile goods as proper subject matter of design protection by inclusion as a specific class in the Rules framed under the Act. As per Section 15 of the Copyright Act, copyright does not subsist in any design registered under the Designs Act and copyright in any design which is capable of being registered under the Designs Act shall cease as soon as any article to which the design has been applied has been reproduced more than 50 times. The Court held that the intention of the legislature was to protect any industrially applicable artistic work, which is to be commercially exploited under the Designs Act. Consequently, the term of protection is also different. Under the Copyright Act, the protection is for the lifetime of the author plus 60 years. The registered proprietor of the design gets protection for a period of 10 years, which can be extended for another 5 years.

The Court found that the designs involved were capable of registration under the Designs Act but were not registered. Having failed to do so, the plaintiff cannot claim protection under the Copyright Act as the designs were created with industrial intent to apply them on a fabric or cloth and more than 50 reproductions had admittedly been made. The Court also found that the fact of copying was also not denied, but held that since the subject matter designs are registrable under the Designs Act, Section 15 of the Copyright Act applied and copyright protection was hence not available.

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