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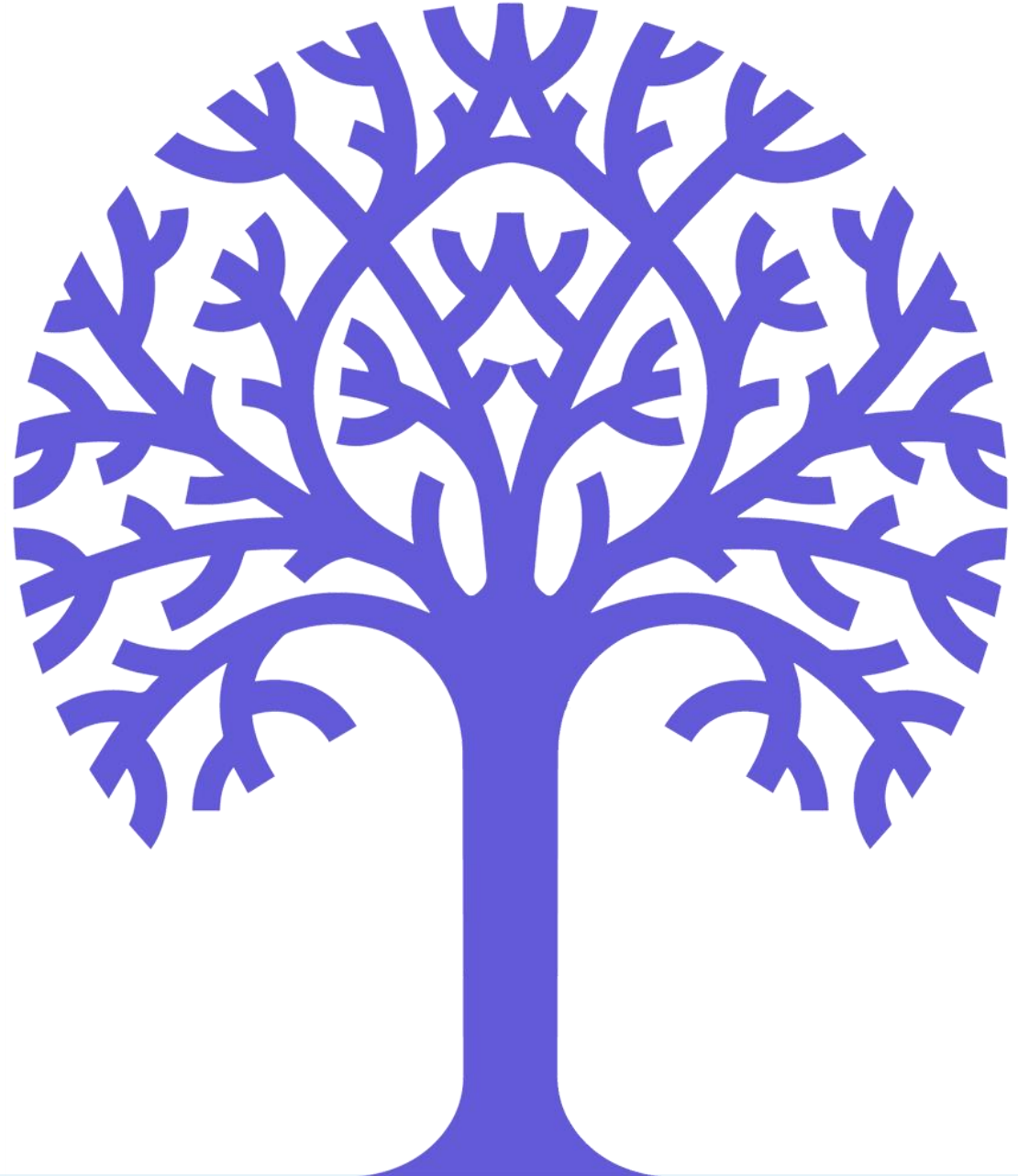
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Article

Patentability – High Court clarifies the language of Section 3(c) of the Patents Act, 1970

By Eeshita Das and Supriya Ramacha

The article in this issue of IPR Amicus elaborately discusses a recent Madras High Court decision setting aside an order passed by the Assistant Controller of Patents and Designs which had refused the grant of a patent under Section 3(c) of the Patents Act, 1970. The Court has held that Section 3(c) would only apply to a process of finding a *hitherto* undiscovered non-living substance by identifying and isolating it from nature. Further, on the facts of the case, the Court noted that the contention that the claimed antibody was naturally occurring solely because the sequence listing described the organism as *Homo Sapiens*, lacked support. It also noted that the claimed antibody was not isolated from a human being but was engineered. According to the authors, it remains to be seen whether Indian Patent Office will examine patent applications to determine the applicability of Section 3(c) more efficiently in view of this order.

Patentability – High Court clarifies the language of Section 3(c) of the Patents Act, 1970

By Eeshita Das and Supriya Ramacha

Introduction

This article discusses the decision of the Hon'ble High Court of Madras on an appeal ((T) CMA (PT) No.126 of 2023)¹ filed by Imclone LLC ('**Appellant**') seeking to set aside an order passed by the Assistant Controller of Patents and Designs ('**Respondent**') refusing the grant of the Appellant's patent application under Section 3(c) of the Patents Act, 1970². The High Court, after considering the facts of the case, decided that the assessment of the claimed invention by the Respondent was erroneous and directed that the application proceed to grant, since the other objections raised in the FER were subsequently dropped pursuant to deletion of corresponding claims or on provision of a satisfactory explanation. This article specifically focuses on the opinion of the High Court with respect to the assessment of inventions under Section 3(c).

Facts of the case

The Appellant filed an ordinary patent application titled RECEPTOR ANTAGONISTS FOR TREATMENT OF

METASTATIC BONE CANCER bearing an application number 5808/CHENP/2007 ('**Application**'). The initially filed claims were drawn towards recombinant antibodies or antibodies fragments that bind to human PDGFR α (Platelet-derived growth factor receptor alpha). In the First Examination Report ('**FER**'), the Respondent had raised objections under various Sections of the Act, including the objection on non-patentability under Section 3(c) of the Act, apart from additional objections regarding non-patentability under Sections 3(i) and 3(j) of the Act. The Respondent finally refused to grant the Application on the ground of non-patentability under Section 3(c) of the Act. Aggrieved by the decision of the Respondent, the Appellant filed the appeal.

The Appellant's counsel began by briefly describing the role of PDGFR α in bone cancer, especially metastatic cancer, followed by a detailed explanation of the process for producing the recombinant antibody (IMC-3G) which targets the specific epitope on and prevents ligand binding at the receptor site. Referring to specific paragraphs of the complete specification,

¹ *Imclone LLC v. Assistant Controller of Patents and Designs*, dated 6 March 2024

² [Section 3\(c\) in The Patents Act, 1970 \(indiankanoon.org\)](https://www.indiankanoon.org/section-3-c-in-the-patents-act-1970/)

the Appellant's counsel argued that the claimed human anti-PGDFR α antibodies were not isolated from nature but were generated using standard hybridoma technology. Further, it was emphasized that the human body does not produce an antibody to PGDFR α , since it is necessary for human embryonic development; thus, any naturally occurring antibody would have arrested embryonic development. With respect to the interpretation of Section 3(c) of the Act, the Appellant's counsel referred to the following judgements from the erstwhile Intellectual Property Appellate Board:

1. Paragraph 8 of *Biogaia AB v. Controller of Patents and Designs*³, to support the proposition that non-living substances occurring in nature or isolated from nature are not patent eligible, whereas any genetically modified microorganism or nucleic acid sequence is not excluded from patentability, if other criteria such as novelty, inventive step and industrial applicability are satisfied,

2. Paragraph 9 of *The University of British Columbia v. Controller of Patents*⁴, to support the contention that a non-

human monoclonal antibody does not attract Section 3(c) of the Act.

3. Paragraph 12 of *Health Protection Agency v. The Controller General of Patents and another*⁵, to support the argument that a substance created with human intervention does not fall within the scope of Section 3(c) of the Act.

Thus, the Appellant's counsel concluded that since the Patent Office had granted patents to monoclonal antibodies in the past, the rejection of the application under Section 3(c) of the Act violates the principle of equality.

The Respondent's counsel, on the other hand, argued that the claimed antibodies were isolated from human beings. Further, the counsel referred to the sequence listing and pointed out that sequences recited in the claims specify the organism of origin of the sequence as *homo sapiens*. With regards to the applicability of Section 3(c) of the Act on the claimed invention, the Respondent's counsel contended that the Appellant had generated already known and naturally occurring antibodies using standard hybridoma technology,

³ *Biogaia AB v. Controller of Patents and Designs*, Order dated 13 February 2021

⁴ *The University of British Columbia v. Controller of Patents*, Order dated 31 December 2020

⁵ *Health Protection Agency v. The Controller General of Patents and another*, Order dated 25 August 2020

which is not novel; moreover, no recombination was seen in the sequence listing. The Respondent's counsel also provided arguments with respect to the IPAB orders listed by the Appellant.

Thereafter, the Appellant's counsel, by way of rejoinder, submitted that the transgenic mice used for producing the claimed antibodies were produced by knocking out the murine immune system and inserting human genes. Such mice were immunised subcutaneously with PAE (porcine aortic endothelial) cells that express PGDFR α . Splenocytes from mice were then isolated and fused with myeloma cells. By this process, the antibodies were produced. Thus, it cannot be said that the antibodies were isolated from human beings and accordingly, the claimed invention cannot fall within the ambit of Section 3(c) of the Act. The Appellant's counsel also highlighted that Section 3(c) of the Act was amended in 2002⁶ to introduce the words '*or discovery of any living thing or non-living substance occurring in nature*' and the same cannot be interpreted with reference to Section 3(d) of the Act, which was amended in 2005. Referring to the judgement of the Delhi High Court in *Diamond Star Global Sdn. Bhd. v. Joint Controller of*

*Patents and Designs, 2023*⁷, the Appellant's counsel asserted that the qualifier 'mere' in Section 3(c) of the Act also applies to 'discovery of any living thing or non-living substance occurring in nature'.

Discussion and decision

The High Court began with a summary of the scientific terms, concepts and principles that are germane for an understanding of the dispute. Against this background, the High Court traced the evolution of Section 3(c) of the Act. The Ayyangar Committee Report of 1959 served as the basis for the Patents Act of 1970. In paragraph 328 of this report, the Committee held that discoveries are universally not patentable; this was justified by the argument that an invention is the creation of something that did not previously exist, but a discovery is the process by which something already existing is found. Section 3(c) of the Act before the amendment of 2002 only had two limbs which barred the patenting of '*the mere discovery of a scientific principle or the formulation of an abstract theory*'. The first limb dealt with discovery and the second with the intellectual exercise of formulating an abstract theory.

⁶ [The Patents \(Amendment\) Act, 2002](#)

⁷ *Diamond Star Global Sdn. Bhd. v. Joint Controller of Patents and Designs, 2023 SCC OnLine Del 1879*

Further, the qualifier 'mere' before the noun 'discovery' in the first limb clarified that something more than a discovery of a scientific principle, may be patentable; this qualifier was not added in the second limb regarding the formulation of an abstract theory.

Post the amendment of the Act in 2002, a third limb was introduced in Section 3(c) of the Act, that is, '*discovery of any living thing or non-living substance occurring in nature*'. It is important to note that the adjective 'mere' was not placed before the noun 'discovery' in the third limb. The High Court emphasized that, in ordinary grammar and as per the principles of statutory construction, a modifier, like the word 'mere,' would apply to the entire series of nouns or verbs in the case of a straightforward parallel construction; in other cases, it would be limited to the closest reasonable referent. Further, the noun 'discovery' as recited in the third limb is applicable to both living things and non-living substances occurring in nature. This additionally supports the contention that the adjective 'mere' is not applicable to this limb since it means that even a 'living thing' could fall outside the scope of patent exclusion if there is something more than mere discovery. Even in the Patents (Second Amendment) Bill 1999 (Bill No.49), the

adjective 'mere' was not used in the context of barring the patentability of discoveries of any living thing or non-living substance occurring in nature. The High Court mentioned that Section 3(d) of the Act also uses the adjective 'mere' before each of the limb therein. Thus, considering the above, the adjective 'mere' is confined to the nearest reasonable referent 'discovery of a scientific principle' and does not extend to 'the discovery of any living thing or non-living substance occurring in nature.'

The High Court then delved into the phrase 'occurring in nature' recited in the third limb of Section 3(c) of the Act. Based on the ordinary rules of syntax, the High Court opined that if the phrase 'occurring in nature' were to be applicable to 'living thing', the construction of the provision should have been 'the discovery of any living or non-living thing occurring in nature'; however, that is not the case. Moreover, the expansion of 'occurring in nature' to 'living thing' would result in a redundancy considering the current level of knowledge. In this view, the High Court held that the expression 'occurring in nature' in the third limb of Section 3(c) of the Act only qualifies the nearest reasonable referent, that is, 'non-living substance'.

The High Court also discussed provisions similar to Section 3(c) of the Act in US, touching upon the US Supreme Court

decisions in *Sidney A. Diamond v. Ananda M. Chakrabarty* (*Chakrabarty*), 1980⁸ (man-made bacterium were considered patentable), *Mayo Collaborative Services, dba Mayo Medical Laboratories v. Promotheus Laboratories Inc.*⁹, (process claims regarding the dosage level of thioprine drugs were considered non-patentable), *Association for Molecular Pathology et al v. Myriad Genetics et al*, 133 S.Ct. 2107 (2013)¹⁰, (an invention for discovery of the precise location and sequence of two human genes was patent-ineligible, whereas a synthetically created complementary deoxyribonucleic acid (cDNA) was patent eligible).

The High Court then shed light on subject matter that would fall within the scope of '*discovery of any ... non-living substance occurring in nature*' as recited in Section 3(c) of the Act. The High Court asserted that use of the noun 'discovery' (which implies finding something which already exists and not producing, engineering or making something) and the present continuous form 'occurring in nature' indicate that Section 3(c) of the Act would only apply to a process of finding a hitherto

undiscovered non-living substance by identifying and isolating it from nature. However, the High Court maintained that clearing the bar of Section 3(c) of the Act does not guarantee the grant of a patent. For the grant of a patent, the Applicant would be required to establish novelty, inventive step and industrial applicability, and that the invention does not fall within the scope of other exclusions in Section 3 of the Act.

The High Court considered the arguments presented by both the Appellant and the Respondent's counsels. In light of the interpretation provided by the Court of Section 3(c) of the Act, it was held that the contention that the claimed antibody is naturally occurring solely because the sequence listing describes the organism as *Homo Sapiens*, lacks support. This inference would be justified only if the Appellant had discovered/found a hitherto unknown antibody and isolated it from nature. Further, the High Court stated that the claimed antibody was undoubtedly not isolated from a human being but was engineered in the manner described in the specification of the application. Briefly, the transgenic mice were generated

⁸ *Sidney A. Diamond v. Ananda M. Chakrabarty* (*Chakrabarty*), 1980 SCC OnLine US SC 128

⁹ *Mayo Collaborative Services, dba Mayo Medical Laboratories v. Promotheus Laboratories Inc.*(*Mayo*), 2012 SCC OnLine US SC 28,

¹⁰ *Association for Molecular Pathology et al v. Myriad Genetics et al*, 133 S.Ct. 2107 (2013)

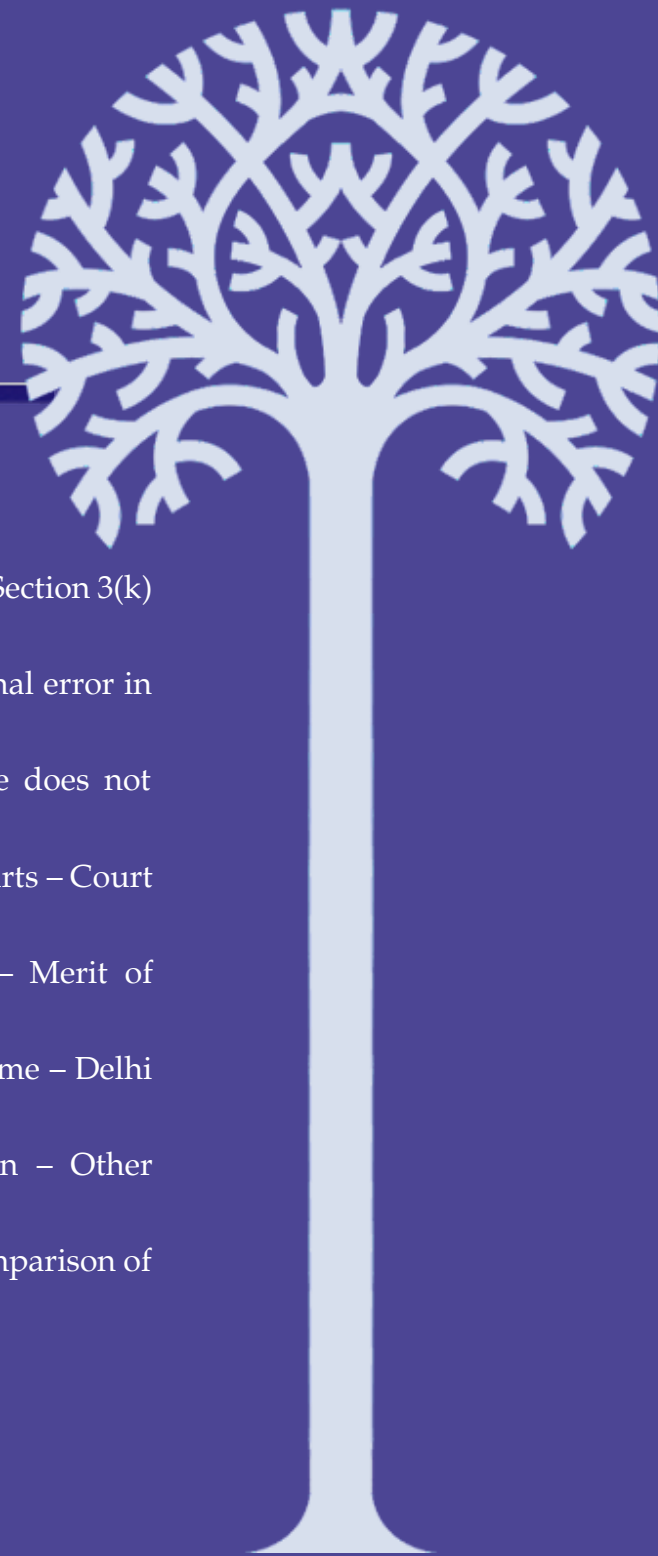
by deleting murine genetic material from mice and replacing the same with human genetic material in the mice. Thereafter, an engineered antigen was injected into the mice. Subsequently, material extracted from the spleen of the mice was fused with myeloma cells by the hybridoma process, which resulted in the claimed antibody. In view of these facts, the High Court concluded that the claimed invention did not fall within the ambit of Section 3(c) of the Act, setting aside the impugned order and directing the grant of the application.

Conclusion

In deciding this case, the High court has provided more clarity to the language of Section 3(c) of the Act and what inventions may fall within the scope of said Section. Whether Indian Controllers will examine patent applications to determine the applicability of Section 3(c) of the Act more efficiently in view of this order remains to be seen.

[The authors are Associate and Principal Associate, respectively, in IPR practice at Lakshmikumaran & Sridharan Attorneys]

Ratio Decidendi



- Patents – Method for compressing digital media – Delhi High Court sets aside objections under Section 3(k) relating to computer programme – Delhi High Court
- Patents – Writ maintainable against rejection of pre-grant opposition but, manifest/jurisdictional error in impugned order necessary to exercise jurisdiction under Article 226 – Delhi High Court
- Patents – Non pursuance of Divisional Application after certain objections by Patent Office does not acknowledge merits of objections – Delhi High Court
- Patents – No obviousness if a ‘mosaic’ is required to be made to get to the invention from prior arts – Court also clarifies on ‘person skilled in the art’ – Madras High Court
- Patents – No deemed abandonment under Section 21(1) if objections in FER responded – Merit of response/explanation is not material – Madras High Court
- Trademarks – ‘VIGOURA’ is deceptively similar to trademark ‘VIAGRA’ and thus infringes same – Delhi High Court
- Trademarks – Mere phonetic, visual, and structural similarity not enough for rectification – Other determinative issues also to be considered – Delhi High Court
- Trademark disparagement – Use of distinctive colour associated with another company and comparison of dissimilar products, particularly on a material feature, is wrong – Delhi High Court

Patents – Method for compressing digital media – Delhi High Court sets aside objections under Section 3(k) relating to computer programme

The Delhi High Court has directed for grant of a patent titled '*Reversible 2-Dimensional Pre-/Post-Filtering for Lapped Biorthogonal Transform*', which was related to a digital media (e.g., video and image) processor and the manner in which the processor is programmed for compression of two-dimensional digital media using lapped transforms.

The subject invention was noted as enhancing the functionality of the transform coding approach by detailing specific steps and methods that improve the efficiency and reversibility of the encoding and decoding processes, through a series of operations including reversible overlap operators and block transforms, which are crucial for reducing artifacts and improving the quality of compressed digital media. It was also observed that the claims articulated a specific approach to applying these techniques, thereby enhancing the traditional transform coding methods used in digital media compression.

Relying upon its recent decision in the case of *Lava International Ltd. v. Telefonaktiebolaget LM Ericsson*, the Court noted that in case of an invention involving computer programmes, to circumvent

the limitations imposed by Section 3(k) of the Patents Act, the inventive contribution of a patent should also achieve an innovative technical advantage that is clearly defined and distinct from ordinary operations expected of such systems.

Allowing the appeal, the Court noted that the subject patent application disclosed a method and system that not only provided a real-world application for complex mathematical transformations, including lapped transforms and reversible overlap operators, but also integrated these operations into a hardware setup that performs digital media data compression, thus enhancing the functionality of the general-purpose computers. It was of the view that the invention transforms the capabilities of general-purpose computing hardware into a specialised apparatus capable of efficient and effective data compression, which it otherwise was not expected to be capable of.

The High Court also held that the Controller erred in applying the novel hardware criteria by following Computer Related Invention Guidelines, 2016, which were already replaced by the Computer Related Guidelines, 2017, removing the requirement of a novel hardware.

Appellant was represented by Lakshmikumaran & Sridharan Attorneys in this case. [Microsoft Technology Licensing, LLC. v. Assistant Controller of Patents and Designs – Judgement dated 16 April 2024 in C.A.(COMM.IPD-PAT) 185/2022, Delhi High Court]

Patents – Writ maintainable against rejection of pre-grant opposition but, manifest/jurisdictional error in impugned order necessary to exercise jurisdiction under Article 226

The Delhi High Court has dismissed an intra-court appeal filed against dismissal of a writ petition impugning an order of the Joint Controller of Patents and Designs rejecting appellant's pre-grant opposition.

The High Court observed that though it had jurisdiction to entertain petition against an order of the Controller rejecting the pre-grant opposition but, there was no manifest or jurisdictional error in the decision of the Controller warranting exercise of jurisdiction under Article 226 of the Constitution of India. The Court in this regard noted that the Controller had examined the objections raised by the opponent (appellant) on merits and that it would not be apposite to undertake a merits review in a proceeding under Article 226.

The opponent/appellant had submitted that the invention claimed by respondent 2 (patentee) was covered by the earlier patent (D1) granted in appellant's favour, while the Controller had found that D1 did not disclose the composition with a stabilizer system comprising of Xanthan Gum and HPMC and the specific weight percentage range for this combination as was cited in the respondent's claim.

The High Court also observed that the Controller had noted that D1 provided a laundry list of approximately 10 stabilizers which included Xanthan Gum and HPMC, and that there was no motivation for a person skilled in the art to choose a combination of at least Xanthan Gum and HPMC. Further, Controller's finding that the cream composition claimed by the respondent in their patent titled '*An artificial liquid cream for utilization in unsweetened cooking and whipping applications*', could be stored at an ambient temperature of 25⁰ Celsius for up to six months and therefore, the same showed a technical advancement as well as economic significance, was also noted by the Court while it dismissed the appeal. The Court also took into consideration the finding of the Controller that while the process for preparing the invention was in two phases, D1 taught a single step method.

Respondent No. 2 was represented by Lakshmikumaran & Sridharan Attorneys in the case. [Rich Products Corporation v.

Controller of Patents and Tropilite Foods Pvt. Ltd. – Judgement dated 1 May 2024 in LPA 257/2024 & CM No.19528/2024, Delhi High Court]

Patents – Non pursuance of Divisional Application after certain objections by Patent Office does not acknowledge merits of objections

The Delhi High Court has held that a decision not to pursue a Divisional Application cannot be regarded, by any stretch of imagination, as acknowledging the merit of the objections contained in the FER raised against the Divisional Application by the Patent Office. The Court observed that there may be myriad reasons why a party does not choose to pursue a Divisional Application.

The High Court hence rejected the contention of the defendant that as the Divisional Application of the plaintiff was finally refused, it was incumbent on the plaintiff to disclose the filing of the same as well as the fact that it was finally refused, as that would seriously impact *prima facie* case that the plaintiff seeks to urge to obtain an interim injunction.

The defendant had also argued that the objections raised by them, to contest the validity of the suit patent, were raised by the

patent office in the FER objecting to the Divisional Application filed by the plaintiff.

Dismissing the submission that the Divisional Application was refused on merits and thus the objections raised by the Patent Office in the FER must be treated to have been confirmed, the Court noted that the application was ‘refused’ not because it was found to be meritless, but because the plaintiff chose not to pursue it. The High Court in this regard observed that the reference to Section 15 of the Patents Act cannot convert the decision into an adjudication on merits.

It accordingly held that the decision not to pursue the Divisional Application cannot estop the plaintiff from contesting the grounds on which the validity of the suit patent was sought to be assailed by the defendant.

[Novartis AG v. Natco Pharma Limited – Judgement dated 9 April 2024 in CS(COMM) 229/2019, Delhi High Court]

Patents – No obviousness if a ‘mosaic’ is required to be made to get to the invention from prior arts – Court also clarifies on ‘person skilled in the art’

The Madras High Court has set aside the decision of the Indian Patent Office which had rejected a patent for the invention titled ‘A method for evaluation of a gemstone’, relating to a method of

evaluation of gemstones, including diamonds, for purposes of identifying inclusions (materials trapped in the gemstone) therein. The monopoly claim was in immersing the diamond in an immersion medium substantially comprising selenium in liquid or molten state; maintaining a pre-determined temperature range; transmitting light of a specific wavelength range; capturing images of such diamond; and detecting inclusions from such images.

The High Court for this purpose ruled that the invention was not obvious to the person-skilled-in-the-art (PSITA) team.

It was of the view that a gemologist with expertise to use advanced tools of trade, would be the right person along with a material scientist, as the PSITA team. The Court in this regard concurred with few European court decisions and observed that the PSITA team should not be formed based on the solution provided by the claimed invention, but the closest prior art may be examined to ascertain whether the PSITA team should include a specialist from another discipline.

The High Court analysed various prior arts and held that without the benefit of hindsight, the non-inventive PSITA team would not combine prior art D1-D3 and D14 with D4 and D5 to arrive at the claimed invention. It noted that there was no discernible link between D1-D3 and D14, on the one hand, and

D4 & D5, on the other, and that D8 which was relied on as a bridge, taught away along with D5.

It noted that the PSITA team, looking for an appropriate transparent immersion medium, would have been required to consider the use of selenium as the immersion medium; consequently, pull a 1952 academic publication (prior art D4) out of the material scientist's knowledge/memory bank; draw on the temperature and wavelength ranges specified therein; optimise the temperature range to ensure that the refractive indices of diamond and liquid selenium nearly match after taking note of the direct and inverse proportion in which the refractive indices of diamond and selenium, respectively, are impacted by changes in temperature; decide on the appropriate wavelength within the infrared band for effective imaging; and conclude that this is an improved method of detecting inclusions.

According to the Court, making this mosaic would not be obvious to the non-inventive PSITA team, and hence the claimed invention has an inventive step.

[\[Galatea Ltd. v. Controller of Patents – Judgement dated 15 April 2024 in \(T\) CMA \(PT\) No.19 of 2023, Madras High Court\]](#)

Patents – No deemed abandonment under Section 21(1) if objections in FER responded – Merit of response/explanation is not material

Observing that Section 117A of the Patents Act, 1970, providing for filing of appeal to High Court, does not stipulate for an appeal against the order passed under Section 21(1) [Deemed abandonment of patent application], the Madras High Court has dismissed the petition (appeal) before it as non-maintainable.

The Court further noted that the petitioner had cursorily dealt with one of the objections while had not dealt with the other objections in the First Examination Report, and that for the same reason, the Patent Office had considered the application as deemed to have been abandoned. According to the Court, the Patent Office's Order was thus under Section 21(1) of the Patents Act and not under Section 15 as submitted by the petitioner.

The High Court in this regard also observed that if the requirements are complied with, or, in other words, if the objections in the FER are responded to, then the case would not fall under Section 21(1) of the Patents Act. According to the Court, what is required is compliance with the requirements and the question as to whether the explanations have any merit or not would be a different question. Reliance in this regard was

placed on Delhi High Court decisions in *Telefonaktiebolaget LM Ericsson (PUBL) v. Union of India* and *Ferid Allani v. Union of India*.

[*Sonalkumar Suresh Rao Salunkhe v. Kunal Suresh Rao Salunkhe – Judgement dated 6 May 2024 in Commercial Miscellaneous Petition No. 8 of 2022, Madras High Court*]

Trademarks – 'VIGOURA' is deceptively similar to trademark 'VIAGRA' and thus infringes same

The Delhi High Court has held that the mark 'VIGOURA' is deceptively similar to the trademark 'VIAGRA'. It was held that in view of the resemblances between the two trademarks and the overlap in the field of use and commercial operations, there is a strong potential of confusion amongst the general public. Thus, the mark 'VIGOURA' was found to infringe the registered 'VIAGRA' mark under Sections 29(1) and 29(2)(b) of the Trade Mark Act, 1999.

The High Court for this purpose observed that both the marks comprised of three syllables, with 'Vi' as a common prefix and 'Ra' as a similar suffix, producing a strikingly similar auditory impression, which was particularly concerning in the pharmaceutical industry, where the precise identification of products is crucial for consumer safety and confidence. The trademarks were also held as sharing notable similarities in the

letter structure and length, thus contributing to strong visual resemblances. Confusion was further held as most probable as both the goods were being sold from similar retail environments to the same segment of consumers and with similar health benefits or outcomes.

Upholding submission of infringement, the Court also noted that due to initial confusion because of phonetic, visual and conceptual similarities, there was substantial potential for the consumers to associate the two products. The Court was also of the view that the confusion can occur regardless of the consumer's overall awareness or knowledge of the differences between allopathic (in case of VIAGRA) and homeopathic (in case of VIGOURA) remedies. It may be noted that according to the Court, the confusion in the present was more of the commercial source than in the products.

Further, also taking note of the cross-border reputation of the plaintiff's mark VIAGRA, the Court also held that the plaintiff satisfactorily discharged the burden of proof required to establish a case of passing off. It was also noted that there was absence of cogent evidence to demonstrate that 'VIAGRA' is generic.

[Pfizer Products Inc. v. Renovision Exports Pvt. Ltd. – Judgement dated 1 May 2024 in CS(COMM) 378/2018, Delhi High Court]

Trademarks – Mere phonetic, visual, and structural similarity not enough for rectification – Other determinative issues also to be considered

The Delhi High Court has held that the issues of similarity cannot be seen in abstract and completely separate and severed from the more determinative issues such as actual prior market use, difference of goods, difference in the devices and labels used, different price points, etc.

The Court was of the view that the contention that the marks 'VANS' of the petitioner and 'IVANS' and 'IV ANS NXT' of the defendant, were phonetically, visually, and structurally similar, with only difference being the syllable 'I', cannot accrue to the benefit of the petitioner since the petition was for rectification of the Register.

Dismissing the petition, the Court held that as the mark of the defendant had existed since the last 20 years in the Register, with no evidence of petitioner's prior use of its marks in India, the test of similarity in isolation cannot come to the petitioner's rescue. Reliance in this regard was also placed on Section 34 of the Trade Marks Act, 1999. The Court also noted that the device marks, trade dress and the manner in which the marks were used, the customer base and even the stores in which the products were sold, were totally different.

The High Court was also of the view that declaration of a mark as 'well-known trademark' cannot give an automatic, unbridged, and unmitigated right to a proprietor to apply for rectification of all the marks which have subsisted on the Register for years prior and in different classes.

[*Vans Inc. USA v. FCB Garment Tex India (P) Ltd.* – Judgement dated 2 May 2024 in C.O. (COMM.IPD-TM) 161/2021, Delhi High Court]

Trademark disparagement – Use of distinctive colour associated with another company and comparison of dissimilar products, particularly on a material feature, is wrong

The Delhi High Court has opined that the activity undertaken by the defendant choosing to compare plaintiff's 'NIVEA' products and defendant's products under the trademark 'Ponds', was *prima facie* misleading and disparaging, and thus caused irreversible prejudice to the plaintiff. The marketing activities of the defendant involved their sales representatives in various malls showing a comparison of a cream in a blue tub identical to plaintiff's 'NIVEA Creme blue tub' (used without the sticker) and the defendant's product 'Ponds Superlight Gel'.

The Court held that the adoption of the distinctive colour, about a century back and consistent use of the same by the plaintiff would certainly lead to a *prima facie* conclusion that plaintiff's cream product, in this distinctive blue colour tub, will be associated with the plaintiff. Contention that the plaintiff sells other products as well in different colour packaging, was thus rejected by the Court while it noted that the plaintiff's flagship product 'NIVEA Creme' and other associated products were sold in packaging, which used a distinctive blue colour.

Relying on 'single economic entity principle', the Court also held that the defendant cannot deny knowledge of association of the distinctive colour with the plaintiff's product. It noted that the defendant is part of a large global group which had withdrawn cancellation petition in Germany, while its associate companies had made withdrawals and settlements in various countries in relation to comparative advertisement. According to the Court, '*having been locked in litigation, suffered injunctions, and received complaints on this very issue in other countries, there was no reason why defendant had to choose a similar blue colour tub for comparison in order to promote their own product*'.

Further, as per the opinion of the Court, comparison by the defendant of dissimilar product particularly relating to a material feature which was ought to be compared, was

misleading. The Court held that the use of a comparative between a lighter hydrating gel to a heavy moisturizing cream, was misleading for a consumer and did not give full information, while extolling defendant's product. Contention

that comparison on stickiness or oily residue was not necessarily denigrating or disparaging, was also dismissed.

[Beiersdorf AG v. Hindustan Unilever Limited – Order dated 9 May 2024 in CS(COMM) 300/2021, Delhi High Court]



News Nuggets

- Copyright Act entitles a copyright owner to recover damages for any timely claim: US Supreme Court
- Trademarks – ‘Indamet’ is deceptively similar to ‘Istamet XR CP’ – Delhi HC Division Bench upholds interim injunction by Single Bench
- Trademarks – Statutory right in mark ‘FEVIKWIK’ not grants right of rectification against ‘KWIKHEAL’
- Trademarks – ‘AO Smith’ and ‘Star Smith’ – Delhi HC affirms injunction against use of mark ‘Star Smith’
- Trademarks – Madras HC grants injunction against use of ‘body builder’ logo deceptively similar to MRF’s ‘muscleman’ device

Copyright Act entitles a copyright owner to recover damages for any timely claim: US Supreme Court

The Supreme Court of the United States of America has held that the Copyright Act entitles a copyright owner to obtain monetary relief for any timely infringement claim, no matter when the infringement occurred. The Court noted that as per the limitation provisions under the US Copyright Act, there is a three-year time-limit for filing an infringement claim after the claim accrued, however, the provisions do not specify any time-limit for recovering damages. As per the decision in *Warner Chappell Music, Inc. v. Nealy* [Opinion dated 9 May 2024], ‘a copyright owner possessing a timely claim for infringement is entitled to damages, no matter when the infringement occurred’.

Trademarks – ‘Indamet’ is deceptively similar to ‘Istamet XR CP’ – Delhi HC Division Bench upholds interim injunction by Single Bench

The Division Bench of the Delhi High Court has upheld the interim injunction granted by the Single Bench against use of mark ‘Indamet’. The Single Bench had on a *prima facie* evaluation concluded that a comparison of the marks ‘ISTAMET XR CP’ (of the plaintiff) and ‘INDAMET’ (of the defendant) meets the test of structural and phonetic similarity. Upholding the decision,

the Division Bench observed that the finding of deceptive similarity and likelihood of confusion merited no interference, as same was neither manifestly erroneous nor perverse.

Test of ‘mere existence of the slightest possibility’ of confusion, as propounded by the Bombay High Court in *Macleods Pharmaceuticals*, which was also held to be in accord with Supreme Court’s decision in *Cadilla Healthcare*, was relied upon by the Court here. The Division Bench in *Glenmark Pharmaceuticals Ltd. v. Sun Pharma Laboratories Ltd.* [Judgement dated 16 April 2024] further dismissed the submission regarding exclusion of the words ‘XR CP’ by the Single Bench while returning the finding of confusion. As per the DB, the acknowledgement of a dominant element of a mark would not fall foul of the anti-dissection rule.

Similarly, the DB also rejected the submissions of different manner of ingestion, and absence of any evidence of adverse effect of ‘Indamet’ if taken by person suffering from diabetes for which plaintiff’s drug was being used.

Trademarks – Statutory right in mark ‘FEVIKWIK’ not grants right of rectification against ‘KWIKHEAL’

The Delhi High Court has held that even though the petitioner has a statutory right in its registered mark ‘FEVIKWIK’, it does

not confer an exclusive right over part of the mark in 'KWIK', and thus there cannot be a right of rectification against the mark 'KWIKHEAL'. The Court in this regard noted that there was express limitation imposed by the Registrar of Trademarks while registering the mark 'FEVIKWIK', regarding no right to exclusive use of the word 'KWIK' by the petitioner. The Court in *Pidilite Industries Ltd. v. Sanjay Jain* [Judgement dated 22 March 2024] also observed that the petitioner cannot have monopoly over the mark 'KWIK' and all its variations, further because 'KWIK' was not the dominant portion of its mark.


Regarding rectification sought of the device mark, the High Court, on a comparative assessment, was of the view that when viewed as a whole, the devices had apparent dissimilarities, and thus the marks cannot be said to be deceptively similar.

Trademarks – 'AO Smith' and 'Star Smith' – Delhi HC affirms injunction against use of mark 'Star Smith'

The Delhi High Court has made absolute the injunction granted by it earlier in favour of the petitioner using its registered mark 'AO Smith' and against the use of the mark 'Star Smith' by the defendant, selling identical products, i.e. geysers and water heaters. The Court in *A.O. Smith Corporation v. Star Smith Export*

Pvt. Ltd. [Judgement dated 22 March 2024] noted that 'Smith', which is a word of uncommon usage in India, was the dominant part of the marks, as was much more specific (as compared to AO) and had a definite resonance and familiarity, being a name used by persons as well as a suffix for various workers. The Court also noted that even the manner in which 'Smith' was depicted in the marks, having an equal play alongside 'AO' and 'STAR', respectively, it was not a minor or subservient to the other part of the mark. Dismissing the defendant's Interlocutory Application, the Court also observed that the defendants were using a different mark namely 'Aero Star' before adopting 'STAR SMITH' in 2020. According to the Court, the adoption seemed *prima facie* dishonest adoption in order to ride on the goodwill of plaintiffs and cause confusion in the market, particularly on identical goods.

Trademarks – Madras HC grants injunction against use of 'body builder' logo deceptively similar to MRF's 'muscleman' device

The Madras High Court has granted perpetual injunction against use of 'a half size body builder with robo head' logo  of the defendant, which was held to be deceptively similar to the

'Muscleman Device'  of the plaintiff. The Court in this regard observed that the defendant's

logo was identical with/deceptively similar to the artistic work 'a man holding tyre with lifted hands' in the device mark being used by the plaintiff, and that there was no flavour of minimum requirement of creativity in the defendants' body builder logo.

According to the Court, considering long and continuous usage of the Muscleman Device mark, plaintiff's reputation and goodwill, and its huge turnover in respect of its sales in India as well as abroad, the public will be deceived if the same Muscleman Device or its equivalent is allowed to be used by any

other tyre manufacturer who has commenced their business much later. Further, observing that the distinctive/essential elements of the plaintiff's logo (torso of the muscular man with two arms) was copied by the defendants, the Court held that any layman of average intelligence and imperfect recollection will certainly be confused as to whether the defendants' product is also associated with the plaintiff. The Court in *MRF Ltd. v. Powermax Rubber Factory* [Judgement dated 1 April 2024] also noted the sudden rise in the sale of the products of the defendants after the defendants copied the plaintiff's trademark / logo.

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