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Ratio Decidendi

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Patents – Divisional applications – Objections under Section 16 are not sustainable in case of system-centric divisional application arising from method-centric parent application

The Delhi High Court has set aside the decision of the Assistant Controller of Patents and Designs rejecting a divisional application for invention titled 'System for Advanced Bi-directional Predictive Coding of Interlaced Video'. The Assistant Controller had rejected the application on grounds of Sections 16(1), 16(3) and 3(k) of the Patents Act, 1970, i.e., the claims made in the divisional application were not distinct from the claims of parent application and that the subject invention was not patentable, being a computer program *per se*.

Encapsulating a side-by-side comparison of a claim in both the applications – parent as well as from divisional application, the Court observed that even if the foundational teachings or descriptions appear similar, it is the specific framing and content of the claims that truly differentiate one invention from another. The Court hence was of the view that the Controller's stance that the divisional application's claims were merely reiterations of the parent application lacked merit.

Allowing the appeal, the Court also noted that while the subject matter of both applications (parent as well as divisional application) revolved around video decoding and the divisional application's

claims drew inspiration from the parent application, the *modus operandi* delineated in each was different. One was method-centric, emphasizing on 'how' it is done; the other (divisional application) was system-centric, illuminating 'what' it does.

The Court however remanded the matter to the Assistant Controller for re-examination of the divisional application on the objections pertaining to non-patentability under Section 3(k). It noted that the decision to disallow the application under Section 3(k) was devoid of any reasoning and the Advocate representing the Assistant Controller was not able to substantiate this ground during the hearing as well. [*Microsoft Technology Licensing, LLC v. Assistant Controller of Patents and Designs* – Judgement dated 11 August 2023 in C.A.(COMM.IPD-PAT) 358/2022, Delhi High Court]

Trademarks – Reference to a mark in news article does not constitute its use by the proprietor of the mark

The Delhi High Court has observed that reference to a mark in a news article cannot, quite obviously, constitute as use of the mark by the proprietor. Allowing the defendant the benefit of Section 34 of the Trade Marks Act, 1999 providing exception to Section 28, the Court observed that reference to the plaintiff, or even to the services rendered by it, in articles published in newspapers which were not printed or published by the plaintiff, cannot constitute use within the meaning of Section 2(2)(c)(ii), by the plaintiff, of the PRINCETON mark, as envisaged by Section 34(a) of the Trade Marks Act. Referring to various articles in newspapers, as cited by the

plaintiff, the Court held that none of this was evidence of commercial service by the plaintiff in India and may at the highest amount to publicity for the plaintiff in India.

The High Court in this regard observed that if the defendant has used the impugned mark prior to the registration, as well as the actual use of the asserted mark by the plaintiff, then the plaintiff is, under Section 34, statutorily proscribed from interfering with the use of the impugned mark by the defendant. The Court noted that the plaintiff had not placed on record any material indicating any statement, by the plaintiff, about the availability, provision or performance of the services provided by it, accessible in India, prior to 1991, which was the undisputed date of user, by the defendants, of the impugned PRINCETON mark.

Rejecting the application for interim relief, the Court also observed that the mere fact that several Indians may have been educated in the plaintiff's institution in the US, would not amount to 'use', by the plaintiff, of its PRINCETON mark in India for providing services. Further, according to the Court, opening of centres in the plaintiff-institution in the US, dealing with Indian subjects, Indian studies, or Indian cultural activities, too, does not reflect use, by the plaintiff, of the PRINCETON mark in India prior to 1991.

Further, on the question of passing off, the Court was of the view that though the PRINCETON mark of the plaintiff, and the PRINCETON mark of the defendants are both used in the context of providing educational services, it would be facile and unrealistic to believe that any consumer would confuse the services provided by the defendants with those provided by the plaintiff. It held that no student, or person interested in the services provided either by

the plaintiff or by the defendants, is likely to be confused between the two. Similarly, the Court also found that no case was made out for balance of convenience and irreparable loss. [*Trustees of Princeton University v. Vagdevi Educational Society* – Judgement dated 6 September 2023 in CS(COMM) 270/2022, Delhi High Court]

Trademarks – User date – Difference between user date as claimed and as evidenced, when not material

In a case where the appellant had claimed user of the 'DHARIWALWOOLTEX' device mark since 1 January 1984 but had placed on record evidence of such user since 15 May 1984, the Delhi High Court has set aside the decision of the Joint Registrar wherein the latter had rejected the application for registration stating that it was incumbent on the appellant to positively prove the user claimed by it in its application seeking registration in the first instance.

Agreeing with the submission that the since the difference was just a little over four months, and it would be extremely unjust if the appellant's application for registration of the mark were to be rejected on such a ground, the Court also observed that the opportunity to place the evidence first arose to the appellant only after 13 years after the application had been filed. It hence held that the appellant could not be faulted for not having had, with it, at that distant point of time, material to evidence user of the said device mark from 1 January 1984.

Further, holding the observations of the Joint Registrar as neither fair nor just, the Court was of the view that the Joint Registrar ought to have considered the appellant as having shown user at least since 15 May 1984, instead of rejecting the application outright.

Decisions of the Court in the cases of *Vijay Grover v. Biocure Laboratories* and *Vivek Kochher v. Kyk Corporation Ltd.*, and that of the IPAB in the case of *Sigma Freudenberg Nok Pvt. Ltd. v. Inderpal Singh*, were distinguished. [*Dhariwal Wooltex v. British India Corporation Ltd.* – Judgement dated 16 August 2023 in C.A.(COMM.IPD-TM) 17/2022, Delhi High Court]

Trademarks – Petition for removal/rectification/cancellation of trademark not necessarily to be filed before the High Court having territorial jurisdiction over Registry where mark registered

The Delhi High Court has held that a petition/application under Section 47 or 57 or 124(1)(ii) of the Trade Marks Act, for removal of a trademark from the Register of Trademarks and consequent rectification of the register would not lie only before the High Court having territorial jurisdiction over the office of the Trademark Registry where the impugned mark was registered, but could be filed in another High Court where the dynamic effect of the registration is felt. The Court in this regard noted that there is no express statutory proscription against any High Court exercising jurisdiction either under Section 47 or 57.

The High Court in this regard noted that once it is determined that the petitioner is a 'person aggrieved', the cancellation/rectification petition could be filed either before the High Court having jurisdiction over the office of the Trade Marks Registry which granted registration to the impugned mark, and where the static effect of the registration is felt, or before any other Court, where the petitioner is affected by the use of the impugned mark by the respondent and where the dynamic effect of the registration is felt. Full Bench decision of the Court in *Girdhari Lal Gupta* [AIR 1978 Del 146], pertaining to Design Act, was relied upon for the purpose.

According to the Court, the 'dynamic effect' principle enunciated by the Full Bench has now expanded to the point where an infringement suit can be instituted, in the case of a defendant which sells its goods, or provides its services online, before any Court which has jurisdiction over any place from where the goods could be purchased or the services accessed.

It may be noted that the High Court also observed that the Ayyangar Committee report and its recommendations, seen in the backdrop of the Trade Marks Act, 1999 as amended in 2021, would indicate that the jurisdiction under Section 47, 57 or 124 (1)(ii) is not vested only with the High Court having jurisdiction over the situs of the Trade Marks registry which granted registration to the impugned mark.

The Court was also of the view that in the interests of wholesome administration of justice and to avoid possible conflict of views, conferment of jurisdiction is justified on the High Court which is in seisin of the suit, or which exercises supervisory jurisdiction over the District Court which is in seisin of the suit, to decide the

rectification petition as well, especially as there is no statutory proscription thereto.

The High Court also held that the use of the article 'the' before 'High Court' in Section 57(1) cannot legitimately lead to an

inference that it is only the High Court which has jurisdiction over the office of the Registrar of Trade Marks. [*Dr. Reddys Laboratories Limited v. Fast Cure Pharma* – Judgement dated 4 September 2023 in C.O. (COMM.IPD-TM) 8/2023, Delhi High Court]



Statute Update

- Draft Patents (Amendment) Rules, 2023 notified

Draft Patents (Amendment) Rules, 2023 notified

The Central Government has proposed amendments to the Patents Rules, 2003 and has notified the Draft Patents (Amendment) Rules,

2023 for this purpose on 22 August 2023. The draft Rules seek for elaborate changes in various provisions of the parent Rules, including those relating to pre-grant oppositions. **A *detailed clause-by-clause analysis of the proposed changes, including relevant comments from the LKS IPR Team, is available [here](#).***



News Nuggets

- Trademark – Plea of invalidity of plaintiff's mark, for purpose of Section 124(1)(a), whether necessary to be taken up in written statement filed in response to suit
- Trademarks 'GM' and 'GMT' are deceptively similar
- Trademarks – Use of polo player device when not leads to deceptive similarity
- Trademarks – Word 'ELEMENTIN' is not phonetically similar to 'ELEMENTAL'
- Trademarks – Mark 'PANTOPACID' prima facie infringes mark 'PANTOCID'
- 'Betnesol' declared well-known mark in respect of pharmaceutical and medicinal items

Trademark – Plea of invalidity of plaintiff's mark, for purpose of Section 124(1)(a), whether necessary to be taken up in written statement filed in response to suit

The Delhi High Court has expressed its reservations regarding the correctness of the view of the Bombay High Court in the case of *Cipla Ltd. V. Cipla Industries Pvt. Ltd.*, wherein the Bombay High Court had held that it was not necessary that the plea of invalidity of the mark (in that case, it was the defendant's mark) had invariably to be taken up in the plaint or in replication. According to the Bombay High Court, even if the plea was taken up in any other written document such as a separate affidavit, for example, it would suffice as a plea of invalidity of the defendant's trademark for the purposes of Section 124(1)(a) of the Trade Marks Act, 1999.

The Delhi High Court in *Central Park Estates Pvt. Ltd. v. Provident Housing Limited* [Judgement dated 29 August 2023] also found astonishing the submission that even if there was no written pleading regarding invalidity of the plaintiff's trademark, Section 124(1)(a) would, nonetheless, stand satisfied if, during arguments in court, such a plea was taken. The Court in this regard observed that there can be no argument which is beyond the pleadings and that in the absence of a written pleading regarding invalidity, a party cannot merely stand up in court and argue that a registered trademark is invalid and seek to contend that such an oral submission suffices as a 'plea' within the meaning of Section 124(1)(a) of the Trade Marks Act.

Trademarks 'GM' and 'GMT' are deceptively similar

The Delhi High Court has held that marks 'GM' and 'GMT' are clearly deceptively similar marks. Directing the Trade Marks Registry to cancel/remove the mark 'GMT' from the Register, the Court observed that it is possible that the consumer would believe that the mark 'GMT' in Class 9 was another series of the products launched by the petitioner (owner of 'GM' mark). It in this regard also noted that 'GM' though being a two-letter mark had, due to long and continuous user by the petitioner, acquired a secondary meaning and reputation in the electrical trade, and that the respondent was using its mark 'GMT' for identical or similar goods. Noting that the petitioner was the prior user, prior adopter and the registered owner of the mark 'GM', the Court *GM Modular Pvt. Ltd. v. Gopal Shinghal* [Judgement dated 22 August 2023] in was surprised that when the respondent's mark was examined, the petitioner's mark was not cited and if cited, respondent's mark proceeded for registration.

Trademarks – Use of polo player device when not leads to deceptive similarity

The Division Bench of the Delhi High Court has set aside the Single

Bench decision restraining the use the mark



by the

defendant (appellant before the DB). According to the Division

Bench, the said mark is not deceptively similar to the mark of the plaintiff (respondent before the DB). According to the Court, the prominent features of the mark, which was the 'Polo Player' device (picture of a horse with a player), if seen as a whole, are not similar in both the marks. The High Court in this regard noted that the logo of a horse and a player was being used by not only the parties in the present dispute but also by many other companies.



The Court also noted that the appellant was not using the standalone polo player device as a mark but the same was accompanied by its actual name, and that they have been using the polo player device in many countries and its adoption for the use of products in India, *prima facie*, cannot be held to be *mala fide*. Further, the Court in *Royal County of Berkshire Polo Club Ltd. v. Lifestyle Equities C V* [Judgement dated 28 August 2023] observed that even though the channel of marketing and sale of both the products was same, the products were not bought by the gullible public. Lastly, noting that it was an admitted case of the plaintiff that the public was not getting confused with the use of words 'polo club' by both plaintiff and defendant, the Court held that it cannot be presumed that with the addition of a logo which is different in their look with the words, 'polo club', would make the composite mark deceptively similar.

Trademarks – Word 'ELEMENTIN' is not phonetically similar to 'ELEMENTAL'

The Delhi High Court has held that it may not be correct to hold that the word 'ELEMENTIN' is phonetically similar to 'ELEMENTAL'. The Court in this regard observed that the words look different and while 'ELEMENTAL', as an adjective of 'element', is a word of common English usage, synonymous with 'fundamental', word 'ELMENTIN' is a coined word, which has no etymological meaning. The Court also noted that the two words sound different as ELMENTIN has three syllables, while ELEMENTAL has four, and that the concluding syllables – which are known to convey a distinct ocular impression when pronounced – are also different in the two words. The High Court for this purpose relied upon the test enunciated in the decisions *In re. Pianotist Co.'s Application*, as accorded approval by the Supreme Court in *Amritdhara Pharmacy v. Satya Deo Gupta* and *Khoday Distilleries v. Scotch Whisky Association*.

Remanding the matter for denovo consideration, the High Court in *Elyon Pharmaceuticals Pvt. Ltd. V. Registrar of Trademarks* [Judgement dated 23 August 2023] also noted that it was not known as to whether the pharmaceutical composition of the product which stood registered under the name ELEMENTAL was the same as that for which the plaintiff was seeking registration for the mark ELMENTIN.

Trademarks – Mark ‘PANTOPACID’ prima facie infringes mark ‘PANTOCID’

The Delhi High Court has held that ‘PANTOCID’ and ‘PANTOPACID’, being structurally, phonetically and visually confusingly similar, ‘PANTOPACID’ *prima facie* infringes ‘PANTOCID’, within the meaning of Section 29(2)(b) of the Trade Marks Act, 1999. The Court in this regard noted that there was marked phonetic similarity between the two marks and that they both were used as brand names for the same product, i.e., pantoprazole. The Court was hence of the view that there is every likelihood of a customer, who purchases PANTOCID on one occasion and, later, comes across PANTOPACID, to be confused into believing that he had earlier purchased the same drug. Contentions that the marks were used for prescription drugs and that there was difference in prices of the drugs, were also rejected by the Court while it observed that there was very possibility of ‘initial interest confusion’.

It may however be noted that the Court in *Sun Pharma Laboratories Ltd. v. Finecure Pharmaceuticals Ltd.* [Judgement dated 16 August 2023], held that the plaintiff was not, *prima facie*, entitled to relief against the infringement, by the defendant, of the plaintiff’s ‘PANTOCID’ mark. The Court, in this regard, was of the view that the basic requirement, envisaged by Section 28(1) of the Trade Marks Act, 1999 of the registration of the asserted mark being valid, was not satisfied.

‘Betnesol’ declared well-known mark in respect of pharmaceutical and medicinal items

The Delhi High Court has declared the mark ‘BETNESOL’ as a ‘well-known’ mark in respect of pharmaceutical and medicinal items as also cognate and allied products. The Court in this regard noted that the evidence relied upon by the plaintiffs included the extensive use of the mark since 1960s and parallel publicity given by them in India since 1960s, and that there was extensive use of the mark for tablets as also other ophthalmic and pharmaceutical preparations. The Court also noted that some of the press clippings and publicity material as also the front surveys conducted showed that the mark was declared as one of the top 10 pharmaceutical brands in India by survey conducted by the Indian Pharmaceutical Industry. Granting the status, the Court in *Glaxo Group Limited v. Manoj Kumar Jain* [Judgement dated 5 September 2023] also observed that plaintiff had used the mark extensively in India for the last more than five decades and that the product was also sold as part of various health programmes conducted by the State and Central Government.

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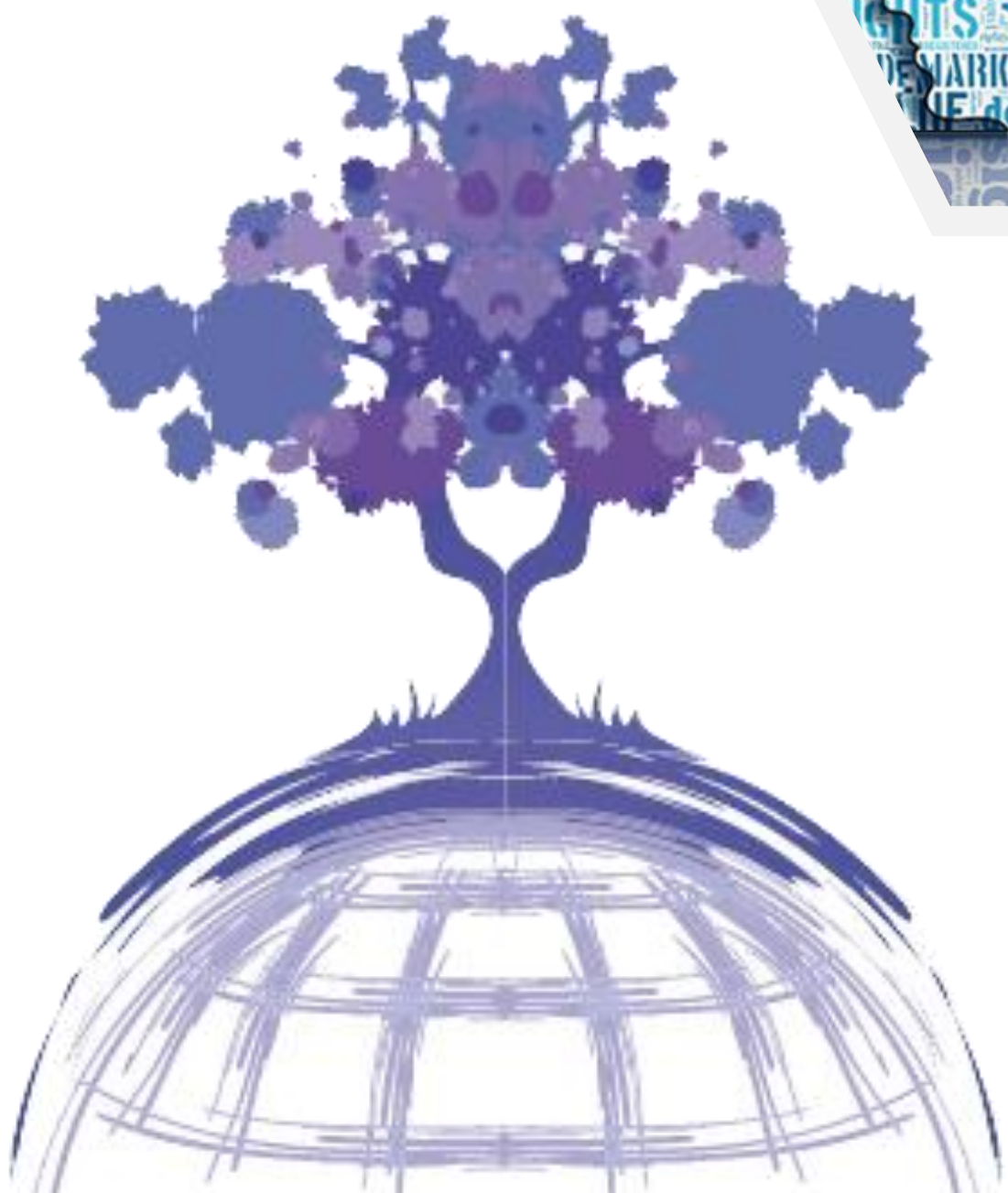
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