

It's a wrap: IP round-up 2022

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Introduction

With practices and processes in India returning to some semblance of normalcy in 2022 after almost two years of covid-19-induced disruptions, the past year has been quite eventful. The Indian IP landscape witnessed various notable developments in the realms of policy, practice and procedure, as well as jurisprudence. This article summarises the key changes and developments to provide an overview of the prevailing legal scenario in India. Additionally, wherever applicable, this article also discusses policy gaps and regressions that emerged in 2022, along with expected changes and trends for 2023.

Policy changes

New Intellectual Property Division and rules at DHC

Since the Intellectual Property Appellate Board (IPAB) was dissolved in mid-2021, there has been uncertainty surrounding the way forward – both in terms of the fate of the matters pending before the (erstwhile) IPAB, as well as in terms of the expected processes and procedures of the successor forum.

While such uncertainty is not yet entirely resolved, 2022 saw significant progress. The Delhi High Court (DHC) created a first-of-its-kind carve out – the Intellectual Property Division – for the streamlining and adjudication of IP disputes, including matters that were pending before, and transferred from, the Delhi branch of the erstwhile IPAB. To that end, the DHC notified its Intellectual Property Rights Division Rules on 24 February 2022. Since then, a regular roster of judges at the DHC has been adjudicating pending and fresh IP matters, which has resulted in IP litigation at the DHC level being concluded faster.

The creation of a dedicated division for IP disputes at the DHC has resulted not only in the interpretational nuances of the applicable law coming to the forefront, but also in an uptick in the Court's acceptance of actual damages being awarded in cases of IP infringement – including an increase in exemplary monetary damages, especially against habitual offenders.

Matters that were pending before the erstwhile IPAB in jurisdictions other than Delhi are still in a state of limbo; similar developments should ideally take place in other courts and jurisdictions within India as well. This inference is supported by the changes already brought about by some of the other courts in the minutiae of procedural aspects (eg, the fresh nomenclature system for IP matters introduced by the Calcutta High Court).

New DHC patent rules

The DHC also notified the High Court of Delhi Rules Governing Patent Suits 2022 with effect from 24 February 2022, with the aim of achieving simpler, effective and efficient adjudication of patent suits filed under the original jurisdiction of the DHC. These rules provide directions for the manner in which pleadings are to be submitted in patent suits, including the manner in which different claims must be documented and presented before the court.

Developments in jurisprudence

While there have been several notable cases (many emanating from the newly created IP Division at the DHC), this article presents a select few to provide an indication as to the jurisprudential trends with respect to IP matters in India.

Trademarks

Recognition of use of keywords as part of trademark infringement and passing off

In the interim stages of a matter, the DHC held that the invisible use of trademarks as keywords in the Google Ads programme can constitute infringement and passing off.⁽¹⁾ The case is still pending final adjudication (including on the interim order itself, which is currently under appeal); it will be interesting to see which way this goes.

Declaration of domain name registrars as "intermediaries"

Taking a strict stand on the issue of domain name registrars (located outside India) refusing to implement the decisions of Indian courts, the DHC declared domain name registrars as "intermediaries" under the Information Technology Act 2000 (the IT Act) and directed them to comply not only with the orders passed by the courts in India, but also with the applicable rules of the IT Act.⁽²⁾

Recognition in rem of personality rights of Bollywood star Amitabh Bachchan

In the interim stages of a matter, the DHC passed an omnibus order recognising and protecting the personality rights of a popular Indian actor.⁽³⁾ The order in effect restrains the public at large from infringing the publicity or personality rights of the actor by misusing his name, voice, image or any other attribute that is exclusively identifiable with him, for any commercial or personal gain.

Patents

Clarification of test for divisional applications

The DHC laid down the test for examining divisional applications for the grant of patents.⁽⁴⁾ Referring to section 16 of the Patents Act 1970, the DHC stated that a divisional application may be filed:



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- in respect of an invention disclosed in the specification of an earlier parent patent application; and
- in the event there is no duplication of claims in the two specifications (ie, the parent specification and the divisional specification).

Recognition of doctrine of equivalence and decision on parallel import

The DHC applied the "doctrine of equivalence" concept to arrive at the finding of a prima facie case of infringement and dismissed the exemption of parallel import under section 107A(b) of the Patents Act 1970.⁽⁵⁾ The Court held that patents are territorial in nature and therefore, unless otherwise mandated by law, a patent protected outside India will not be recognised and protected in India. Further, the import of any product that violates an Indian patent will not be allowed even if it is patented in another jurisdiction.

Clarification on appropriate jurisdiction in cases of appeals

Deciding on a set of clubbed matters, the DHC clarified the issue of the "jurisdiction" of the high courts in cases of revocation petitions and appeals, which had come to the forefront after the dissolution of the IPAB.⁽⁶⁾ The DHC clarified that the jurisdiction of the courts would be determined on the basis of the office where the patent application originates – even if, under the internal mechanisms and functioning of the IP offices, the actual office that conducted an examination of the patent application is different from the one where the application originated.

Copyright

Copyright infringement held to be cognisable and non-bailable offence

The Supreme Court held that the offence of copyright infringement under section 63 of the Copyright Act is cognisable and non-bailable, meaning that the accused can be arrested without a warrant and for which bail will be per the discretion of the court of law.⁽⁷⁾ This decision has finally settled the various conflicting opinions on the issue coming out of different high courts.

Court directed disclosure of information by intermediary servers located outside India

In a case before the DHC, the Court – while recognising Telegram's status as an "intermediary" – directed it to disclose details of persons operating channels containing infringing content on the platform.⁽⁸⁾ The Court recognised that modern smartphones fall under the definition of a "plate" as construed under the relevant provisions of the Copyright Act 1957 and, thus, seeking information on the owner of the channels is permissible. The Court also dismissed Telegram's contentions on non-disclosure of information on account of its servers being in Singapore and the privacy law there.

Other observations

Backlogs

Among the pool of positive developments, one regression that was notable in 2022 was that of backlogs: the covid-19-induced lockdowns resulted in considerable backlogs at the IP offices, causing delays at various steps of the prosecution process.

The IP offices have already started taking steps to reduce such backlogs, including making changes to the manner in which hearings are conducted (which sometimes resulted in procedural hurdles and, consequently, further delays). It has also been made easier for stakeholders to present their grievances. With the creation of the IP Division at the DHC – which shares some limited overlapping powers with the IP offices – the courts have also started intervening with the aim of expediting matters by having some contentious cases (mostly relating to the cancellation or rectification of trademarks) transferred from the IP offices.

Boom in metaverse trademark registrations

2022 saw a rise in the number of registrations acquired for marks in relation to the metaverse at the Trademarks Office.

With the addition of digital goods such as non-fungible tokens in the most recent edition of the International Classification of Goods and Services for the Purpose of the Registration of Marks, registrations in relation to digital goods are also likely to increase in 2023.

Likelihood of practice-related procedural changes

2022 revealed indications of impending practice-related changes at the IP Offices. These may include the possibility of a more stringent "notarisation" requirement for certain documents. While the expected changes are not yet codified or notified in a formal intimation, 2022 witnessed an increase in the number of objections raised by the IP offices with respect to certain procedural requirements.

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Endnotes

(1) *MakeMyTrip India Private Limited v Booking.com B V & Ors* [CS (COMM) 268/2022].

(2) *Dabur India Limited & Ors v Ashok Kumar and Ors* [CS (COMM) 135/2022].

(3) *Amitabh Bachchan v Rajat Nagi & Ors* [CS (COMM) 819/2022].

(4) *Novartis AG v Controller of Patents and Designs* [CA (COMM IPD-PAT) 12/2022].

(5) *Sotefin SA v Indraprastha Cancer Society And Research Center & Ors* [CS (COMM) 327/2021].

(6) See:

- *Dr Reddys Laboratories Limited & Anr v The Controller of Patents & Ors* [CO (CONN IPD-PAT) 3/2021];
- *Thyssenkrupp Rothe Erde Germany GMBH v The Controller of Patents & Anr* [CO (CONN IPD-PAT) 1/2022]; and
- *Elta Systems Ltd v The Controller of Patents* [CA (COMM IPD-PAT) 169/2022].

(7) *M/s Knit Pro International v The State of NCT of Delhi & Anr* [criminal appeal No. 807 of 2022].

(8) *Neetu Singh and Anr v Telegram FZ LLC and Ors* [CS (COMM) 282/2020].