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INTELLECTUALIS

A Retrospective Lens: Analyzing IP Decisions

INDEX

EDITORS' NOTE

Dear Readers,

We proudly present Volume 3, Edition 6 of Intellectualis with the theme 'A Retrospective Lens: Analyzing IP decisions'. In this issue, we look at pertinent discussions revolving around judicial decisions that continue to shape and mold the Intellectual Property regime. Our contributors have aptly captured the essence of the ramifications of various leading IP decisions that we have witnessed in the recent years. The aspects covered range from registrability of different IP to well-known brands, from competition law aspects to IP in emerging technologies. This issue involves a special submission consisting of a poem on trademark law under the heading of 'Veritable Verses'!

We hope that you take the time to read what our e-newsletter has to offer. We would like to extend our gratitude to the student body of School of Law, CHRIST (Deemed to be University) for their overwhelming response to the newsletter. We would also like to thank our Chairpersons, Dr. Avishek Chakraborty and Dr. Aradhana Satish Nair for constantly supporting us and guiding us through the drafting of this newsletter.

We hope you enjoy reading this Edition!

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DOCTRINE OF COPYRIGHT EXHAUSTION IN SOFTWARES: ENGINEERING ANALYSIS CENTRE FOR EXCELLENCE PVT. LTD. V. CIT

-Pemmaraju Lakshmi Sravanti

Introduction

The traditional notion of copyright law sought to prevent unauthorized persons from making copies of the original works, which are protected under the law. The contemporary development includes dimensions to this ideology, thereby allowing the copyright holder to allow reproduction, translation, adaptation and distribution of copies. Legal systems are consistently providing that the copyright holder's monopoly to sell the copies of the work are exhausted post the first nod of consent. This has been recognized under different principles in various jurisdictions, such as first sale doctrine and doctrine of exhaustion. With jurisprudence developing on these doctrines, this article shall briefly refer to the existing laws in Germany and United States, to develop a better understanding of the doctrine recently applied in Indian jurisprudence.

Doctrine of Exhaustion

The doctrine of exhaustion means the extinction of the entitlement to prevent the further sale of a product once the product has been put on the market.[i] This prevents the copyright owner's right to control copies of their work after receiving reasonable remuneration for the copy. Further, this doctrine allows for creating secondary markets for legal copies and the development of alternative distribution models outside the rights holders control.[ii] While TRIPS mentions this doctrine, it does provide the extent of application; thereby allowing discretion to member countries to determine the standards provided it meets the non-discrimination principles.[iii]

India

In India, Section 14 of the Copyright Act, 1957 provides the distribution right for computer software, "In case of a computer program, to issue copies of a computer program to the public *not being copies already in circulation* and to *sell or give on commercial rental* or offer for sale or for commercial rental any copy of the computer program where the program itself is the essential object of rental."[iv]

In March 2021, the Supreme Court, in *Engineering Analysis Centre for Excellence Pvt. Ltd. v. CIT*[v], held any amount paid to a foreign company by any Indian entity shall not be considered within the purview of royalty, which is taxable in India. It recognizes that End User License Agreements cannot be classified as licenses under Article 30 of the Copyright Act, 1957, and consequently, does not transfer any rights of usage.[vi] By recognizing that this doctrine is applicable to software and games, the court has permitted the creation of secondary markets to increase access. This means that even if the copyright holder withdraws the work, the licensee can allow the product to remain in circulation.[vii] This results in an increase in the value that users and consumers ascribe to their purchased goods.[viii]Further, any modifications undertaken by the licensee shall be permitted under the application of the doctrine, also allowing fair dealing provisions of Section 52 to apply.[ix]

"By recognizing that this doctrine is applicable to software and games, the court has permitted the creation of secondary markets to increase access. This means that even if the copyright holder withdraws the work, the licensee can allow the product to remain in circulation. This results in an increase in the value that users and consumers ascribe to their purchased goods."

Germany

As per sec. 69c (1) and (2) German Copyright Act, the exemption is provided to certain necessary activities from the need of authorization by the rights holder. Consequently, the software may be reproduced, run as well as adapted and altered without authorization by the rightsholder when these activities are necessary for the mere use of the computer program by any "person entitled to use a copy of the program in accordance with its intended purpose".[x]

In *Usedsoft v. Oracle*, the CJEU decided that the license was granted in perpetuity along with a maintenance agreement, and any downloaded copy of the software formed an indivisible transaction which amounted to a sale capable of exhausting Oracle's right of distribution in the copies of the software.[xi]

United States of America

In the United States, a similar principle like the exhaustion rule applies the first sale doctrine. Further to sec. 109(a) of the U.S. Copyright Act, the first sale doctrine provides that a person who purchases a legally produced copyrighted work may "sell or otherwise dispose of" the work as he sees fit, subject to conditions and exceptions.[xii] In addition to this, sec. 117 provides for another limitation on the exclusive right of the copyright owner. Sec. 117 allows the owner of a copy of the computer program to make copies for any purpose associated with the use of the copy by the authorized owner. In *SoftMan*

Products Co. v. Adobe Systems Inc., the U.S. District Court held that acquiring an Adobe license should be qualified as a sale transaction, making the software subject to the first sale doctrine.[xiii]

Conclusion

While this doctrine has been incorporated in the United States and the European Union, the decision by the Supreme Court of India invites policymakers to focus on aligning this doctrine with the existing provisions and detailed concepts of a lawful acquirer, to avoid the creation of confusion. Similarly, another question is raised if this doctrine applies to software programs distributed online by copyright holders.

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[i] Raul Iturralde Gonzalez, 'Parallel Imports: A Copyright Problem with No Copyright Solution' (LLM thesis, Graduate Department of the Faculty of Law University of Toronto 2009)

[ii] R. Anthony Reese, 'The First Sale Doctrine in the Age of Digital Networks', (2003) 44 B. C. L. Rev. 577, 585-594

[iii] Agreement on Trade-Related Aspects of Intellectual Property Rights, (15 April. 1994), World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 art 6

[iv] Copyright Act 1957, s. 14(b)(i); s. 14(b)(ii)

[v] Civil Appeal Nos. 8733-8734 of 2018

[vi] Vedangini Bisht and Shubham Chaudhary, 'Supreme Court Recognises Doctrine of Copyright Exhaustion in Softwares, And Its Subservience to EULAs' (*SpicyIP*, 9 March 2021) <https://spicyip.com/2021/03/supreme-court-recognises-doctrine-of-copyright-exhaustion-in-softwares-and-its-subservience-to-eulas.html#:~:text=On%202%20March%202021%2C%20the,Analysis%20Centre%20for%20Excellence%20Pvt.&text=Hence%2C%20the%20Supreme%20Court%20recognised,)%20or%2014(b)>

[vii] Id.

[viii] Von Hippel, Democratizing Innovation (MIT Press, Cambridge (MA), 2005); and Benkler, The Wealth of Networks: How Social Production Transforms Markets and Freedom (Yale University Press, New Haven, 2006)

[ix] Civil Appeal Nos. 8733-8734 of 2018

[x] OLG München of 3 July 2008 – 6 U 2759/07, CR 2008, 551–553 (with comments by P. Bräutigam); LG München I of 15 March 2007 – 7 O 7061/06, CR 2007, 356–362 (with comments by J. Dieselhorst).

[xi] (C-128/11)

[xii] Also see, S. Rep. No 162 98th Congress, 1st Sess 4 (1983).

[xiii] *SoftMan Products Company, LLC v Adobe Systems Inc., et al.* 2001 U.S. Dist. LEXIS 17723

VERITABLE VERSES

TRADEMARK WAR

-Meher Mansi Tatinen

In this era of replication
There is a need for identification
There is a coming trademark war
Beware of the authenticity bar.

It is all about consumer perception
Go back deception
It is not all about name
What matters is the fame

It can be a colour, shape, design or their fusion

But it should not convey confusion.
Similarity is dumped
Passing-off is trumped
Common descriptive and laudatory
There is no glory
It is not fair in the "course of trade"
We are all in for the jade.
It is all for gain
It also applies to name of domain[i]

It gives character merchandising[ii] due recognition
As it is all a game of goodwill and reputation
Trans-border reputation and continuous use[iii]
Without which there will be abuse
Even filter paper has high compensation[iv]
So, stir up something new to be a sensation
As I cite these important precedents
Which gave law dents
All hail down to distinctive marks
All hail down to trademarks.

[i] *Yahoo Inc. v Akash Arora* 1999 PTC (19) 201 Del
[ii] *D.M. Entertainment Pvt. Ltd. v. Baby Gift House and Ors*MANU/DE/2043/2010
[iii] *Coca-Cola Co. v Bisleri International Pvt. Ltd*. MANU/DE/2698/2009; *N.R. Dongre v Whirlpool*, 1996 (16) PTC 583 (SC)
[iv] *Whatman International Ltd. v P. Mehta and Ors,* CS(COMM) 351/2016

MOUNTAIN DEW VS. MOUNTAIN DEW: AN ANALYSIS OF PEPSICO LOSING CLAIM OVER ITS TRADEMARK

-Krati Agarwal

Legal Context

The present case is an interesting yet problematic judgment delivered by the City Civil Court of Hyderabad over the use of "Mountain Dew" as a trademark in favor of the local manufacturer Magfast beverages for packaged drinking water against the giant soda manufacturer Pepsico Inc. The court here totally ignored the doctrine of trans-border reputation which Pepsico enjoys from many years; did not look into the question whether it was an honest adoption of a trademark by a local manufacturer and simply delivered the judgment on the basis of prior use of the term "Mountain Dew" in India.

Facts

The facts of the case revolve around Magfast coming up with the trademark "Mountain Dew" for its packaged drinking water in the year 2000, through thorough research over the internet. He claimed to have gained a huge reputation in his business and proves it by stating that his packaged water was used at the National Games in Hyderabad. Pepsico Inc filed a trademark (hereinafter, TM) infringement suit in 2003 in Delhi and Magfast filed a suit for passing off against Pepsico Inc. in Hyderabad. The Supreme Court transferred the case to Hyderabad Court on Magfast's request and it was this 16 year long battle which was decided by Hyderabad court in 2019.

Contention of Magfast:

1. Although Pepsico's TM registration was done in 1985 in India it was not used until 2003. Hence, Magfast was the prior user of TM (since 2000) and has exclusive rights to use it in India.
2. Pepsico Inc is passing off its own good as Magfast's goods due to its immense reputation.
3. Pepsico did not sell its packaged drinking water by the name of "Mountain Dew" but by the name "Aquafina" and hence there is no chance that customers can be deceived.
4. Also, Magfast accused Pepsico Inc for colluding with newspaper to publish articles to defame him and claimed damages of 25 lakhs for mental agony and reputational damage.

Contentions by Pepsico:

1. Pepsico is a very popular brand with registered TM such as Pepsi, Mirinda, Aquafina, 7up, Mountain Dew etc. It is very well-known among people around the world.
2. Magfast doesn't have a registered TM in India and hence it doesn't have any proprietary rights to use it. Instead, it is Pepsico Inc who has a registered TM (in India since 1985) and is the proprietor of TM.
3. It is not an honest adoption because if he had truly searched over the Internet; "mountain dew" wouldn't have gone unnoticed since it is using it worldwide from 1940.
4. It was Magfast who is passing off their goods as Pepsico Inc's because not only they copied their TM "Mountain Dew" but also design and scheme adaptation of "Aquafina". [Capital first and last alphabet, font style, color scheme and picture of mountain]
5. Pepsico Inc has no relation with any news agency and they are merely reporting facts.
6. The packaged drinking water and carbonated drinks fall under the same Class 32 of 1999 Act and will cause confusion to the public.

Analysis

The decision was made in favor of Magfast as they were the prior user of the TM in India. This decision is not a legally sound judgment as it suffers from various fallacies. First, it is important to see the decision of IPAB[i] (2005) in a rectification proceeding against Pepsico Inc for removal of TM "Mountain dew" due to non-use. It was rejected by IPAB stating following reasons:

- Magfast's claim under Section 47 doesn't stand because they themselves admitted usage of TM by Pepsico since 2003, and non-usage has to be proved for a period of over 5 years to 3 months of filing the rectification proceeding.
- Magfast's claim under Section 57(2) doesn't stand because "Mountain Dew" was a combination of arbitrary words as the literal meaning has nothing to do with its usage in soda citric beverage. It is hence not descriptive in nature. Also, it had acquired distinctiveness since its usage in 1940.

Hence, it is clear that law recognizes "mountain dew" as a property of Pepsico Inc. In a suit for TM infringement, all one needs to prove is that there has been infringement of the right, which here clearly is. The exception to the usage by a registered owner is the doctrine of prior use incorporated in Section 34. It states that when a person can prove usage of disputed mark prior to either the first use of the mark (here which is 2003) or prior to the registration of the mark (1985), whichever is earlier. The date of registration (1985) is earlier here, but Magfast started using the TM only in 2000. The court without looking into the provision passed the judgment. It relied on the judgment of Syed Monideen v. Sulochna Bai[ii] where the prior user was given rights over the registered proprietor. It applied the judgment wrong in the case because in Syed's case the prior user was using the mark before both registration and first use by the other party.

With regard to the argument of Magfast that it is in use for different products and no likelihood of confusion, their other argument as to Pepsico passing off on their goods doesn't stand valid. Because they themselves admit there is no likelihood of confusion, then how can they claim Pepsico is passing off their goods in their name? The position of law is clear from the case of Volvo Sweden v Volvo Steels[iii], where Bombay High Court held that even if the goods are different, once the International reputation is ascertained, the other user can be restricted in using the TM. This is another important aspect not looked into by the court in delivering the judgment.

As per the doctrine of trans-border reputation as enunciated in NR Dogre v Whirlpool[iv]when the reputation of a brand has transcended geographical borders and becomes well-known to consumers even in India, then that TM is entitled to protection. High profits, advertisements in International media post liberalization are common evidence to prove this reputation. Further it was held by Supreme Court in Milmet v Allergan[v] that once the proprietor has introduced the TM in the world market before another person, it is irrelevant to see whether they are using it in India or not. Here, Pepsico Inc launched their TM in USA in 1940 and after 60 years of international advertisement and reputation, Magfast's claim of not knowing the name doesn't seem honest. The Court did not dive into the question whether the similar TM adoption was honest or not. It doesn't seem like it was honest given PepsiCo's reputation of Mountain Dew for over 60 years and similarity with their packaged drinking water brand "Aquafina".

Practical Significance:

This judgment sets a bad precedent. Although this is a judgment by lower court and is bound to be challenged, a court cannot err in such important questions of law. It took more than a decade for the court to decide and yet it faulted in appreciating evidence and applying correct position of law. It surely does harm the reputation of Pepsico Inc worldwide.

[i] [2005] IPAB 1
[ii] (2016) 2 SCC 683
[iii] 1998 (18) PTC 47 (Bom)
[iv] (1996) 5 SCC 714
[v] (2004) 12 SCC 624
Adayasha Samal, 'Mountain Dew Trademark Battle: David v. Goliath or Misapplication of Prior User Rights?', (*SpicyIP*, 27 October 2020) <https://spicyip.com/2020/10/mountain-dew-trademark-battle-david-v-goliath-or-a-misapplication-of-prior-user-rights.html>

DOES REGISTRATION OF A COMPOSITE MARK CONFER A MONOPOLY OVER THE SAME? - ANALYSING THE PATHANJALI JUDGEMENT

-Shefali Fernandes

Introduction

The Corona virus has led to expediting the supply of drugs, vaccines and other medical aids. In this regard, as of recent times, there have been a flurry of applications for registering such related trademarks for such medicines. However, in such cases, the main concern in the domain of intellectual property law is that such marks will firstly cause deception and confusion leading to misrepresentation in the minds of the public thus defeating one of the primary objectives of trademarks. Other challenges with such marks include the fact that such marks can be descriptive in nature and may hence fail to be able to be registered as a mark. In the light of these issues, this judgement[i] assesses sustaining such a mark for a product manufactured for dealing with the coronavirus when the same word is a registered mark for a different product. Additionally, the court also

evaluated the requirement of reputation to constitute infringement under Section 29(4) of the Act.
This case in particular is important as it sheds light on whether registration of a composite mark grants the trademark owner full monopoly over all the elements of the mark, if he/she had not registered them separately. `

Facts

A suit was filed by Arudra Engineering Private Limited against Pathanjali Ayurveda, seeking injunction against the defendant from using the trademark 'Coronil' in the Madras High Court, which was held in favor of the plaintiff by a Single Judge Court by granting an interim injunction, however on appeal to the division bench, by the defendant, the same was challenged.

Issue

The issue framed before the Court was whether the defendant/appellant has infringed the trademark of the plaintiff/respondent within the meaning of Section 29(4) of the Trade Marks Act.

Arguments

The primary argument of the appellant/defendants was that the product of the defendant is dissimilar with that of the plaintiff/respondent, and in such case, to get an injunction, one must make a case under Section 29(4) of the Act, which include both qualitative and quantitative considerations. There must be a use of trademark without due cause wherein, unfair advantage is caused to the distinctive character. Here, the mark 'Coronil 92B/Coronil 213 SPL' is a descriptive mark as to signify the word corrosion, in the context of the substance. Furthermore, the mark should have secondary meaning by way of extensive advertising/use, however this was not shown by the plaintiff/respondent as they did not give proof of any advertising/promotion/invoice.

The marks were not similar in nature, as the defendant used a word mark and the plaintiff used a composite mark. When a mark consists of different elements, the anti-dissection rule is applicable. The plaintiff/respondent, cannot claim that the dominant part of the mark is similar and seek a claim to maintain dilution. The defendants submitted that Section 17 applies to the case, and when both the marks are taken as a whole, they are not identical in nature.

The plaintiff/respondent did not have adequate reputation to satisfy the requirements under Section 29(4) of the Act which has qualitative(reputation) and quantitative characteristics (acquiring reputation through distinctive nature by promotion and other means). Plaintiff / respondent did not have pan-India reputation, and the mark Coronil which was coined with the meaning 'Coro Nil' or rather corrosion nil, is descriptive as identified by the Single Judge.

Furthermore, the plaintiff did not have price list/packaging/distribution, etc. for its products. It had only 31 customers globally, and hence did not meet the requirements of having a reputation. It was contended that reputation might be restricted to a particular good/service but it must still be so overwhelming so as to appear in the minds of customers. If the plaintiff/respondent has stated that the defendant has used the mark without due cause, then they have to prove the same which has not been done by the plaintiff.

The tablet was meant to be an immunity booster against the Coronavirus, and therefore the name was chosen, hence it was with due cause and had no resemblance to the mark. The plaintiff/respondent failed to prove that the use of the mark is detrimental or takes advantage of the distinctive character of the mark, by not pleading or filing any such document to show the same. The defendants also stated that the manufacture and sale of the tablet cannot have any detrimental effect on the plaintiff/respondent, as their products have gained significant reputation all over the country, and have used the present product with due cause and have also not taken any advantage. It was stated that Coronil was adopted by the defendants as a suggestive mark and should be permitted.

It was argued by the plaintiff/respondent that the essential feature of the mark, Coronil cannot be infringed on the ground that the plaintiff/respondent's mark is a composite mark. The word Coronil is the essential and dominant feature of both registered marks of the plaintiff/respondent. They also stated that there was no requirement of pan-Indian reputation across all products as deception or confusion not a requirement under Section 29(4) of the Act. Reputation in a particular field will suffice. The plaintiff/respondent here- Arudra Engineers Ltd claimed that to show reputation, it is sufficient, if the trade name of the plaintiff/respondent is known by those dealing with it only. Arudra Engineers also stated that earlier, Pathanjali had stated the drug was created to cure coronavirus and later modified the claim to that of being an immunity booster, hence utilization of the mark was without any due cause.

Analysis and Significance

The Court held the judgement in favor of the appellants, stating that the word that was registered by the respondents was with the alpha numerals, Coronil 92B and 213 SPL. Hence it cannot be claimed by them, that the registration was for the word Coronil excluding the numerals. It also stated that under the ambit of Section 17 of the Trademarks Act, 1999- protection is afforded to the entire trademark registered and not to some parts of the mark, this will not allow the respondents to claim monopoly over the word Coronil as it was registered as a part of a composite mark.

Additionally, it also stated that even though respondent's label is registered as a trademark, it is not similar to the word mark adopted by the appellants, and therefore cannot file a suit under Section 29(4) of the Trademarks Act, 1999.The Court noted here that respondents had not applied/registered the word Coronil as a word mark, even though it was an invented word. The Court stated that where each part of a label mark is capable of being individually registered then it cannot be dissected and split up into its components and hence cannot grant an injunction. By merely registering a composite mark that consists of several features such as a word, a device and disclaimed alpha-numerals does not mean, there is a right to file a suit under Article 29(4).

The Court further stated that while there was a disclaimer for the alpha-numerical in the registered composite mark of the respondent, however, there was no disclaimer for the word Coronil. Therefore, no monopoly could be claimed in this regard by the respondent. Furthermore, the Court stated that the use of the mark for the purposes of sale and manufacture of an immunity booster tablet was not detrimental to the distinctive character as well as reputation of respondent. It was also stated that the use of the word by the defendants/appellants herein would not be detrimental to the distinctive character of the repute of registered mark of the plaintiff.

For a suit of infringement to be maintainable in such a case, the respondent/plaintiff here could have obtained a registration of the word 'Coronil' or any other word that is phonetically similar/identical with this word. When there is no separate registration for the specific word in question, there cannot be any monopoly over the mark. The judgement has therefore drawn a difference between registration of a composite mark and a word mark in order to claim monopoly over the same.

"When there is no separate registration for the specific word in question, there cannot be any monopoly over the mark. The judgement has therefore drawn a difference between registration of a composite mark and a word mark in order to claim monopoly over the same."

[i] *Pathanjali Ayurved Limited and Ors. v Arudra Engineers Private Limited* (2021) 2 MLJ 180

MONSANTO HOLDNGS PVT. LTD. V. CCI: EXAMINING CCI'S JURISDICTION OVER ANTITRUST PATENT LICENSING

-Ishwarya Singh

Introduction

For long there has been a debate around balancing market competition with the intellectual property rights of private persons. Recently, in June 2020, the Delhi High Court in the case of Monsanto Holdings Pvt. Ltd. v. Competition Commission of India[i] provided clarity on yet another tussle between competition and IP, i.e., the jurisdiction of the Competition Commission of India ("CCI"), a statutory body that is responsible for promoting competition in India, over patent law matters.

Background of the case

Monsanto Company ("Monsanto") obtained a patent for its first and second generation Bt. Cotton Technology. Thereafter, it licensed this technology to Mahyco Monsanto Biotech (India) Pvt. Ltd. ("MMBL"), which subsequently sub-licensed the patented technology to various seed manufacturers in India. The current dispute was in relation to the exorbitant trait fee charged by MMBL and the terms of the patent sub-license agreement that were imposed by MMBL on the sub-licensee seed manufacturers.

The informants, who were also the sub-licensees, filed an information under Section 19(1) of the Competition Act, 2002 alleging that MMBL abused its dominant position by charging an excessive and unfair trait fee for sub-licensing its Bt. Cottons Technology, which amounted to a violation of Section 4(2) of the Competition Act. They further pointed out that few terms of the sub-licensing agreement imposed unfair conditions on the sub-licensees *inter alia*, notifying MMBL within thirty days of entering into negotiations with any competitor of MMBL, destroying all parent lines of the cotton variety which have been modified to contain Monsanto's technology after the sub-license is terminated.

On 10 February 2016, the CCI passed an order directing the Director General to investigate the petitioners' activities. MHPL and MMBL filed the petition in the present case impugning the order passed by CCI in 2016.

Mahyco's contentions

The petitioners filed this case to impugn the order passed by the CCI in February 2016. They claimed that the CCI did not have the jurisdiction to examine the issues raised by the informants, as the issues arise from the petitioners' rights which arise from the Patents Act, 1970. They contended that the Patents Act provides that the Controller of Patents ("Controller") must examine and regulate matters that arise out of the exercise of patent rights. In further support of their contention, they stated that for the CCI to examine whether the exercise of the petitioners' rights under the Patents Act is anti-competitive, the Controller must first determine whether the royalty or trait fee charged is unreasonable. They contended that if the CCI is given concurrent jurisdiction to examine such issues, it would result in both the bodies pronouncing conflicting decisions.

The petitioners placed heavy reliance on the decision of the Supreme Court in the case of *Competition Commission of India v. Bharti Airtel Ltd. & Ors.*[ii] *(Bharti Airtel case)*, which had held that the CCI could exercise its jurisdiction only after the Telecom Regulatory Authority of India ("TRAI") had made its findings in the case. Lastly, they argued that the *Bharti Airtel case* overrules the ruling of the Delhi High Court in the case of *Telefonaktiebolaget LM Ericsson v. Competition Commission of India*[iii] *(Ericsson case)*, which held that the CCI has the jurisdiction to decide whether Ericsson abused its dominant position in exercise of its patent rights. They further argued that by virtue of Section 3(5) of the Competition Act, they were allowed to enter into agreements to restrain any infringement of their patent.

Court's Observations of the Contended Judgments

After hearing the petitioners' contentions, the Delhi High Court made some pertinent observations with respect to the alleged repugnancy between the Competition Act, 2002 and the Patents Act, 1970. It made observations regarding (i) the judgment of the Supreme Court in the *Ericsson Case*, (ii) the judgment of the Supreme Court in the *Bharti Airtel case*, and (iii) whether the *Bharti Airtel case* overruled the *Ericsson case*.

(i) Ericsson case

The Court observed that the Supreme Court in the *Ericsson case* held that there was no repugnancy between the Competition Act and the Patents Act. It observed that the Supreme Court had expressed in its view that though Section 60 of the Competition Act gave it an overriding effect, Section 62 of the Act expressly provides that the Competition Act is "*in addition to and not in derogation of the provisions of any other law.*" Further, it pointed out that the orders passed by the CCI under Section 27 of the Competition Act are in respect of the abuse of dominant position, which is materially different from the powers of the Controller under Section 84 of the Act, which deal with the compulsory licensing of patents. Finally, Section 21 and Section 21A allow for any statutory authority to make a reference to the CCI it proposes to take a decision that may be contrary to the Competition Act, and *vice versa*. Thus, it concluded that the two statutes are devoid of any repugnancy and that the CCI's jurisdiction over complaints of abuse of dominant position by patent-holders cannot be excluded.

(ii) Bharti Airtel case

While analyzing this case, the Court noted that in the decision it had highlighted the three antitrust practices that the CCI dealt with: (i) agreements entered into to cause appreciable adverse effect on competition, (ii) enterprises who abuse their dominant position, and (iii) anticompetitive mergers and amalgamations which may also result in abuse of dominant position. The aforementioned functions are distinct from the function of the TRAI. Thus, CCI's jurisdiction is excluded from matters which are regulated by a specialized statutory body.

"Thus, even though the Act does not expressly mention the authority that can determine the existence of Section 140 conditions, a reading of Chapter XVI, and in this instance specifically Section 84, indicates that the Controller must look into the restrictive conditions laid down in Section 140 to exercise its powers under the Chapter XVI provisions."

(iii) Whether the Bharti Airtel case overrules the Ericsson case

The Court noted that in the *Bharti Airtel case*, the matter was decided after evaluating the nature of the functions of the TRAI. It was observed that the TRAI was a statutory body with technical expertise in the telecommunications industry, and performed recommendatory and regulatory functions. Owing to the facts of the case, the Supreme Court found that the TRAI was the appropriate body who had the domain to evaluate the issue in the said case. The Court further pointed out that the functions of the TRAI and the Controller cannot be equated with each other. While the TRAI makes recommendations and regulates the telecommunications industry, the function of the Controller is concerned with rights enshrined in the Patents Act and not regulating the exercise of the patent rights or the agreements entered into in pursuance of the rights, since 'patents' are not an industry. Thus, the *Bharti Airtel case* has no effect on the *Ericsson case*.

Court's Own Observations

The Court held that Section 3(5)(i) of the Competition Act which recognizes that a person's right to impose reasonable restrictions to protecting their intellectual property rights, is not an unqualified right. The provision explicitly states that the restraining conditions must be "reasonable", and CCI is the appropriate authority to determine whether the conditions imposed in an agreement are reasonable within the purview of the Competition Act. Thus, it upheld CCI's order that confirmed CCI's jurisdiction to investigate anti-competitive patent agreements.

Final Thoughts

As pointed out by the Supreme Court in the *Ericsson case*, the Patents Act provides for the prevention of antitrust patent agreements. The Delhi High Court in the present case also pointed out that any agreement which contains *unreasonable* conditions would be subject to inspection by the CCI.[iv]

Section 140 of the Patents Act states the restrictive conditions that would be unlawful to insert in any agreement regarding patents. However, the Act is silent on who can determine whether the conditions are unlawful under Section 140. However, Section 84 permits the Controller to grant compulsory licenses under the following circumstances:

(a) that the reasonable requirements of the public with respect to the patented invention have not been satisfied, or

(b) that the patented invention is not available to the public at a reasonably affordable price, or

(c) that the patented invention is not worked in the territory of India.

The conditions laid down in the Act for when the reasonable requirements of the public are not satisfied include the refusal of the patentee to grant a license on reasonable terms[v] and any prejudicial condition imposed by the patentee upon the grant of licenses under the patent.[vi] Thus, even though the Act does not expressly mention the authority that can determine the existence of Section 140 conditions, a reading of Chapter XVI, and in this instance specifically Section 84, indicates that the Controller must look into the restrictive conditions laid down in Section 140 to exercise its powers under the Chapter XVI provisions. While, the Court has upheld the CCI's jurisdiction, it has failed to acknowledge the powers of the Controller to also exercise its jurisdiction regarding restrictive and anticompetitive terms of the patent agreements. It would not be right to state that the CCI has exclusive jurisdiction over this matter, even though its jurisdiction regarding anti-competitive practices may supersede the jurisdiction of the Controller of Patents.

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[i] (2020) 82 PTC 559
[ii] AIR 2019 SC 113
[iii] 2019 (2) SCC 521
[iv] Competition Act 2002, s.3(5)(i) reads as follows: "*the right of any person to restrain any infringement of, or to impose reasonable conditions, as may be necessary for protecting any of his rights which have been or may be conferred upon him under–*". The provision allows the owners of the intellectual property rights mentioned under it to impose "reasonable conditions". Thus, the Supreme Court's view in Ericsson case and the Delhi High Court's view in the present case that CCI's jurisdiction is attracted in case of imposition of unreasonable conditions is a corollary to Section 3(5)(i) of the Competition Act.
[v] Patents Act 1970, s. 84(7)(a)
[vi] Patents Act 1970, s. 84(7)(b)

SOCIAL MEDIA AND DISPARAGEMENT; A CASE ANALYSIS OF MARICO LTD V. ABHIJEET BHANSALI

-Sahana R

Introduction

In the digital era, social media has played an important role in everyone's lives whether it is to grow a business, to exercise one's freedom of speech or personal interests. Social media influencers are individuals who have acquired a considerable follower base on social media along with a degree of credibility in their respective space.[i] Social media influencers play an important role in influencing those people using social media and therefore can affect the choice of consumers. In the recent judgement of *Marico Ltd v. Abhijeet Bhansali*[ii], the Bombay High court granted an interim relief to Marico against Abhijeet Bhansali's video on Parachute oil, one of Marico Ltd.'s products. This case revolved around disparagement wherein, while the Trade Marks Act prohibits the same. Thus, there would be an infringement of a trademark if a person indulges in disparagement which would also flow into the subject of unfair trade practices.

Factual matrix of case

The plaintiff Marico Ltd is in the Fast-Moving Consumer Goods business that manufactures hair oil, edible oil and other products for personal use. Parachute is one of the fastest selling and most reputed hair oil produced by the plaintiff. The company's most well-known trademark is Parachute. On the other hand, the defendant is a social media vlogger popularly known as Bearded Chokra. The Defendant on 1st September 2018, published a video titled "Is Parachute Coconut Oil 100% Pure?". In this video, the defendant reviewed the Plaintiff's Parachute coconut oil. According to the Plaintiff, the claims and statements made by the defendant in the video posted by him were false and misleading. The claims of the defendant were disparaging and therefore infringed the trademark of the plaintiff. The defendant had made comments relating to the fragrance, packaging etc of the product and claimed that the oil was not pure. Furthermore, no scientific test had been conducted by the defendant except the freeze test, after which the he concluded that parachute oil was inferior in quality.

The issues in the instant case were whether the defendant is prima facie guilty of making false or malicious or reckless representations to his viewers qua the Parachute Coconut oil of the plaintiff and whether special damages are suffered by the plaintiff.

Analysis

The main aim of a trademark is to "distinguish one person's products from those of another."[iii]As a consequence, a trademark helps a customer to distinguish products and their sources. Therefore, in the process of using one's trademark, if the person disparages them, it is indeed trademark infringement. Comparative ads using another's trademark is permitted, but the advertiser cannot disparage another's products or services while doing so. Any act disparaging another's products or services is not only a violation of the trademark, but also a form of product disparagement.[iv] The infringement of trademark under Section 29(4)(c)[v] by the defendant had resulted in disrepute to the plaintiff as there were more than 1,08,000 views. Therefore, the plaintiff was entitled to special damages. In the case of *Hindustan Unilever Limited vs. Gujarat Co-operative Milk Marketing Federation Ltd. and Ors.*[vi] it was held that in order to decide the question of disparagement, the factors to be kept in mind are:

(i) Intent of commercial
(ii) Manner of the commercial
(iii) Storyline of the commercial and the message sought to be conveyed by the commercial.

The defendant claimed that he had no intent to malign the reputation of the plaintiff and the main aim of his video was to make the people aware of the inferior quality of the product. The question in the instant case was whether the defendant had actual malice/ intent or was it a mere opinion while exercising one's freedom of speech on a social media platform. The US Supreme Court had held that the plaintiff must prove "actual malice" that is the statement was made with knowledge of its falsity or with reckless disregard of whether it was true or false.[vii] In the instant case, the Bombay High court has correctly interpreted that the defendant might have had knowledge that he was stating false claims as he had no scientific proof. Furthermore, if the manner is ridiculing or condemning the product of the competitor then it amounts to disparaging.[viii] The manner in which the defendant had made the video was to ridicule the plaintiff's product by comparing it to other oils. The defendant claimed that the message to be delivered by the video was to help the consumers understand the quality of the product. However, the message sent through the video was mainly to target parachute oil and to tell people to stop using the product. This is visible from the various comments made on the YouTube video by the users/viewers.

Conclusion

In order to protect intellectual property rights, the Indian courts have been active in granting injunctions to IP rights holders. This landmark judgement of the Bombay High Court has given a perspective on social media influencers and their duties towards IP rights holders and the society. With social media being the new facet of everyone's social life, it is important that the media put up on such websites or apps are regulated. Even though an interim relief was granted to Marico various other facets of social media and intellectual property such as liability of social media influencers if they promote a competing product was not dealt upon. However, the Court has been accurate in interpreting the situation and granting interim relief.

[i] *Marico Ltd v Abhijeet Bhansali* 2020 (81) PTC 244 (Bom)
[ii] Id
[iii] Trade Marks Act 1999, s. 2(zb)
[iv] Uphar Shukla, 'Comparitive Advertising and Product Disparagement vis-a-vis Trademark Law' (2006) 11 JIPRJournal of Intellectual Property Rights < http://docs.manupatra.in/newsline/articles/Upload/597132AB-96EC-4DB0-8A82-8D732D603A14.pdf> accessed 18 March 2021.
[v] Trade Marks Act 1999, s. 29(4)
[vi] *Hindustan Unilever Limited v Gujarat Co-operative Milk Marketing Federation Ltd. and Ors.* MIPR 2017 (3) 50
[vii] *New York Times Co. v Sullivan* 376 U.S. 254 (1964)
[viii] *Hindustan Unilever Limited v Gujarat Co-operative Milk Marketing Federation Ltd. and Ors.* MIPR 2017 (3) 50\

OH, THE THINGS YOU CAN FIND, IF YOU DON'T STAY BEHIND! AN ANALYSIS OF NON-TRANSFORMATIVE COMMERCIAL WORKS UNDER THE DOCTRINE OF FAIR USE.

-Sanjana Rebecca

Introduction

With the onset of the digital era, mash-ups have emerged as a unique digital art form and can be seen in a category of works including literary and artistic works. Mashups are compositions that combine existing works that are often protected by copyright and transform them into new original creations which can be termed as transformative works. In light of the expanding scope for transformative works, it becomes imperative to understand the implications of copyright law and more specifically fair use. The US case of Dr. Seuss Enterprises L.P v ComicMix LLC[i] has been a judgement of much significance especially because it features two popular franchises in loggerheads over copyright and trademark infringement. This article will be particularly dealing with copyright protection for popular original works and the applicability of the doctrine of fair use for mash-ups.

Facts

Dr. Seuss Enterprises L.P., the assignee and owner of copyrights and trademarks in the works of Theodor S. Geisel, famously known as Dr. Seuss, sued ComicMix LLC, Glenn Hauman, David Jerrold Friedman and Ty Templeton. Dr Suess Enterprises LP asserted claims based on defendants' work *Oh, the Places You'll Boldly Go!* a "mash-up" of elements from various Dr. Seuss books, including *Oh, the Places You'll Go!* and certain elements from the Star Trek science fiction franchise. The Southern District Court of California granted a summary judgement ruling that the work, "*Oh, the Places You'll Boldly Go*!" was within the purview of fair use admittedly due to the highly transformative nature of the work. The District Court had also observed that the mash-up contained only what was necessary to complete the transformative purpose and does not meet the standards of substantial similarity to the protected elements of the original. In furtherance, the characters from Dr. Suess were substituted with Star Trek characters and the Court rejected the claim that the derivative work was a copyright infringement as the right of derivative works is limited when the fair use doctrine is applied. However, the plaintiff appealed to the United States Court of Appeals for the 9th Circuit to reconsider the matter of copyright infringement.

Issues

The issue before the 9th circuit was re-evaluating the District Court's ruling on fair use and deciding on copyright infringement of the plaintiff's work. Another question that the Court of Appeals considered was whether *Boldly*'s use of Dr. Seuss's copyrighted work *Go!* was a transformative work to be considered as fair use.

Analysis

The 9th Circuit reversed the District Court's ruling that the mash-up work of '*Oh the Places You'll Boldly Go!*'. The 9th Circuit noted that it was an unauthorized use that was not covered under fair use as either a parody or a critique and was extensively copied by the defendants. The reasoning behind the same is related to '*Boldly*' neither being a licensed work of the Suess franchise nor a collaboration between Star Trekkian characters and the Seussian Works. The Court of Appeals considered a four-factor test for determining copyright infringement and fair use.

Firstly, the 9th Circuit states that *Boldly* is not transformative, and its commercial use of *Go!* counsels against fair use. Further, the Circuit went on to look into what constitutes a transformative work (which is not defined under U.S.C 107). A mere work that supersedes the original work cannot fall under a transformative work. It went on to reject the defendant's claim that it was a parody "violent, sexual, sophisticated adult entertainment" of Star

Trek "in the context of Dr. Seuss" to create a "funny" book. Comix Mix's claim that its work was transformative, rested on the fact that it added "extensive new content" by introducing Star Trekkian characters in Suess' Style. The 9th Circuit relied on the precedent of *L. A News Serv. v C.B. S Broad, Inc,* where it was propounded that simply "plucking the most visually arresting excerpts" falls under re-contextualizing the original expression and therefore cannot be transformative. In light of this, it was also regarded that *Boldly* does not alter the message of Dr. Suess's work with a new message or expression and instead relies on the original premise to base its additions on, ultimately, focusing on Suess's world more than any other primer for the new work. Thus, ComicMix's repackaging, copying, and lack of critique of Seuss, coupled with its commercial use of *Go!* does not result in a transformative use and cannot be subject under fair use.

Secondly, the nature of copyrighted work (17 U.S.C. § 107(2)) plays an important role in determining fair use and copyright protection for creative works is more established as opposed to functional and informational works. Since, the *Boldly* works falls under the category of "creative and expressive works", the nature of work of Seussian *Go!* does not warrant fair use by ComicMix. Thirdly, the amount and substantiality of the use of *Go!* also weighs against fair use 17 U.S.C. § 107(3)). The 9th Circuit decided that it was essential to calculate both the quantitative amount as well as the qualitative value of the original work that has been used. As dealt with above, the quantitative use of *Go!* has been substantial owing to the percentage of copyright work that has been used which was determined to be equivalent to approximately 60% along with significant illustrations from Grinch as well. In terms of the qualitative aspect, the mask-up was strikingly similar to elements from Suess's works with reference to the composition and its expressive core. An interesting fact that was noted by the Court was the measure of the substantiality of the work should be attributed to the "portion used in relation to the copyrighted work as a whole and not to the entire corpus of the author". On that note, the Circuit ruled that the third factor weighs decisively against fair use as ComicMix could have potentially avoided the wholesale copying of the work altogether. Considering, the fourth and final factor for weighing fair use, the Circuit looked at the effect of use upon the potential market for or value of the copyrighted work (17 USC § 107(4)). In this regard, ComicMix's non-transformative and commercial use of Dr. Seuss's works is likely to lead to "cognizable market harm to the original". The Court also mentioned Works like *Boldly* would curtail *Go*!'s potential market for derivative works and *Boldly* was clearly trying to capitalize on the same market as *Go!* as it was released at the same time when the graduation market had opened and the same could be sold as gifts for graduating students who grew up reading both Dr.

Seuss and Star Trek. Therefore, the bottom line is that ComicMix created, without seeking permission or a license, a non-transformative commercial work that targets and usurps *Go*!'s potential market. The fourth burden for fair use was also not met by the defendants ComicMix.

Conclusion

The ruling in Dr. Suess Enterprises L.P v ComicMix LLC is particularly relevant in recent times because of the plethora of derivative works that have landed in the market. The 9th Circuit has also reiterated and structured the ambit of fair use for derivative works that rely heavily on original works. This case marks an important reminder for creators to obtain licenses for copyright protected works and to jointly collaborate on works in order to avoid litigation. Furthermore, collaborations also make it easier to conquer markets together and in the absence of a license or authorized use, it is undoubtedly necessary for creators to stay updated on their burden of proof under fair use. As Dr. Suess puts it, "Oh the things you can find, if you don't stay behind!"

[i] *Dr. Seuss Enters., L.P. v. Comicmix LLC*, 300 F. Supp. 3d 1073 (S.D. Cal. 2017)

EXAMINING THE RIGHT TO ROYALTY IN LIGHT OF IPRS V ENTERTAINMENT NETWORK (INDIA) 2021

-Lian Cicily Joseph

Introduction

The Indian film industry is perhaps most recognizable for its catchy and exceptionally popular songs and music. The protection offered to authors of sound recordings in a cinematograph film and their rights have been clearly spelt out in the law. One area of confusion and controversy is related to the rights of underlying authors i.e., the lyricists, composers, etc. of a sound recording. The matter was put to rest via a series of judicial precedents that clarified that unless there was a contract to the contrary, underlying artists do not have a right to claim royalties for their contributions in a sound recording. This position was seemingly altered by the 2012 amendments and more specifically through amendments made to sections 17, 18 and 19 of the Act. However recently, a single judge bench of the Delhi High Court in the case of IPRS v ENIL stated that the amendments have not altered the position at all and that underlying artists on a general scale do not have the right to receive royalties as authors.

Facts:

Two suits were clubbed in the present case. In the first case, the plaintiff, Indian Performing Rights Society Limited (IPRS) filed a suit against ENIL (Radio Mirchi FM) for violating the terms of an agreement entered into in 2001 which granted the defendant the right to broadcast music in seven Indian states. The plaintiff argued that the defendants commenced broadcasting in three new cities violating the terms of the agreement. They sought a relief of permanent injunction to refrain the defendant from broadcasting and/or communicating to the public the literary and musical works that they had a copyright over and also sought damages.

In the second case IPRS and Phonographic Performance Limited (PPL) filed a suit against CRI Events Private Limited (CRI), an event management company that had played copyrighted music without obtaining a license from these authorities.

Issues:

(a) Whether either of the suits entails proof of any fact on which application of law as enunciated in plethora of judgments cited by the counsels, would depend, or the suits can be disposed off by application of such law;

(b) Whether the changes to the Copyright Act, by amendment of the year 2012, are retrospective and if so to what effect;

(c) Whether without any amendments to the plaint, after the amendment of the Act of the year 2012, this Court, while adjudicating the suits, is required to also adjudicate whether the plaintiffs would have a case, if not before coming into force of the said amendment, after coming into force of the amendment;

(d) Whether the amendment of the Act of the year 2012 has made any change qua the controversy in the two suits.

Arguments:

IPRS argued that as a copyright society they ensure that the rights of underlying authors are protected and enforced correctly. They contended that there exists three separate works and that the authors to the lyrical and musical work are entitled to royalties accordingly. Further, the amendments made in 2012 are not just clarificatory in nature but that they also have retrospective application and therefore requires that the defendant obtain licenses from both authorities.

Radio Mirchi argued that sound recordings form one merged entity and that they needed to obtain only a single license. They contended that they did not have to pay a separate licensing fee and that PPL was the only relevant authority. They also noted that the amendments do not change the existing provisions of the law and that the same is supplemented with precedents issued both by the High Court and the Supreme Court. A conjoined reading of sections 2(y), 13 and 17 deems the producer only as the first author of a sound recording which again is a separate work and therefore lyricists and composers do not have a statutory right to receive royalties as contended by IPRS.

Decision of the court:

The court clubbed the aforementioned issues and looked at it from two primary points (a) whether communication of a sound recording amounts to communication of the underlying work and (b) effect of the 2012 amendments. In relation to the first point the court noted that the producer is the person who takes each component and makes it into a 'form that is communicable to the public.' It is therefore a work of joint authorship under Section 2(z) of the Act. Further, utilization of a sound recording does not constitute the utilization of underlying works and thus, no authorization is required from the authors of the underlying works, nor is any royalty owed to them. In relation to the second point the court noted that it did not matter as to whether or not the amendments had retrospective effect as precedents and the law is already very clear in this regard. Therefore, the defendant did not need to obtain a license that it subsequently realized it did not need to obtain (IPRS).

In the second case, the defendants would have to obtain a license from both authorities only in a scenario in which there is a live performance of such literary or musical work. The court awarded damages and granted a permanent injunction in favor of the plaintiff restraining them from acting contrary to the decision that was passed. The Court also made a distinction between communication by way of public/live performances and by way of radio diffusion and upheld and the right of the owner of the sound recording to communicate the same is not interfered by any underlying rights.

Analysis:

The court interpreted sound recordings when communicated to the public to mean the whole work that is inclusive of the literary work, the score, collection of sounds caused by equipment, etc. The court held that it would be impossible to separate the musical and literary work in course of communication to the public. Therefore, the defendant did not have to obtain permission from the owner of the musical work (i.e., IPRS). However, subsequently the court then went on to make a classification based on how the work was performed. License would have to be obtained in cases where the literary or musical work is being performed/ communicated separately from the sound recording or when both components are being performed together. The court also incorrectly noted that a musical or a literary work in itself, without the other elements of the sound recording, may not even be commercially viable but continued to make a distinction in relation to the way the work was utilized which is in contradiction to the plain text of section 18 and 19 that cover 'any utilization.' This dichotomy is flawed considering that both works can be sold separately at an earlier stage and can be combined to form a completely different work.[i]

The court applied the rule of harmonious construction to hold that utilization as mentioned in the section cannot mean that they are now entitled to claim royalties. This is seemingly contradictory to the section that provides that in case where an assignment is made in relation to a sound recording that does not form part of the cinematographic work, the rights of the author to claim royalties in case their work is utilized still subsists meaning that the same is not automatically passed on. The amendments made in 2012 specifically sought to provide a statutory safeguard to composers, lyricist and others in light of the lack of adequate bargaining powers.[ii]

Further, the proviso to section 17 clearly states that literary and musical works incorporated in a cinematographic film are exempt from the provisions of section 17 (b) and (c), meaning that automatic assignment does not take place and the copyright continues to subsist in these works. Therefore, in a sound recording that is part of a cinematographic work, automatic assignment of these underlying rights does not occur and specific authorization to this effect is required which would provide IPRS a valid claim. [iii]

Conclusion

The Division Bench of the Delhi High Court recently accepted an appeal against this decision and has issued a notice which stated that this judgement will not be treated as a precedent in the case of other proceedings. The judgement has created certain ambiguities specifically in relation to whether or not the 2012 amendments will have retrospective applicability and what that would look like. Some have argued that the existing safeguards are inadequate and fail to properly protect and safeguard the interests of underlying artists in such scenarios. The decision of the court is also seemingly in contradiction to an earlier decision issued by the IPAB in which the tribunal fixed separate royalty rates payable to owners of underlying works when such work is radio broadcasted.[iv] The matter clearly requires to be looked into further in order to ensure that the true intent and purpose of the legislation is carried out effectively.

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[i] Ramanujan A, 'The Delhi High Court Judgement In The IPRS Case (2021)' (*SpicyIP*, 2021) <https://spicyip.com/2021/01/the-delhi-high-court-judgement-in-the-iprs-case-2021.html> accessed 22 March 2021

[ii] Samal A, 'Delhi HC Order Cripples Authors' Royalty Rights in Underlying Works' (*SpicyIP*, 2021) <https://spicyip.com/2021/01/delhi-hc-delivers-order-

crippling-authors-royalty-rights-in-underlying-works.html> accessed 22 March 2021
[iii]Id
[iv] 'Contrasting Orders On Statutory Licensing For Broadcasting Of Sound Recordings And Underlying Works' (*Lexology.com*, 2021) <https://www.lexology.com/library/detail.aspx?g=9119a4a0-a52e-455f-ba69-475290919989> accessed 22 March 2021

US SUPREME COURT FAVOURS BOOKING.COM IN KEY TRADEMARK CASE

-Joanna L. Mathias

Introduction

This Supreme Court case questions the idea if the addition of the term ".com" can change an unregistrable generic term to one that is actually a trademark. The word "Booking' by itself is far too generic and any Trademark legislation would disapprove it from any protection. This 2020 case plays a major role in United States Trademark law and Intellectual Property protection[i].

Facts:

Since at least 2006, Booking.com has operated a website where customers can make travel and hotel reservations, and the name BOOKING.COM has been used. Booking.com filed four trademark applications with the United States Patent and Trademark Office (USPTO) in 2011 and 2012 for the use of BOOKING.COM as a word mark and for stylized versions of the mark. This request was rejected because the word "booking" as applied to the class of travel services was deemed generic, and Booking.com had failed to demonstrate how their mark had become unique. The Trademark Trial and Appeal Board (TTAB) upheld Booking.com's appeal, ruling that "booking" was a generic term within the class of travel services, and that adding ".com" did not change its generic nature. The company then appealed this decision at the District court which reversed the previous decision. The court held that addition of the top-level Domain of ".com" creates a new concept that is not generic. The USPTO went on to appeal the case in the court of appeals but the court recognized the district court judgement as a correct decision. The USPTO filed a petition for review with the Supreme Court, which certified the case in November 2019[i]. The Supreme Court's oral arguments in the case were conducted via teleconference for the first time as a result of the COVID-19 pandemic on May 4, 2020. During the

[i] *Patent and Trademark Office v Booking.com B. V.*, (2020) No. 19-46, 591 U.S.

hearings, the Justices discussed how an Internet address trademark differs from a street address or phone number trademark, both of which are equally unique and have been granted, as well as the effect of reversing the decision on the number of trademarks that would be invalidated.

Issue:

The main issue in this case is whether it is possible for an online company to create a trademark by adding a generic top-level domain (".com") to an otherwise generic term, despite the Lanham Act's prohibition on generic terms as trademarks?

Law:

The applicable law for the case would be the Lanham Act which is the federal statute that governs trademarks, service marks, and unfair competition. A number of activities are prohibited by the Act, including trademark infringement, trademark dilution, and false advertising. On July 5, 1947, the Act went into effect. A mark must be "unique" to be protected under the Lanham Act, and generic terms are not distinctive. Booking. Com's applications were denied by the USPTO, which determined that the marks were not protectable because BOOKING.COM was generic when applied to the services for which it requested registration (online hotel reservation services, among others). The Lanham Act also protects "descriptive" terms that have acquired secondary meaning, or a mental association between the proposed mark and the source of the product or service in the minds of consumers. In the alternative, the USPTO determined that the marks were merely descriptive and that Booking.com had failed to show that they had acquired secondary meaning, which is a requirement for trademark protection.

"The most important implication of this decision is that it opens up a new avenue for federal registrations for brands that choose to market their product or service names in conjunction with their domain names, as Booking.com has done, and it will be important for brands seeking to register similar marks to keep the holding of this decision in mind when deciding whether or not to register their mark."

Analysis:

In this case, the United States Patent and Trademark Office (USPTO) dissented on Booking.com receiving any Trademark protection and heavily relied on the Supreme Court's 1888 Goodyear's India Rubber Glove Mfg. Co. v. Goodyear Rubber Co. decision[ii]. The Goodyear Court held that adding a generic term such as "Company" to another generic term did not render the compound term protectable, as "Company" denotes a type of organization, rather than a source of services. The Court declined to apply the Goodyear rationale to domain names in this case as the Court determined that a website address can mean source to a consumer, despite the fact that only one entity can operate at a web address at a time. Second, Goodyear was determined half a century before the Lanham Act was codified. The Supplemental Register was established by the Act, which allows the registration of marks that are not entirely protectable but can become so through consumer recognition. On June 30, 2020, the Court released its decision. The Court of Appeals decision was upheld by an 8–1 decision, which stated that "a term styled 'generic.com' is a generic name for a class of products or services only if the term has that meaning to customers." All but Justice Stephen Breyer joined Justice Ruth Bader Ginsburg in writing for the majority. The majority's decision emphasized the importance of the Lanham Act and consumer perception, as well as the uniqueness of domain names. In the dissenting opinion, Justice Stephen Breyer emphasized that this decision could lead to multiple grants in the future that would monopolize the 'generic.com' marks.[iii]

In this case the concept of generic terms is thoroughly examined. A compound of generic components is generic if the combination gives the products or services no extra meaning to consumers who are capable of separating them. The USPTO's arguments were weak in this case as previously they have granted Trademarks for 'DATING.com' as well as 'ART.com' so it fails to differentiate its disapproval for 'Booking.com'. As the majority opinion states, adding '.com' gives consumers a source-identifying characteristic: an association with a particular website. A consumer who is familiar with the domain-name system should infer that BOOKING.COM refers to a specific entity because only one entity can occupy a particular internet domain name at a time. The court goes on to say that when a mark contains generic or highly descriptive components, consumers are less likely to believe that the mark's owner is responsible for other uses of the common element. Consumers "may have learned to carefully pick out" one mark from another in a crowded field of lookalike marks (e.g., hotel names that include the word "grand"). The Court reasoned that the automatic exclusivity of domain names and the fact that generic domains are easier for customers to find should not disqualify a mark from federal registration because these competitive benefits are inherent in all descriptive marks.

Conclusion:

The Supreme Court's decision in USPTO v. Booking.com primarily means that the USPTO can no longer determine that combining a generic term with ".com" makes a compound term generic by default. These compound marks may be eligible for federal trademark protection if the word has gained distinctiveness in the eyes of the public for the mark in question. However, since the Supreme Court did not establish a specific standard for demonstrating distinctiveness, it will be critical for brands to keep an eye on whether the USPTO issues further guidance on the subject in the coming months. The most important implication of this decision is that it opens up a new avenue for federal registrations for brands that choose to market their product or service names in conjunction with their domain names, as Booking.com has done, and it will be important for brands seeking to register similar marks to keep the holding of this decision in mind when deciding whether or not to register their mark. Gaining "distinctiveness" has become so important in this era of consumerism as business and brands are plentiful. Although Booking.com has achieved this distinctiveness it is clear that it is no small feat. It will be interesting to see similar cases that come up in the future and the stand the courts may take up on the issue in different jurisdictions.

[i] *Booking.com B. V. v Patent and Trademark Office*, (2019) 915 F.3d 171 (4th Cir.)

[ii] *Goodyear's India Rubber Glove Mfg. Co. v Rubber Co*., (1888) 128 U.S. 598

[iii] *U.S. Patent and Trademark Office v Booking.com B.V*. (*Oyez*) <www.oyez.org/cases/2019/19-46> accessed 21 March 2021

IPR REWIND: MARCH 2021

- **10 March 2021: Webinar on 'Case Law of the EUIPO Boards of Appeal and German Courts in relation to trademarks and designs'** - Müller Schupfner & Partner, DE. Together organized 2021 edition of the ECTA ® etreat.

- **March 23, 2021: Webinar on 'Patent Protection and the Patent Cooperation Treaty (PCT).**' **-** WIPO Nigeria Office organized this webinar to discuss patents and the system for patent registration in Nigeria. Experts will also provide an overview of the PCT as well as a practical demonstration of the filing procedures under the PCT.

- **March 25, 2021: Webinar on 'China Intellectual Property Society (CIPS)'** – Finnegan organized this webinar to discuss IP due diligence and strategies at the China Intellectual Property Society's (CIPS) .

- **26 March 2021: Webinar on 'Intellectual Property Trade Secrets'** – IP Key South East Asia (SEA) organized this webinar to discuss and raise awareness on the protection of trade secrets in the EU and the SEA region, and the remedies business owners use should their trade secrets be misappropriated.

- **26 March 2021: Webinar on 'Assessing Non-Use of Trademarks' -** Bejin Bieneman IP Attorneys organized this webinar to discuss new procedures to challenge US trademark registrations and current legal principles related to allegations of non-use of a trademark and practical implications of the new procedures.

CREATIVE LIMITATIONS OR LEGAL BARRIERS: CASE ANALYSIS OF SAMEER WADEKAR & ANR. VS NETFLIX ENTERTAINMENT SERVICES PVT. LTD.

-Abhisvara K

Introduction

The film industry has a record for borrowing ideas and failing to give credit to its writers. There has been an uptick in the number of complaints filed by writers against producers in recent times. The courts have ruled overwhelmingly in favor of the producers over the years since they have been able to manipulate the existing loopholes. One of the key reasons for this trend is the screenwriters' lack of legal awareness and ignorance of the association's numerous dispute resolution mechanisms. This article discusses a recent case filed by writer Sameer Wadekar against Netflix India in the Bombay High Court.

Facts of the case

The plaintiffs, screenwriters registered with the Screen Writers Association, wrote 'Vetaal' in 2013-14 and got their literary work registered in 2015. The script, written by Sameer Wadekar was presented to various producers, but in vain. In May 2020, he came across the trailer of Netflix's 'Betaal' on YouTube. In the trailer, he alleged that he found at least 13 similarities between his copyrighted work Vetaal and Betaal. He, therefore, approached the Court alleging copyright infringement and plagiarism. A plea for an ad-interim order was made against the worldwide release of Betaal.

The order

The plea was dismissed by the Court on the following three grounds:

a) Accessibility

The counsel for the plaintiff argued that Vetaal was an original fictional story. The Court then questioned the defendants as to whether they had access to the plaintiff's work to copy it. The plaintiff had shared his work with several known and established producers. He had also shared his work with a certain Wilson Louis who maintained that he believed in the plaintiff's work and had connections with Netflix and elsewhere. The plaintiff's counsel relied on e-mails exchanged between the plaintiff and Wilson Louis to establish a link between Wilson Louis and Netflix. However, other than the plaintiff's words that Wilson

Louis told the plaintiff that he has contacts in Netflix, no link is established between Wilson Louis and Netflix. Therefore, there was no direct communication between the plaintiffs and the defendants. The Court held that it is necessary to establish how the defendants found the plaintiff's work, which was absent in the present case.

b) Delay and latches

The delay and latches in the filing of the infringement suit were questioned by the Judge. It was contended by the plaintiff that he was not aware of the web series until the trailer was released in May 2020. On the other hand, it was claimed by the defendants that they had run print and online publications of general readership and popular to the trade and business of movies and general entertainment and that these contained reports about the airing of Betaal along with a description of the series. These publications were out in mid-2019, giving the plaintiff sufficient time to file a suit. Moreover, the plaintiff's claim that he was unaware of the publication does not hold as the publication was in the public domain.

"It emphasizes the importance of establishing that the defendant had access to the plaintiff's work. This is particularly significant if the work of the plaintiff is not available in the public domain. The order also points to the fact that injunctions are not granted by courts in the eleventh hour, just before the release of a movie or series."

c) Reference to Hindu Mythological Stories

Finally, the Court called attention to the origin of the word 'Betaal' from 'Vetalam' according to Hindu mythology. The Court also referred to the stories of Vikramaditya and Vetaal. The plaintiff does not contend that the title infringes on his trademark; his contention is with the content.

Analysis

Through this case, the Court established that it is essential to prove the 'point of contact' in order to claim copyright infringement.[i] It emphasizes the importance of establishing that the defendant had access to the plaintiff's work. This is particularly significant if the work of the plaintiff is not available in the public domain. The order also points to the fact that injunctions are not granted by courts in the eleventh hour, just before the release of a movie or series.[ii] In the scope of delay, the problem that requires further thought is whether the plaintiff's knowledge of the infringing work can solely be inferred on the grounds of the availability of the material in the public domain or if there should be other considerations before equating knowledge to the plaintiff and denying relief based on delays.[iii]For instance, in the case of Midas Hygiene Industries (P) Ltd. V. Sudhir Bhatia[iv], it was held that delay solely in the filing of a suit is not sufficient grounds to dismiss an interim injunction. It also possible for courts to protect the rights of plaintiffs (when having a valid cause for action) without granting an interim injunction. In another case, Saregama India Ltd v Balaji Telefilms Ltd. & Ors.,[v] a case of copyright infringement wherein the plaintiff made a persuasive argument of the song 'ui amma ui amma' in the film 'The Dirty Picture'. In exchange for a payment of rupees 20 million to the plaintiff, the court allowed the film to be released.

While the dismissal of the suit on the first two grounds follows logically, the third ground for rejection does not seem logical as the infringement had not contended based on the title of the series. The doctrine of scènes à faire[vi] could have been taken into account by the court with regards to the third ground. This doctrine refers to characters, locations, and other aspects that are common to a general theme or subject, and are sometimes an essential component of that subject. These are not protected by copyright. For instance, in RG Anand v M/s Deluxe Films[vii], it was held that there is a specific way to deal with the concept of 'provincialism' and that copyright cannot be granted to such themes. Therefore, there can be no infringement. The story in question does not seem directly comparable with the mythological story relied upon by the Court. If parallels were drawn based on all three stories, it would have been relevant to the case at hand. The expression of dichotomy, prominent in the field of copyright law would be undermined if the dismissal was solely based on similarities.[viii] From the decision of the court in the given case, it is seen that the minute details were given more importance than the crux of the issue, which is the infringement. Just the similarities with Hindu mythologies were discussed and not between the two scripts in contention.

"From the decision of the court in the given case, it is seen that the minute details were given more importance than the crux of the issue, which is the infringement. Just the similarities with Hindu mythologies were discussed and not between the two scripts in contention."

The way forward

Therefore, it is seen how in order for a claim of infringement to be valid, high standards of requirements are to be met. Similarities in terms of the plot, themes, etc. are not sufficient to prove a case of infringement. There is a pressing need for the formulation of stricter copyright laws for literary works and spreading of awareness among screenwriters with regards to the various intellectual property laws and the legal recourse that can be taken in cases of violation of the said rights.

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[i] Nishad Nadkarni & Shamika Bhagwat, 'Bombay High Court permits release of Betaal on Netflix - Factors for copyright claims in films' (*Lexology*, 2021) <https://www.lexology.com/library/detail.aspx?g=93a46131-df4e-4290-9cb9-504905f2ed0c> accessed 23 March 2021

[ii] Id

[iii] Gargi Chatterjee, 'Legal Analysis of Bombay High Court's Order Against Release of Netflix's 'Betaal'' (*Libertatem*, 2021) < https://libertatem.in/articles/legal-analysis-of-bombay-high-courts-order-against-release-of-netflixs-betaal/#:~:text=Shriram%20of%20the%20Bombay%20High,Red%20Chilies%20Entertainment%20and%20Netflix.> accessed 23 March 2021

[iv] *Midas Hygiene Industries P. Ltd. and Ors. v Sudhir Bhatia and Ors.*,MANU/SC/0186/2004
[v] *Saregama India Ltd. vs Balaji Telefilms Ltd.*, MANU/WB/1086/2012
[vi] Supra note 4.
[vii] *R.G. Anand v Delux Films and Ors.*, MANU/SC/0256/1978
[viii] Supra note 4

JAGRAN PRAKASHAN LIMITED V. TELEGRAM FZ LLC & ORS.: CURBING THE UNAUTHORIZED CIRCULATION OF E-PAPERS

-Amala G

Introduction

Intermediary liability has emerged as one of the most contentious issues in the copyright regime. The fast paced, pervasive and anonymous nature of the internet has allowed users to partake in rampant copyright infringement. The onus has been placed on internet intermediaries to curb this menace, and safe harbor provisions have been provided for this purpose. This rudimentary framework has been subject to much change over the years in the form of new enactments and case laws. In this context, the judgment in Jagran Prakashan Limited v. Telegram FZ LLC & Ors.[i] is important as it attempts to bring in more clarity in the intermediary liability vis-à-vis copyright infringement landscape.

Facts

The Delhi High Court's judgment in Jagran Prakashan Limited v. Telegram FZ LLC & Ors.[ii] is significant from the perspectives of intermediary liability and the infringement of copyrights and trademarks. The plaintiff in this case, Jagran Prakashan Limited, publishes a Hindi daily newspaper called Dainik Jagran. Dainik Jagran is accessible both in print and digital modes. The digital e-paper can be read on its website for free within India, without making a paid subscription. Further, the plaintiff also is the holder of the registered trademark DAINIK JAGRAN.

Telegram FZ LLC, which is the first defendant, is a cloud-based messaging and voiceover IP service. It can be recognized as a social media platform which allows its users to maintain their anonymity during the creation of channels on this platform to share media content. The plaintiff's contention was that users of Telegram had created anonymous channels to upload and share PDF copies of Dainik Jagran every day. While the newspaper was available for free on the official website, this allowed only for reading of that day's issue and not for downloading of previous issues of the newspaper. For accessing previous editions, a paid subscription was necessary. Therefore, there was not only a violation of Jagran Prakashan's copyrights and trademarks, but there was also monetary loss being caused to them. The other defendants in the case were various anonymous channels.

Issues

The plaintiff sought an ad interim injunction under Order 39 Rules 1 and 2 of the Code of Civil Procedure, 1908[iii] in order to prevent the defendants from further infringing its intellectual property rights. For the purposes of this analysis, the following issues become relevant –

i. The availability of safe harbor provisions under the Information Technology Act, 2000 to Telegram
ii. The copyrightability of newspapers

Analysis

- *Safe Harbor*

Telegram is an intermediary in this case. The plaintiff's contention was that by allowing the reproduction, adoption, distribution, transmission and dissemination of the e-paper on its platform, Telegram had attracted liability. The question arises as to whether Telegram would qualify for safe harbor protection provided by Section 79(3)(b) of the Information Technology Act.[iv] In *MySpace Inc. v. Super Cassettes Industries Ltd*.[v], the Delhi High Court held that intermediaries can claim safe harbor protection from the liability for copyright infringement done by its users, in accordance with Section 79 of the Information Technology Act. The intermediary is required to take down the infringing content upon receiving actual knowledge in an expeditious manner i.e., within 36 hours of receiving such notice.

In the present case, the plaintiff made several requests in the form of emails to the defendant to take down the infringing content. However, Telegram failed to respond to these requests or take down the infringing material. Due to this, it will not be eligible for the safe harbor protection provided by the Information Technology Act.

- *Copyrightability of newspapers*

While copyright law does not accord protection to mere news or facts, it protects the original expression of such news or facts. An e-paper contains the original expression of news and is therefore, eligible for copyright protection. Even if the e-paper was freely available, this will not be a factor which may be considered for whether it is copyrightable or not. In the case of e-papers, the terms of use of the publication's website plays a greater role in determining whether sharing the e-paper would amount to infringement or not.[vi]

Relevance

While the spread of fake news on social media platforms presents its own complex legal challenges and need for regulation[vii], the spread of legitimate news in an unrestricted and anonymous manner on social media is affecting the commercial and intellectual property rights of news publications. This factor of anonymity was dealt with in part by the Delhi High Court's decision in the present case. The Court has directed Telegram to reveal the basic subscriber information/identity of the creators of the infringing channels, and block them within 48 hours. While some may argue that doing away with their anonymity amounts to a restriction of their right to speech and expression, it becomes necessary to protect the intellectual property rights of the publication, and to curb digital piracy.

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Further, the Central Government has enacted the Information Technology (Guidelines for Intermediaries and Digital Media Ethics Code) Rules, 2021[viii] recently. These Rules have seemingly expanded the due diligence obligations to be fulfilled by intermediaries to avail safe harbor protection.[ix] It will be interesting to see how these new Rules will affect dissemination of information over the internet, the anonymity of users, intermediary liability, and IP rights in the digital space.

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[i] *Jagran Prakashan Limited v Telegram FZ LLC & Ors.* CS (COMM) 146/2020

[ii] Id

[iii] Code of Civil Procedure 1908, Order 39

[iv] Information Technology Act 2000, s 79

[v] *MySpace Inc. v Super Cassettes Industries Ltd*., 1 FAO(OS) 540/2011

[vi] Balu Nair, 'Fact Checking the Fact Check: Is Circulation of Free E-Newspapers Permitted under Copyright Law?' (*SpicyIP*, 21 March 2021) <https://spicyip.com/2020/05/fact-checking-the-fact-check-the-legality-of-sharing-e-papers.html> accessed 22 March 2021

[vii] 'Fake News and Cyber Propaganda: The Use and Abuse of Social Media', (*Trend Micro*, 13 June 2017) <https://www.trendmicro.com/vinfo/pl/security/news/cybercrime-and-digital-threats/fake-news-cyber-propaganda-the-abuse-of-social-media> accessed 23 March 2021

[viii] Information Technology (Guidelines for Intermediaries and Digital Media Ethics Code) Rules 2021

[ix] Udbhav Tiwari, 'India's new intermediary liability and digital media regulations will harm the open internet', (*Open Policy and Advocacy*, 02 March 2021) <https://blog.mozilla.org/netpolicy/2021/03/02/indias-new-intermediary-liability-and-digital-media-regulations-will-harm-the-open-internet/> accessed 21 March 2021

WHO CAN OWN PATENTS? AN ANALYSIS INTO STEPHEN L. THALER V. THE COMPTROLLER-GENERAL OF PATENTS, DESIGNS AND TRADE MARKS CASE

-Nidhi Rachel Kurian

Introduction

The ownership of patents has been a controversial issue since the advent of technology. The developments in how humans perceive technology as well as the fact that its interplay with human life and aspects of creativity increase every day, makes it pertinent for the courts to note its impact on the law prevalent in current times. Further, there also comes a requirement for a futuristic approach considering the pace of technology, and law currently does not match. The present case, which deals with patent law and the ownership of patents by Artificial Intelligence Machines may have opened up a Pandora's Box vis-à-vis the contentions which were raised by the plaintiff, as well as the judgement given by the Court.

Facts

In a unique turn of events, the facts of the present case deal with two patent applications in the name of Stephen Thaler, the owner of a machine called DABUS. DABUS is a type of "Creativity Machine" which is designed to have two artificial neural networks. One would generate novel ideas resulting from the self-perturbations in the connection weights between neurons and component neural nets. Another artificial neural network acts as a "critic" trying to identify the novelty in these ideas by comparing it with the machine's existing knowledge base. This critic net also generates a response, as a result of such information gathered, which further injects perturbations to form ideas having the most novelty, utility or value. This machine was apparently only given a training in general knowledge in the field on the basis of which it independently conceived the present invention and also identified it as novel. On this basis Thaler claimed that the patent should be granted to DABUS as neither was the machine created to solve any problem nor was it trained in any special data relevant to the present invention. The present case is an appeal before the High Court of England and Wales to the decision given by Mr. Jones acting for the Comptroller.

Thaler claimed that an "autonomous machine invention" should be assigned to the owner treating him as an assignee. He also claimed that the definition of "inventor" should be widened to include the first person that recognizes the novelty of the invention, which DABUS did.

Issues

1. Whether a Creativity Machine can be the owner of a patent?
2. Whether the machine can transfer patent rights to its owner by way of assignment?

Laws

The Patents Act, 1977

- Section 7(1) Any person may make an application for a patent either alone or jointly with another.
- Section 7(3) In this Act "inventor" in relation to an invention means the actual deviser of the invention and "joint inventor" shall be construed accordingly.
- Section 13 (2) Unless he has already given the Patent Office the information hereinafter mentioned, an applicant for a patent shall within the prescribed period file with the Patent Office a statement identifying the person or persons whom he believes to be the inventor or inventors (S.13(2)(a).

Analysis

This case is one that transcends into a legality v. morality debate with the morality of the rights involved and the nature of the inventor. The questions it raises show foresight to the pace at which technological developments happen in the world and the necessity of legal systems to adapt and modify itself accordingly. In the present case, this conflict is clear in the contentions of Thaler which, while urging that DABUS be identified as the inventor, admits that machines do not have a legal personality or independent rights enabling them to own patents. He does not contend that the machine should be granted legal personality rather he states that he, the owner of the machine should derive the ownership of the patent as an assignee. He reasons, and rightly so that, acknowledging machines as inventors protects the moral rights of human inventors. Their hard work wouldn't then be equated to the work of those who simply ask a machine to solve a problem or submit the machine's output as theirs. In fact, according to him acknowledging machines as inventors would also acknowledge the work of a machine's creators. The contentions although compelling, falter in legal backing.

One of the claims made by Thaler was that Mr. Jones, while acting for the comptroller, had incorrectly focused on the inventor's motivation to innovate and disclose. Mr. Jones had observed that, the fundamental function of the patent system is to encourage innovation and that an AI machine cannot be motivated more than it may be instructed to innovate. He further states that the construction of the

Patent Act is such that it does not accommodate inventions created by AI machines and though technology has moved on, changes to the law cannot be "arbitrarily shoehorned" into existing legislations. The High Court of England and Wales also agrees with this view and while admitting the necessity of a change in the law, reminds itself that it is constrained in power to legislate.Section 7 of the Patents Act, 1977 concerns the right to apply for and obtain a patent and Thaler's contention arises from the wordings of sub-section (3) which states that "inventor" relates to the actual deviser of the invention, which in this case according to Thaler is DABUS. Similarly, as per section 13(2)(a) an applicant for a patent has to file a statement identifying the person whom he believes to be the inventor. It is on the basis of this provision that Thaler has made the statement claiming DABUS to be the inventor. In this sense, referring to a judgement in the case of *Yeda Research and Development Company Ltd v. Rhone-Poulenc Rorer International Holdings*[i], the High Court held that section 13 must be read in context with section 7 which gives the IPO the power to refuse an application if it has reason to believe that it is incapable of justification. In simple sense, though the applicant can claim anyone to be the inventor in good faith under Section 7, the IPO preserves the right to refuse such an application if it does not confer with the constructs of the Patents Act. Therefore, since DABUS is not a person, neither legal nor natural, it cannot as per Section 7 apply for the grant of a patent which is why the applicant is Dr Thaler. However, DABUS does not fall under the classes to whom a patent may be granted under section 7(2). Additionally, it is clear from the statutory scheme of the Act that the members of these classes are "persons" as only they can hold property and inventions, therefore only they can hold a patent.

"Although the contentions may not have succeeded in the present court in the present case, it has served to open up a Pandora's Box that may go on to decide the future of Patent law and the ownership of patents. As Hon'ble Justice Marcus Smith himself states in the postscript, this judgement must not be wrongly construed as discouraging the advancement of the contention regarding who the "inventor" is."

Conclusion

Therefore, on this basis, the Court held that DABUS is not an inventor as it is not a person and Dr. Thaler is entitled to the grant of a patent albeit not via the present applications as he abjures his rights by claiming that he is not the inventor. Examining the various claims and propositions, the judgement was definitely right in law and the court did not exceed its powers as it stuck to its constitutional duty of interpretation rather than legislation. Perhaps if the court was approached through a different provision using the same contentions it may have decided differently but through the present references and contentions it could only decide that the inventor of the machine is entitled to its output. The lamentation that such a grant would be immoral and illegitimate is probably what motivated Dr Thaler to contend differently. Although the contentions may not have succeeded in the present court in the present case, it has served to open up a Pandora's Box that may go on to decide the future of Patent law and the ownership of patents. As Hon'ble Justice Marcus Smith himself states in the postscript, this judgement must not be wrongly construed as discouraging the advancement of the contention regarding who the "inventor" is.

[i] [2007] UKHL 43

Watch out for these events!

22 April 2021 – 23 April 2021: ICIPRP 2021:

International Conference on Intellectual Property Rights and Protection
The Conference aims to discuss the most recent innovations, trends, and concerns as well as practical challenges encountered and solutions adopted in the fields of Intellectual Property Rights and protection.

26 April 2021: World Intellectual Property Day

World Intellectual Property Day is celebrated annually on 26 April. This Day is celebrated worldwide to seek and inform about the role of intellectual property rights in encouraging innovation and creativity.

7 April 2021: The IPR Gorilla – Virtual IP Conference

The conference aims to bring together 100+ in-house legal departments, law firm partners, and other service providers technology providers, investors, and government agencies. The theme of the conference is to define a roadmap of IP journey in 2021.

6 April 2021: Global Legal ConfEx online event

The event aims to bring together 500+ In-house/IP Counsel, Law Firm/IP Partners, Law/IP Tech Professionals, Tech Vendors and Selected Service Providers. This event will be providing insights on Litigation, Contracts, IP, Cyber Security, GRC (Governance, Risk and Compliance),Technology, Software, E-discovery and Risk. Security.

REGISTRATION APPROACH IN COPYRIGHT LAWS: CASE ANALYSIS OF FOURTH ESTATE PUBLIC BENEFIT CORP V. WALL-STREET.COM 1939 S. CT. 881;203 L

-Aleena Anabelly A

Background

The US Copyright laws mandates registration of copyrights as a pre-requisite for initiating copyright infringement suits. However, the common concern that was directed to the courts revolved around the aspect of having an objective explanation of the word 'registration'.[i] In an attempt to resolve this ambiguity, the US Supreme Court while adjudicating Fourth Estate Public Benefit Corp v. Wall-Street.com upheld the 'registration approach' originally given in M.G.B. Homes, Ins v. Ameron Homes, Inc.

Facts

The International Journalism Membership Organization – Fourth Estate Public Benefit corporation had a long-standing collaborative relationship with Wall-Street.com as they licensed articles to the latter. This collaboration was unfortunately dissolved when Wall-street cancelled the license and revoked all ties with fourth estate but continued to display the online news organization's articles on their website.[ii] This act was in direct contravention with the license agreement that imposed the onus on Wall-street to remove all the articles produced by fourth estate after the expiry of the license. Aggrieved by the unauthorized publication of Fourth-estate's articles post-revocation, they instituted a copyright infringement suit against Wall-street under 17 U.S.C. § 501. Fourth estate made an attempt to register the articles in contention, with the Register of copyrights by submitting an 'application to register' while the above-mentioned suit was progressing.[iii] Further, defending their stance, Wall-Street contended that a claim towards copyright infringement can be validated only if the copyright has been registered by availing the registration document and further asserted that applications to register cannot qualify as valid 'copyright registration'.

Issue

1. Whether a suit for copyright infringement can sustain after submitting a mere application to register the article?
2. Whether the dismissal of the complaint by district court was appropriate?

Law

Section 411 (a) – *"no civil action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title".* [iv]

Analysis: Application approach v. Registration approach

Prior to the pronouncement of this judgement by the Supreme Court, there existed a conflict of opinions among the United States Courts of appeals, as the Fifth and Ninth Circuits explicitly supported the 'application approach' while Tenth and Eleventh Circuits contradicted the above ideology by subscribing to the 'registration approach'. The fundamental element that differentiates these two approaches is the method employed for validation of copyright registration. The 'application approach' recognises the submission of application for registration as the most important requisite for completing the registration requirements while 'registration approach' allows copyright infringement suits only if the parties have acquired the registration document.[v] The Court held that a copyright infringement suit can be entertained if the copyright is duly registered with the Registrar of Copyrights. Therefore, the meaning of 'registration' does not include the mere filing of application to register a copyright. The petition filed by Wall-street was dismissed on the grounds that the copyright was not duly registered after the verification of the application. This judgement absolved all grey areas revolving around the 'idea of registration' in US copyright laws by upholding the registration approach and disregarding application approach.

Conclusion

The court arrived at the above-mentioned decision after a detailed deliberation on the text of statutory provisions and the legislative intent hinted through it – Section 411(a) impliedly defines registration as a process which includes in-depth scrutinization of the application before formal issuance of registration. Therefore, it can be deducted that the legislative intent was to prioritise the validation of the complete process than a mere element of it. Further, it was also observed by the court that an inclination towards 'application approach' makes the provisions for instituting civil actions against refusal of copyright registrations counter-productive, as mere filing of an application can legally fulfil all copyright registration

"Further, it was also observed by the court that an inclination towards 'application approach' makes the provisions for instituting civil actions against refusal of copyright registrations counter-productive, as mere filing of an application can legally fulfil all copyright registration requirements. In such cases, refusal of applications for copyright registration becomes legally impractical as submission is impliedly recognized as registration to which no appeal stands."

requirements. In such cases, refusal of applications for copyright registration becomes legally impractical as submission is impliedly recognized as registration to which no appeal stands. Therefore, the court's decision can be perceived to have emerged from the inherent judicial instinct to protect and preserve the existing laws and procedures, and agreeably this pronouncement has made the US intellectual property system a bit more fortified.

[i] 'Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC, 586 U.S. ___ (2019)' (*Justia Law*) <https://supreme.justia.com/cases/federal/us/586/17-571/>

[ii] 'Fourth Estate Public Benefit Corp. v. Wall-Street.com' (*Oyez*) <https://www.oyez.org/cases/2018/17-571>

[iii] Sipes H, 'Registration Approach vs. Application Approach: Section 411(a)'s Copyright Registration Requirement [Fourth Estate Pub. Benefit Corp. v. Wall-Street.com, LLC, 856 F.3d 1338 (11th Cir. 2017)]' (2018) 58 Washburn Law Journal 11

[iv] 17 U.S.C. § 411

[v] Strickland KH, 'Intellectual Property Law - How Should a Court Proceed in Copyright Infringement Cases When the Plaintiff Did Not Allege Copyright Registration in Its Complaint? - Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC' (2020) 44 American Journal of Trial Advocacy 245