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JusIP
Legal is Simple

JUSIP LISTICLE

INTELLECTUAL PROPERTY RIGHTS

Important Update:
The Office of Controller General of Patents, Designs and Trademarks in compliance with the decision of the Delhi High Court in ***Writ Petition (IPD) 04/2022 titled Dr Reddy's Laboratories Limited Vs Controller General of Patents Designs and Trademarks***, has granted an option to file an opposition on or before 30-05-2022, against any Trade Mark published in Journal No 1928 dated 18-11-2019 to Journal No 2036 dated 24-01-2022, irrespective of the status of the Application whether the same is registered, opposed, accepted and advertised or advertised before acceptance *vide* a Public Notice dated 28 March, 2022.

Delhi High Court: Use of Registered Mark as a keyword in Google Ads constitute Infringement

The Delhi High Court in CS (Comm) 268/2022, *Makemytrip India Private Limited Vs Booking.com B V and Others*, held that the use of the registered trademark by a competitor as a keyword in Google Ads shall amount to trademark infringement. The Plaintiff claimed to be the registered proprietor for the mark "MakeMyTrip" in Classes 9, 35, 39 and 43 since May 2000. Plaintiff filed a suit being aggrieved by the use of the mark "MakeMyTrip" as a keyword on the Google Ads Program by the Defendant, Booking.com.

The Court was faced with the question whether the encashment of the goodwill and reputation of a registered trade mark by third parties by bidding on it as a keyword through the Google Ads Program would amount to infringement and passing off or not. The Court while granting an injunction in favour of the Plaintiff held that,

> *"the use of the mark 'MakeMyTrip' as a keyword through Google Ads*

Program by one of its major competitors, Booking.com is infringing use under Sections 2(2)(b), 29(4)(c), 29(6)(d), 29(7) and 29(8)(a) of the Act. It is now well settled in India that use of a registered mark by competitors even as metatags would be infringement, though the same may be invisible to a user.

Therefore, the invisible use of a registered mark was also held to constitute infringement and passing off.

Bombay High Court rejects News Nation's plea of Fair Dealing and De Minimis Defense in a suit for Copyright Infringement

In *Shemaroo Entertainment Ltd Vs News Network Pvt Ltd.*, Shemaroo and News Nation entered into a non-exclusive license agreement in the year 2019 which allowed the latter to broadcast audio visual clips, scenes and dialogues on their channels between 01-07-2019 and 30-06-2022. On 01-08-2020, News Nation terminated the said licensing agreement. However, Shemaroo submitted that News Nation was unauthorizedly using the Shemaroo's copyrighted films on their channels.

News Nation claimed that the use of the content is question was covered under the doctrine of 'Fair Dealing' as per Section 52, Copyright Act, 1957. They placed reliance on the decision of the Delhi High Court in *Super Cassette Industries Ltd Vs Hamar Television Network Pvt Ltd.* In addition to the same, News Nation also relied on the principle of *De Minimis Non Curat Lex* whereby they claimed that they used the Shemaroo's content only for an extremely short period and the same was in *bonafide*. The Court noted that the above principles were required to be seen through the prism of whether there was a qualitative change in the nature of the alleged exploitation of copyrighted material when before and after the termination of the license agreement. It noted,

If for an identical activity, the defendant had obtained license for valuable consideration, on first principles, these defences may not be readily available to the defendant.

Secondly, the Court also observed that the nature of the activity engaged in and the purpose for which the content was used without license was also required to be taken into account. In view of the same, the Court held that the defense of de minimis and Fair use was not available to the News Nation since they themselves voluntarily terminated the licensing agreement in the first place.

Delhi High Court- Jurisdiction on the basis of internet- based activity

The Delhi High Court in the case of *Saisons Trade and Industry Private Limited v. Maithri Aquatech Private Limited & Ors*. Allowed to the plaintiff to file suit under Section 20, Code of Civil Procedure for Patent Infringement in Delhi, against Defendant No. 1 which was operating its business/trade online which was accessible by the residents of Delhi and the products of defendant No. 1 were also delivered in Delhi. High Court also dismissed the Application filed by the Defendant under Order 7 Rule 10 for Return of Plaint.

Delhi High Court, based its decision on the basis of numerous decisions in regard to territorial jurisdiction, such as decision in World *Wrestling Entertainment vs Reshma Col-*

lection, wherein a Division Bench of the Delhi High Court had noted that, when the transaction between a seller and a purchaser occurs through the internet i.e., on a website, the offer and acceptance take place simultaneously and the acceptance is also instantaneously communicated to the customer through the internet at Delhi. Therefore in such a case, part of cause of action arises in Delhi.

In the present case, since any one could access the website from any place and order for products of Defendant No 1 from Delhi as well as make payments qua the same, the Court held that the Plaintiff was entitled to file the suit in Delhi.

Delhi High Court: Grants John Doe order in favour of Aaj Tak

In the case of *Living Media India Limited & Anr. V. Aabtak Channel.Com (John Does) & Ors.*, the Delhi High Court passed an order in favour of the Plaintiff in a trademark infringement suit against several unidentifiable persons. Living Media India Limited being property of registered the mark 'AAJ TAK' submitted that 'AAJ TAK' was a well- known name, used extensively. The plaintiff submitted that other known and unknown parties had started using its registered trademark on several online platforms. The defendants mentioned in the suit were anonymous websites, YouTube channels, social media pages, social media handles, and social media accounts. The Court observed that 'AAJ TAK' being one of the most popular news channels in India has a reputation and goodwill in their name and the trademark 'AAJ TAK' is well established.
Therefore, the court passed John Doe order, to cease and desist the use of the well-known name and logo of the News Channel, "AAJ TAK", noting that there was no question as to the goodwill amassed by the Plaintiff qua the same, and directed intermediaries to take down these profiles within 36 hours of the Plaintiff providing the URLs.

ARBITRATION, MEDIATION & CONCILIATION

Delhi High court: Mere Use Of Word 'Arbitration' not indicative of Existence Of Agreement Between Parties

The Delhi High Court observed in the case of *Foomill Pvt. Ltd. v. Affle*

Simplify

What shall a Clause for Arbitration cover in its ambit?

The following are the essentials to an Arbitration clause

(1) Seat and venue of the arbitration
(2) Number of arbitrators
(3) Governing law
(4) Scope of the disputes that can be covered
(5) Ad hoc or institutional

(India) Ltd. that the mere use of word 'Arbitration' in the heading of the clause of Agreement would not mean that there is an agreement between such parties to resolve the dispute through arbitration.

The High court was dealing with a petition seeking appointment of an Arbitrator for resolving a dispute between the parties on a matter related to software development. As concerns were raised by petitioner about delay on the part of the respondent, the petitioner sent a legal notice invoking arbitration but the respondent claimed in their Reply that there was no arbitration clause in the Agreement between the Parties.

The petitioner relied on a Clause of a Master Service agreement signed between the both parties, whose title read as *"Jurisdiction, Arbitration & Dispute Resolution"*, the clause further stated that the said agreement or any dispute or claim relating to it, its enforceability or its termination shall be governed and interpreted according to the laws of India and the Courts at Delhi shall have exclusive jurisdiction over any dispute under this Agreement.

While referring to a 2014 decision of Delhi High Court in *Avant Garde-Clean Room & Engg. Solutions Pvt. Ltd. v. Ind Swift Limited*, the Court observed that mere use of the word 'Arbitration' in the heading of the Clause 11 of the Agreement does not

> *lead to the inference that there exists an agreement between the parties seeking resolution of disputes through arbitration.*

Accordingly, the court dismissed the plea as they found no ground to appoint an Arbitrator.

Delhi High Court: Sets aside Arbitral Award against CRPF for breach of agreement

Delhi High Court in *Director General Central Reserve Police Force Vs Fibroplast Marine Private Limited*, set aside an arbitral award directing CRPF to pay 50 crores for breach of an agreement with a private company on the ground that the same suffered from patent illegality and was in conflict with the public policy of India. The Court also noted that the said award was liable to be set aside since there was an unexplained delay of 18 months in rendering the same.

In 2008, CRPF had floated tenders for supply of deliverables from Fibroplast Marine. An agreement for the same was entered into between the parties for a consideration of Rs 16.87 crores. In 2011, CRPF requested for a reduced quantity of the deliverables which was denied by the company. The Company later agreed on the condition that the same was amenable to them as long as they could supply the balance to any international brand. The Company also claimed that CRPF failed to re-fix the delivery period. In view of the same, a sole arbitrator was appointed under the Delhi International Arbitration Centre and an award was rendered in May 2019.

The Court emphasized the need for rendering the award in the stipulated

period (while also noting that under DIAC Rules, an award was to be rendered in a period of six months) and noted that,

> *A large time gap between hearing of the oral submissions and rendering the decision would, in effect, debilitate the purpose of resorting to arbitration for expeditious adjudication of the disputes. No person can be expected to remember the same after a long period of time.*

Therefore, in view of the inexplicable delay in rendering the award the same was set aside by the Court.

Karnataka High Court: An International Commercial Arbitral Award Can Be Enforced If The Property Against Which The Award Is Sought To Be Enforced, Falls Within The Territorial Jurisdiction Of The Court in India

In the case of *CTI Future Corporation v. Ducgiang Chemical and Detergent Powder Joint Stock Company* the Karnataka High Court ruled that an international commercial arbitral award rendered between parties which has no connection with India can be enforced by a Court in India if the property against which the award is sought to be enforced, falls within the territorial jurisdiction of the Court.

The petitioner CTI Future Corporation filed a petition before the Karnataka High Court for enforcement of a foreign arbitral award rendered in Singapore. The Arbitration award was registered with the Singapore International Arbitration Centre. The Counsel for Petitioner submitted that since the property belonging to the Respondent against which the interim orders were being sought was likely to dock within the territorial jurisdiction of the Karnataka High Court, he contended that the Court had jurisdiction to pass the order. The Court noted that both the Petitioner and the Respondent, against whom the award was sought to be enforced, were incorporated outside India.

However, the Court held that Part II of the Arbitration and Conciliation Act, 1996 deals with enforcement of certain foreign arbitral awards provides and as per Section 44, an award to be recognised as a foreign award it must be with respect to a commercial relationship as per the laws in India. The award must be rendered in a territory where the New York Convention has been made applicable through a notification issued by the Central Government which is the case for Singapore.

IBC

NCLT Chennai Explains Difference Between Sale Of 'Corporate Debtor As A Going Concern' And Sale Of 'Business Of The Corporate Debtor'

The Division Bench of NCLT, Chennai in the case of *M.S. Viswanathan v. Pixtronic Global Technologies Pvt. Ltd.* allowed the Liquidator to sell the Corporate Debtor as a going concern, while clarifying that **'sale as a going concern'** means both assets and liabilities, if it is stated on *'as is where is basis'*. In this case, the applicant sold the Corporate Debtor as a going concern to the successful bidder i.e., M/s. Pixtronic Global Technologies Pvt. Ltd. The applicant filed an application u/s 35(1)(n)

r/w Section 60(5) of the IBC, 2016 and Regulation 32(e) of the IBBI (Liquidation Process) Regulations, 2016 seeking approval for sale of Corporate Debtor as a going concern. The Tribunal observed that 'sale as a going concern' means all such assets and liabilities, which constitute an integral business of the Corporate Debtor, that must be transferred together, and the consideration must be for the business of the Corporate Debtor. The buyer of the assets and liabilities should be able to run business without any disruption.

The Tribunal explained that there are two going concern sales defined under Regulation 32 of the IBBI (Liquidation Process) Regulations, 2016. The first is sale of 'Corporate Debtor as a going concern' under Regulation 32(e) and the second is the sale of 'Business of the Corporate Debtor as a going concern' under Regulation 32(f).

NCLAT: No Conflict Between Section 17B Of The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 And IBC

The National Company Law Appellate Tribunal, Principal Bench in the case of *Sikander Singh Jamuwal v. Vinay Talwar* held that there is no conflict between the provisions of Section 17B of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the Insolvency and Bankruptcy Code, 2016 and directed the Resolution Applicant to pay PF dues to the employees. An appeal was filed under Section 61 of the IBC by the Appellant, who worked as a 'Supervisor' with the Corporate Debtor in Corporate Insolvency Resolution Process, seeking to set aside the resolution plan which did not consider payment of full Provident Fund dues, due to him under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

The Tribunal analysed the provisions under section of Section 31(1), Section 30(2), Section 36(4)(a)(iii) and Section 238 of the IBC and held that the resolution plan does not contravene any provisions of the existing law and the Resolution Professional/ Adjudicating Authority(AA) is required to look at the compliance of law for the time being force.

The Tribunal held that since there is no conflict between the provisions of the PF Act and the IBC, the question of applicability of Section 238 does not arise. The Tribunal relied on the judgment of the NCLAT in Tourism Finance Corporation of

India Ltd. Vs. Rainbow Papers Ltd. &Ors. in this regard. It was also held that provident fund dues are not considered to be assets of the Corporate Debtor, as has been clarified by the provisions of Section 36(4)(a)(iii) of the IBC.

NCLAT: The amount invested by Promoter / Investor is not a Financial Debt

The NCLAT in *M/s Jagbasera Infratech Private Limited Vs Rawal Variety Construction Ltd* noted that the amount which is invested by an investor or a promoter in a Joint Venture Project will not be deemed as a Financial Debt. In the present case, the Appellant entered into a Memorandum of Understanding as well as a Joint Venture Agreement with the Respondent as per which the Appellant had paid Rs 4.21 Crores to the Respondent. When the Respondent defaulted in reimbursing and returning the same to the Appellant, the Appellant filed a petition under Section 7, IBC.

In appeal, the NCLAT was pleased to note that a bare perusal of the MoU between the Parties revealed that the same had entered as Joint Development Partners for the development of the land in question. In addition to the same, the appellant was profit share owner who was to receive residual gain as in when the Project was to be successful. Therefore, in light of the same, the money which was invested by such a party could not be deemed as a Financial Debt under Section 5(8), IBC.

COMPANY LAW

NCLT, Kochi: Shareholders have the right to remove Directors of a company

In the case of *Thaniyulla Parambath Jahafar v. Relax Zone Tourism (P) Ltd.*, the National Company Law Tribunal ("NCLT"), Kochi held that Companies Act, 2013 gives shareholders the right to remove the Directors of the company. In this case the petitioner argued that his removal from directorship by the respondents was oppressive. The NCLT however did not find any oppression and

mismanagement in the Company with respect to removal of petitioner from directorship. The respondent also showed sufficient evidence to the effect that the Petitioner escaped from his responsibilities of a director and his fiduciary duties as a director.

Therefore, the NCLT held that petitioner's removal was not an illegal act while expressing that the management of business affairs in a company is not a sole duty of a director, the results of a company's performance is a team of work of Board of Directors.

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