

WORKSHOP FOR HIGH COURT JUSTICES

Essence of Time in IP Litigation: Judicial
Approach

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THE NATIONAL JUDICIAL ACADEMY

10th April, 2021

Justice Prathiba M. Singh

Delhi High Court

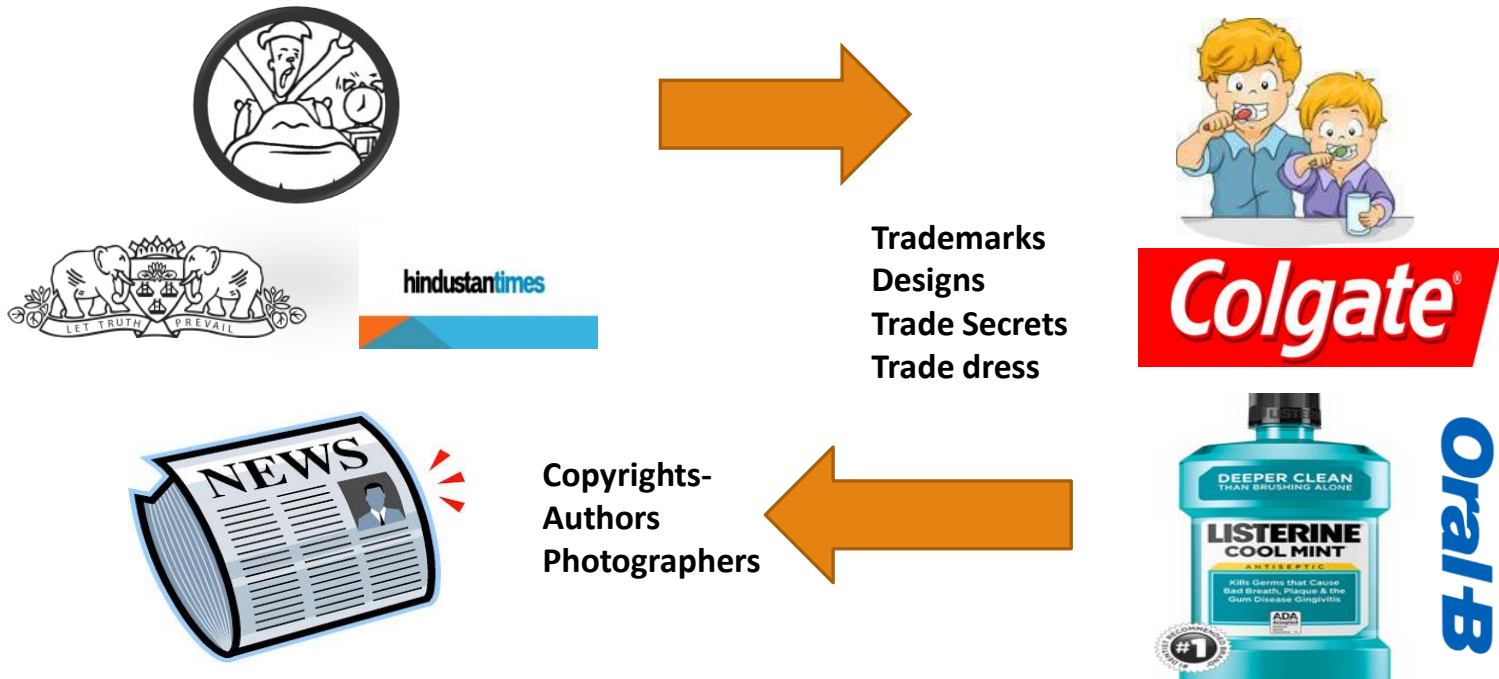
IP ISSUES IN COMMERCIAL COURTS



A word cloud centered around the theme of intellectual property. The words are arranged in a cross-like shape, with 'INTELLECTUAL' and 'PROPERTY' being the largest and most prominent in red. Other words in black include 'PATENT', 'RIGHTS', 'ASSETS', 'INDUSTRIAL', 'COPYRIGHT', 'LAW', 'SIGN', 'TRADE', 'SECRETS', 'PROTECTION', 'INTANGIBLE', 'INFRINGEMENT', 'TRADEMARK', 'DESIGN', 'DRESS', 'WORKS', 'EXCLUSIVE', 'INNOVATION', and 'INDUSTRIAL'.

INTELLECTUAL
PROPERTY
PATENT
RIGHTS
ASSETS
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LAW
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EXCLUSIVE
INNOVATION
INDUSTRIAL

INTELLECTUAL PROPERTY IN DAILY LIFE



INTELLECTUAL PROPERTY IN DAILY LIFE



SEMICONDUCTOR CHIPS



BRANDS



DESIGNS



**PATENTS IN
TECHNOLOGY**



App Store



Google play

COPYRIGHTS IN 'APPS'

INTELLECTUAL PROPERTY IN DAILY LIFE



fabindia

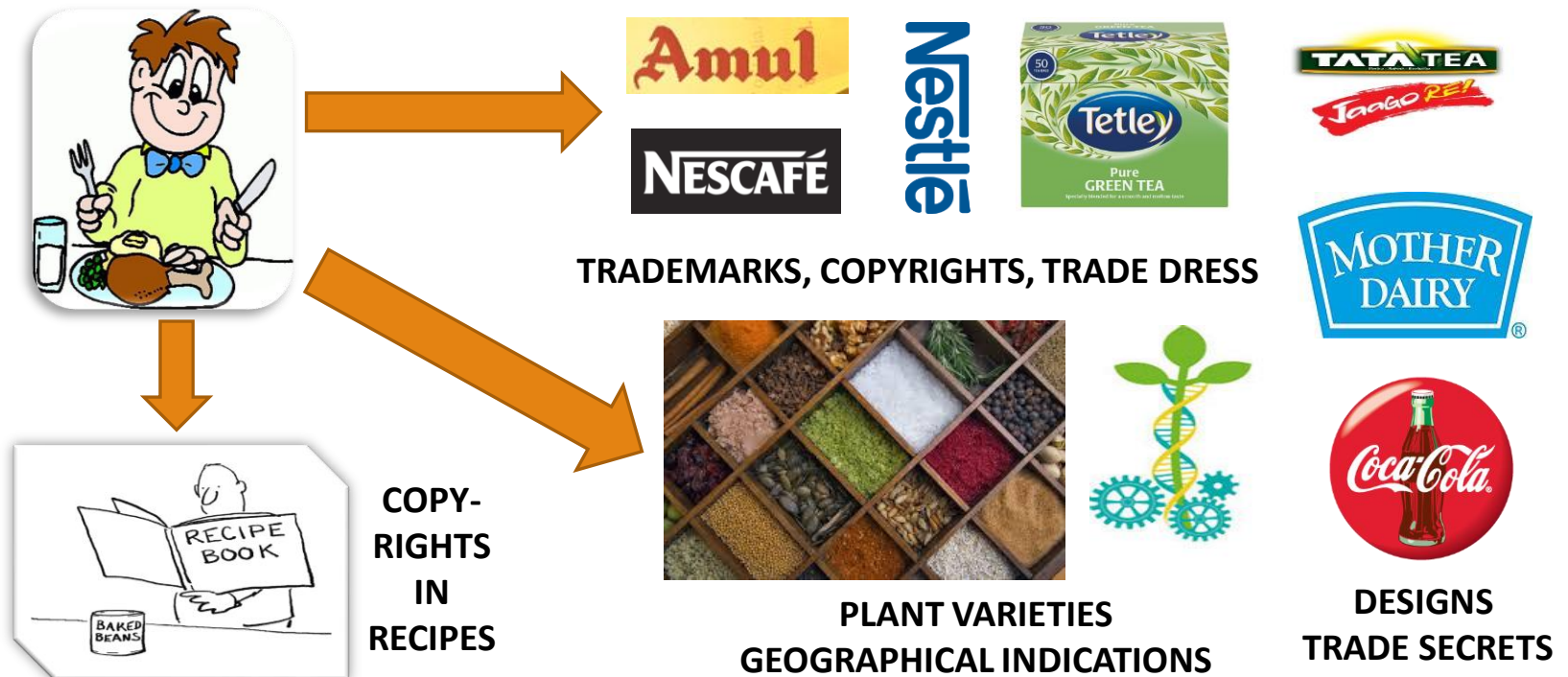
Calvin Klein

raymond

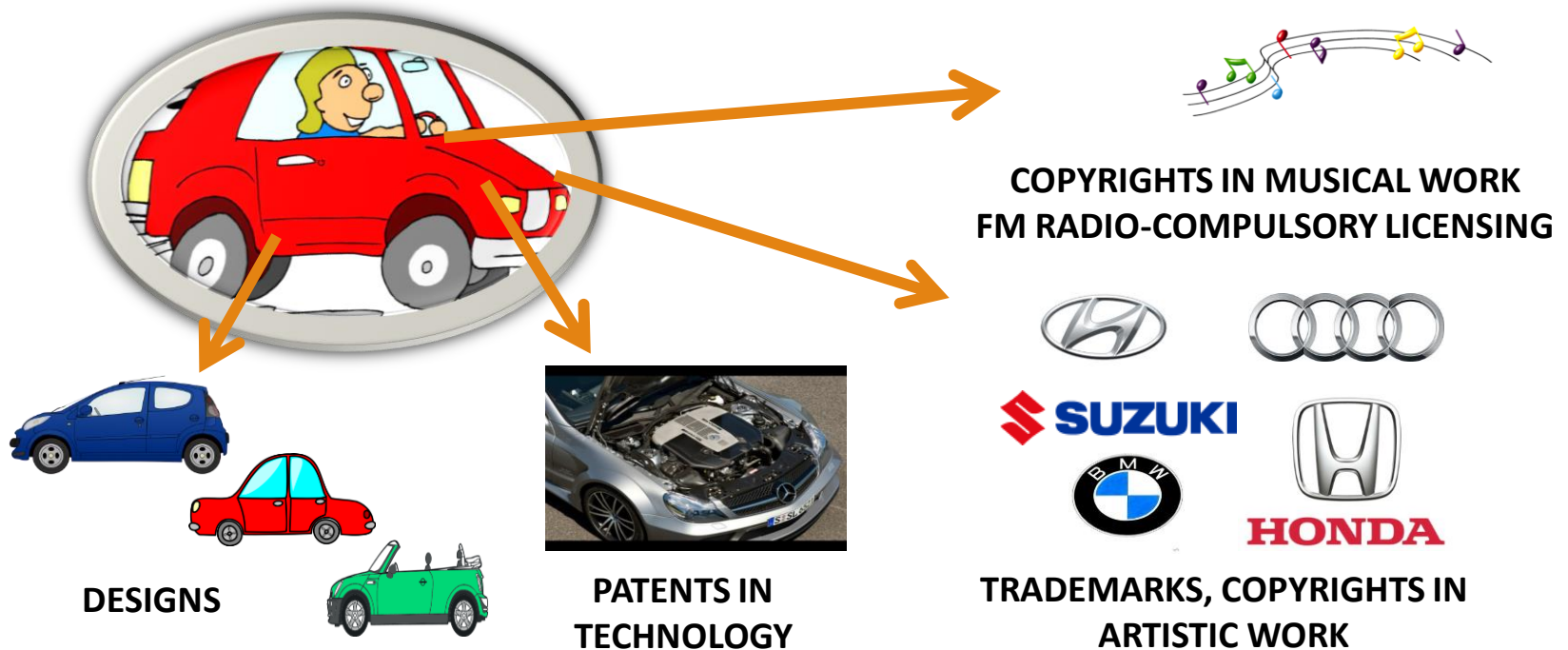
DESIGNS
TRADEMARKS
COPYRIGHTS
GEOGRAPHICAL
INDICATIONS



INTELLECTUAL PROPERTY IN DAILY LIFE



INTELLECTUAL PROPERTY IN DAILY LIFE



INTELLECTUAL PROPERTY IN DAILY LIFE



TRADEMARKS



TRADE DRESS



iOS



COPYRIGHTS IN
SOFTWARES

INTELLECTUAL PROPERTY IN DAILY LIFE

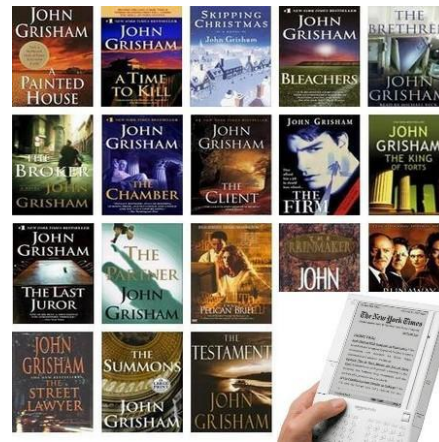


BROADCASTING RIGHTS

COPYRIGHTS



INTELLECTUAL PROPERTY IN DAILY LIFE



COPYRIGHTS IN BOOKS

Injunctions:

Ex-parte injunction

Ad-interim injunction

Permanent injunction

Anton Piller order – Order 26 CPC

Mareva injunction – Seizure of bank accounts

Injunctions:

John Doe orders – against unknown defendants – the defendant is added after it is seen that it is indulging in illegality

Dynamic injunction – Roving injunction which is dynamic like the website showing pirated content

INTELLECTUAL PROPERTY PROTECTION IN THE DIGITAL AGE



- Determination of Jurisdiction
- Innovative Remedies to tackle Online infringement
- Intermediary Liability

JURISDICTIONAL ISSUES IN THE DIGITAL AGE

- ‘Place of business’
- Purposeful Availment of Forum Court
- Global Injunctions



JURISDICTION – RELEVANT PROVISIONS

Usually, suits are instituted

- in the place where the Defendant resides OR
- where the cause of action arose

However, Section 134 of the Trade Marks Act, 1999 & S. 62 of the Copyright Act, 1957: Suit can be filed where the **Plaintiff carries on business** – IP owner friendly provision

Burger King Corporation v. Techchand Shewakramani & Ors. [CS(COMM) 919/2016,
decided on 27th August, 2018]

- ❖ Defendant using BURGER KING and HUNGRY JACK
- ❖ Suit filed in Delhi High Court. Defendant located in Mumbai
- ❖ Defendant published an advertisement calling for franchisees
- ❖ ‘Purposeful avilment test’



World Wrestling Entertainment Inc. v. M/s Reshma Collection [2014 (6) PTC 452 (Delhi High Court)]

- ❖ Plaintiff based in USA. No office in India
- ❖ Defendant based in Mumbai. Suit filed in Delhi High Court
- ❖ Court held: “*Because of the advancements in technology and the rapid growth of new models of conducting business over the internet, it is possible for an entity to have a virtual presence in a place which is located at a distance from the place where it has a physical presence.*”
- ❖ *When the shop in the ‘physical sense’ is replaced by the ‘virtual’ shop because of the advancement of technology, in our view, it cannot be said that the appellant/ plaintiff would not carry on business in Delhi.”*



Millennium & Copthorne Intl, Ltd. v. Aryans Plaza Serv. Pvt. Ltd. & Ors. [CS(COMM) 774/2016, decided on 5th March, 2018]

- The Plaintiff – Millennium & Copthorne International Ltd., Singapore based;
- Protection sought for Plaintiff's trademark “*MILLENIUM*” by running a hotel and resort under that name. Defendant hotels located in Haryana. However, bookings could be made in the hotel through third party websites



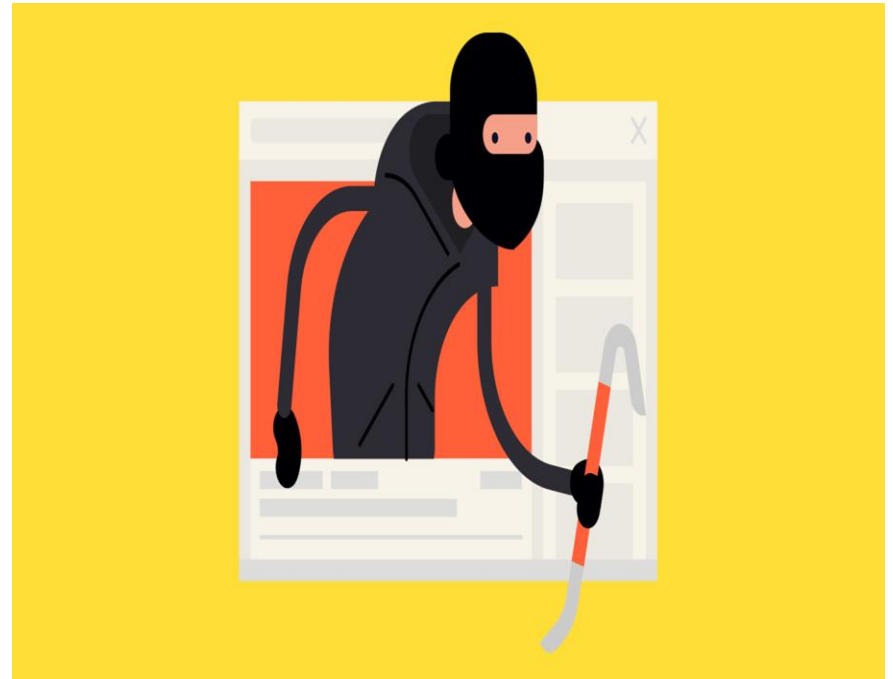
- Suit filed in Delhi High Court. Jurisdiction upheld **even if bookings done through third party websites – local population specific target.**

Juggernaut Books Pvt. Ltd v. Ink Mango Inc. & Ors. [CS(COMM) 421/2019, decided on 9th August, 2019]

- The Plaintiff – Juggernaut Books Pvt. Ltd. (Delhi based), was a publisher of books and e-books by various well-known authors through a web-based software which is accessible from computers and smart phones on its platform - 'www.juggernaut.in'.
- Defendant – a New York based company was using an identical domain name www.thejuggernaut.com
- The Court found that it had the jurisdiction to entertain this matter as the Defendants had **purposefully availed** of the Court's jurisdiction. The Court granted an interim **injunction** against the Defendants and also directed blocking of the Defendants' website.

NEW METHODS OF INFRINGEMENT

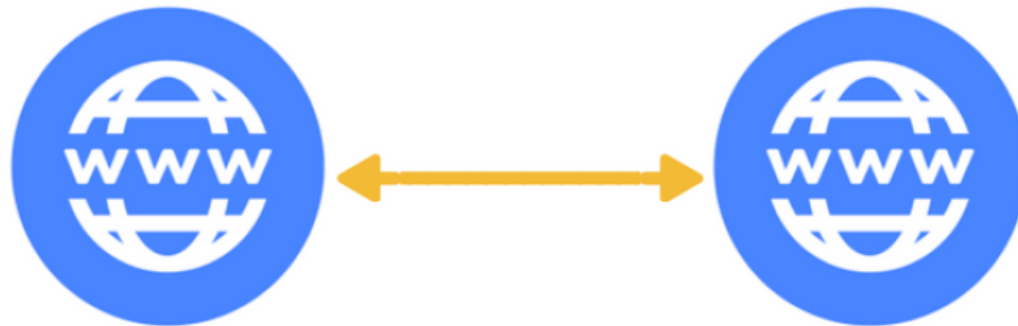
- Rogue Websites
- Cybersquatting
- Mirror Websites



INNOVATIVE REMEDIES

DYNAMIC INJUNCTIONS

- ❖ URL blocking not sufficient - STAR TV - Cricket matches
- ❖ Mirror websites, Rogue websites, Hydra-headed;
- ❖ Delhi High Court granted a dynamic injunction - extending to identical websites



INNOVATIVE REMEDIES

GEO-BLOCKING V. GLOBAL INJUNCTION

Swami Ramdev & Anr. v. Facebook & Ors.

[CS (OS)27/2019, 23rd October, 2019 (Delhi High Court)]

- ❖ Defamatory Content on Google platform.
- ❖ Global injunction sought for removal of all links;
- ❖ Google agreed for GEO-BLOCKING
- ❖ Reliance placed on Google Vs. Equustek – Canadian and US decisions
- ❖ Delhi High Court directed – if the defamatory material was uploaded from India, Indian courts can grant global injunctions.
- ❖ For uploads from outside India, the court ordered platforms to ensure that they use appropriate geo-blocking measures, so that users from India (Indian IP addresses) were unable to access the content.

INNOVATIVE REMEDIES

JOHN DOE ORDERS; DOMAIN NAME PROTECTION

The Court granted dynamic injunctions against rogue websites for infringing the well known trademarks

SNAPDEAL – an ecommerce website.

AMUL – Milk products mark.



The Court granted injunctions against all of the websites including certain John Doe Defendants in this case.

INTERMEDIARY LIABILITY

- ❖ Safe Harbour Provision under Indian Law: Section 79 of Information Technology Act, 2000
 - ❖ *Exemption from liability of intermediary in certain cases. -*
 - ❖ *Notwithstanding anything contained in any law for the time being in force but subject to the provisions of sub-sections (2) and (3), an intermediary shall not be liable for any third party information, data, or communication link made available or hosted by him.*

MySpace Inc. v. Super Cassettes Industries Ltd. *[236 (2017) DLT 478 (Delhi High Court)]*

- ❖ Infringing copyrighted content;
- ❖ My Space being an Intermediary has a 'take down obligation'
- ❖ The Court differentiated between **active and passive intermediaries**



Christian Louboutin SAS v. Nakul Bajaj and Ors. *[2018(76) PTC 508 (Delhi High Court)]*

Court laid down 26 elements - determining whether the website has services contemplated in Section 2(w) [definition of intermediary] of the IT Act, 2000 and whether the website is “*conspiring, abetting, aiding or inducing and is thereby contributing to the sale of counterfeit products on its platform.*”

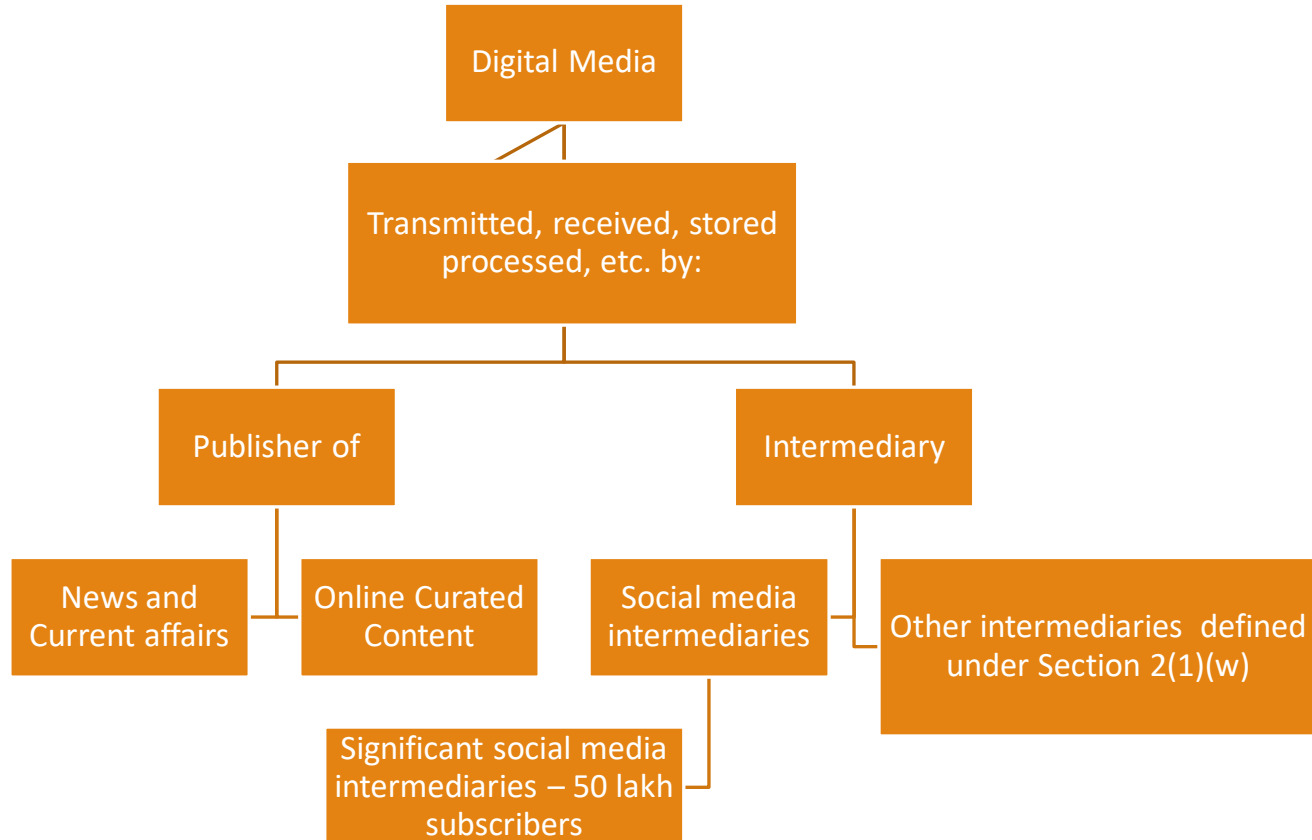
Some of the key elements:

- ❖ Identification of the seller and providing details of seller
- ❖ Providing reviews or uploading reviews of products
- ❖ Providing assistance for placing a booking of product
- ❖ Packaging the product with own packing instead of original packing
- ❖ Favourable arrangements with various sellers
- ❖ Arranging for exchange of product if there is a customer complaint

Intermediary Guidelines 2021

- ❖ The Central Government, by notification dated 25.02.2021 notified the Information Technology (Intermediary Guidelines and Digital Media Ethics) Rules, 2021 in supersession of the Information Technology (Intermediary Guidelines) Rule, 2011.
- ❖ By their very nomenclature, the Intermediary Guidelines, 2021 are much broader in scope than their 2011 counterpart. The 2021 Guidelines are applicable to social media and online media intermediaries and other entities which are defined under it as also under Section 2(1)(w) of the Information Technology Act, 2000.

Rules applicable to:



Intermediary Guidelines 2021

Part 2 – Due diligence obligations of intermediaries

To publish Rules & Regulations, Privacy policy and the user agreement

They have to inform all users not to Host, display, upload, modify, publish, transmit, share, etc.

- any information which belongs to another person,
- infringes any patent, trademark, copyright or other proprietary rights,
- violates any law for the time being in force, or
- impersonates another person, amongst other things

Intermediary Guidelines 2021

Upon receiving a court order or information from the appropriate government, the information has to be taken down:

- ❖ If it is violative of any law
- ❖ Affects sovereign interest, relations with foreign states etc.,

COMMERCIAL COURTS IN INDIA

- The 253rd Report of the Law Commission of India & subsequent interaction and consultation with stakeholders resulted in the Commercial Court Ordinance, 2015 being promulgated.
- The Act was deemed to have come into force on October 23, 2015 and was subsequently amended in 2018.
- The Act provides for the constitution of Commercial Courts, Commercial Division and Commercial Appellate Division in High Courts for adjudicating commercial disputes **(including disputes concerning IPRs)** of a specified value.
- Establishment of commercial courts not only ensures specialization in such Courts but also ensures that only one part of the judicial system deals with such cases while leaving the major resources for deciding non-commercial cases and private rights of citizens.
- Commercial Courts have been notified by 24 High Courts.

COMMERCIAL COURTS (AMENDMENT) ACT, 2018

Salient features of the amendment:

- The pecuniary jurisdiction of Commercial Courts has been reduced from 1 crore to Rs.3 lakhs. Thus, the pecuniary jurisdiction of Commercial Courts has now been widened.
- State Governments have been conferred with the power to constitute Commercial Courts at the District Level, in the states where High Courts exercise original civil jurisdiction;
- State Governments can specify the pecuniary jurisdiction of these courts, which is to not be less than Rs. 3 lakhs;
- Under Section 3A, Commercial Appellate Courts in places where Ordinary Original Jurisdiction of High Courts does not exist.

COMMERCIAL COURTS (AMENDMENT) ACT, 2018

- The Act mandates pre-institution mediation, when there is no urgent interim relief being sought. The procedure for the conduct of such mediation is to be prescribed by the Central Government, which has been done by the Mediation Rules of 2018 under the Act.
- Any settlement arrived at vide such a method, shall be deemed to be an arbitral award under S.30(4) of the Arbitration and Conciliation Act, 1996.
- Time period prescribed for disposal of appeals is 6 months;
- The Act to have prospective effect. The matters pending under the Act to not be transferred to the newly constituted Commercial Courts.

IPR A ‘COMMERCIAL DISPUTE’

Section 2(1)(c) of the Commercial Courts Act, 2015 defines the term “*Commercial Dispute*” as follows:

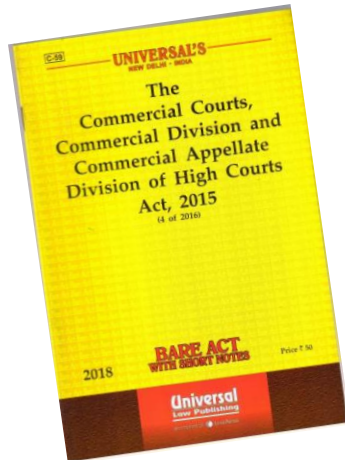
(c) “commercial dispute” means a dispute arising out of –

...

(xvii) intellectual property rights relating to registered and unregistered trademarks, copyright, patent, design, domain names, geographical indications and semiconductor integrated circuits;

...”

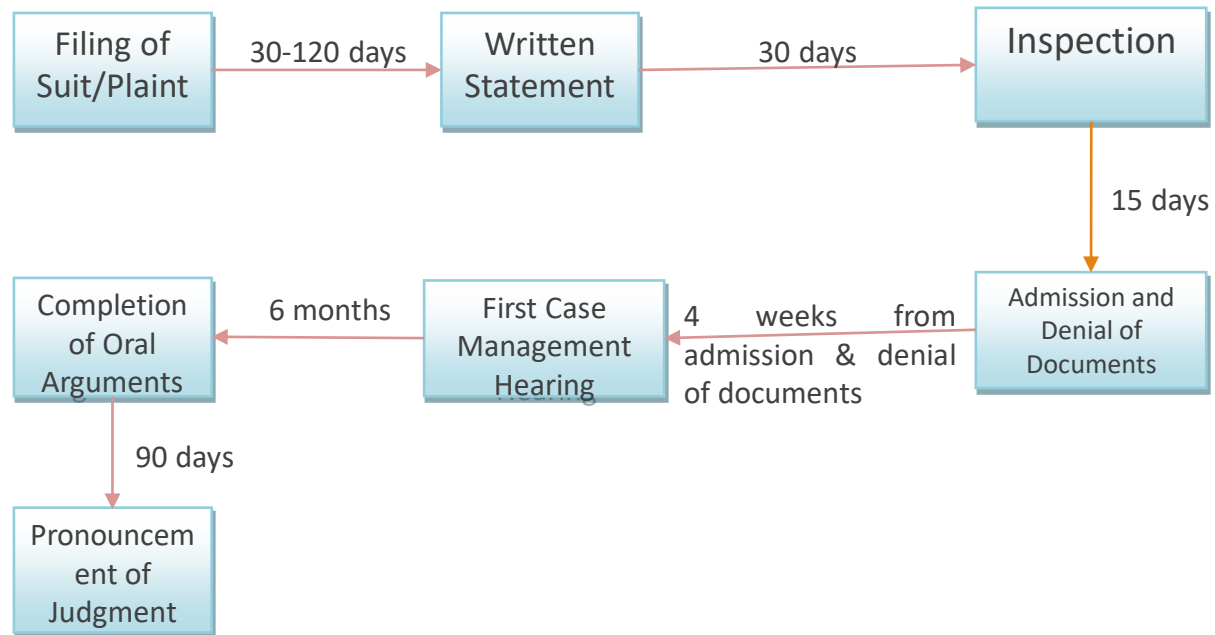
DEFINING FEATURES OF THE ACT



1. STRICT TIMELINES
2. PAYMENT OF COSTS
3. STREAMLINED PROCESS
4. INTRODUCTION OF CASE MANAGEMENT HEARING
5. SUMMARY JUDGMENT



STRICT TIMELINES



SCG Contracts India Pvt. Ltd. v. K.S. Chamankar Infrastructure (P) Ltd. & Ors. [SC - Civil Appeal No. 1638/2019, decided on 12th February, 2019]

- In the present case, the Suit was filed on 10.03.2017 and Defendant No. 1 was served with the summons in the Suit on 14.07.2017. The written statement was filed on 15.12.2017, i.e., beyond the stipulated period of 120 days.
- Meanwhile, an Order VII Rule 11 application was filed, which was rejected by the first impugned order dated 05.12.2017.
- By a belated application, it was averred that the recent changes that have been made in the CPC were not adhered to, as a result of which, the written statement could not be taken on record as 120 days had elapsed from the date of service of summons. On 24.09.2018, i.e., the second impugned order, this application was dismissed on the ground that the order dated 05.12.2017 had become final.
- The Hon'ble Supreme Court, on a reading of the amendments introduced by the Commercial Courts Act, 2015 and High Court judgments on the same, held that the provisions of Order VIII Rules 1 and 10 can no longer be said to be directory and thus, since a statutory prohibition now exists, the doctrine of res judicata cannot be availed.

*SCG Contracts India Pvt. Ltd. v. K.S. Chamankar
Infrastructure (P) Ltd. & Ors.* [SC - Civil Appeal No. 1638/2019,
decided on 12th February, 2019]

“8. A perusal of these provisions would show that ordinarily a written statement is to be filed within a period of 30 days. However, grace period of a further 90 days is granted which the Court may employ for reasons to be recorded in writing and payment of such costs as it deems fit to allow such written statement to come on record. What is of great importance is the fact that beyond 120 days from the date of service of summons, the Defendant shall forfeit the right to file the written statement and the Court shall not allow the written statement to be taken on record. ...”

COVID-19 & TIMELINES FOR FILING WRITTEN STATEMENT

In the recent decision of *Sagufa Ahmed and ors. v. Upper Assam Plywood Products Pvt. Ltd. and ors. (Civil Appeal 3007-08 of 2020)*, the SC has held, in context of the COVID-19 pandemic, that the period of 120 days to file the Written Statement is not extendable. The Court was considering the impact of the pandemic and the automatic extension of limitation and the manner in which the same is to be applied. The Supreme Court held:

*“19. But we do not think that the Appellants can take refuge under the above order. What was extended by the above order of this Court was only “the period of limitation” and not the period up to which delay can be condoned in exercise of discretion conferred by the statute. The above order passed by this Court was intended to benefit vigilant litigants who were prevented due to the pandemic and the lockdown, from initiating proceedings within the period of limitation prescribed by general or special law. It is needless to point out that the law of limitation finds its root in two latin maxims, one of which is *Vigilantibus Non Dormientibus Jura Subveniunt* which means that the law will assist only those who are vigilant about their rights and not those who sleep over them.”*

Gulf DTH FZ LLC v. Dish TV India Ltd. & Ors
[DHC - CS (OS) 3355/2015, decided on 30th August,
2016]

- This was an application for recall of an order which had noted that the statutory period for filing the written statement had passed.
- The question before the Court was **whether it was open to the Defendant, who had opted to file an application under O.VII Rules 10&11 instead of a written statement, to await the disposal of the said application and to expect that time for filing the written statement would get extended till such time?**
- The Court found the above legal proposition untenable in law and thereby upheld the impugned order.

Dolby International v. Das Telecom Pvt. Ltd. & Ors.
[DHC - CS (COMM) No. 1426/2016, decided on 6th
March, 2018]

- This was an application by which the Defendants sought to amend their written statement to add another defence.
- Once trial has commenced, amendment is not permissible. The application was disallowed.

CONSEQUENCE OF NOT FILING WRITTEN STATEMENT

I. Monish Gujral v. G. Kiran Kumar [CS(Comm) 137/2017]

- The Court passed a decree of permanent injunction against the defendants due to failure to file their written statements.

II. Dole Food Co. v. Dole Foods Pvt. Ltd. [CS(Comm) 27/2015]

- An ad interim injunction was passed against the defendants due to failure to file their written statements
- Scope of Order VIII Rule 10 – purpose is not to penalise the defendant but to expedite the disposal of the suit and put an end to litigation [***C.N. Ramappa Gowda v. C.C. Chadregowda, (2012) 5 SCC 256***]

STREAMLINED PROCESS

New and detailed procedures regarding:

- Payment of costs (Section 35)
- Disclosure & discovery of documents (Order XI, Rule 1)
 - Discovery by interrogatories (Order XI, Rule 2)
 - Inspection of documents (Order XI, Rule 3)
- Admission and denial of documents (Order XI, Rule 4)
 - Production of documents (Order XI rule 5)
 - Electronic Records (Order XI rule 6)
- No adjournments for the purpose of filing written arguments (Order XVIII, Rule 3E)

CASE MANAGEMENT HEARING (ORDER XVA)

- Court to mandatorily hold a meeting between the parties to decide upon a timeline for most important stages in a proceeding - recording of evidence, filing of written arguments, commencement and conclusion of oral arguments etc.
- Court is authorized to pass a wide variety of orders at such Case Management Hearing to ensure smooth and effective disposal of the suit.
- Court is empowered to dismiss a petition, foreclose the right to make certain pleadings or submissions or order payment of costs in the event of non-compliance of the orders passed in a Case Management Hearing.

Telefonktiebolaget LM Ericsson (PUBL) v. Lava International Ltd.

[DHC - CS(OS) 764/2015, Order dated 22nd February, 2016]

In conformity with Order XV-A Rule 2 of the CPC, as amended in Clause 7 of the Schedule to the Commercial Courts Act, a Case Management Hearing was fixed by the DHC to the following effect:

- 4 weeks to file evidence affidavit by both parties
- Cross – examination (8 hours per witness) to be conducted within a period of 2 weeks
- 2 weeks to file rebuttal evidence thereafter
- 2 weeks thereafter for cross-examination on rebuttal evidence
- Commencement of final arguments thereafter

SUMMARY JUDGMENT (ORDER XIII-A)

- Akin to the existing procedure of Summary Suits (Order XXXVII, CPC).
- **Principal difference:** ability of parties to request for summary judgments in all commercial disputes of Specified Value, irrespective of the nature of relief sought and ability to request for such summary judgment at any stage prior to framing of issues.
- To ensure that all facets of natural justice are met with, both litigants are asked to provide their individual explanations including documentary evidence as to why a summary judgment should or should not be passed.
- When a Court believes that a claim or defence may succeed but it is improbable for it to do so, it can pass a conditional order against that litigant, including but not limited to deposit of a sum of money.

*Bright Enterprises Pvt. Ltd. & Anr. v. MJ Bizcraft LLP
& Anr.* [DHC - RFA (OS) (COMM) 8/2016, decision dated 4th
January, 2017]

- This was an appeal directed against a judgment by which the Appellant's suit had been dismissed at the admission stage itself by, *inter alia*, the invocation of Order XIII-A.
- The Id. DB, while analyzing the scope of Order XIII-A, laid down the following guidelines:
 - **Power can only be exercised upon an application, at the time of issuing summons and not after framing of issues;** clear stipulation regarding stage for application of summary judgment
 - **Power to decide claims without recording oral evidence is exceptional in nature;** essential that stipulations enumerated in Order be followed strictly in such a case
 - **Contents of application for summary judgments must adhere to provisions of Order XIII A Rule 4, i.e., the procedure for summary judgment.**

- The Court also observed the following regarding the nature of proceedings under Order XIII-A:

*“24. From the provisions laid out in Order 13-A, it is evident that **the proceedings before Court are adversarial in nature and not inquisitorial**. It follows, therefore, that summary judgment under Order 13-A cannot be rendered in the absence of an adversary and merely upon the inquisition by the Court. The Court is never an adversary in a dispute between parties. Unfortunately, the learned Single Judge has not considered the provisions of Order 13-A CPC in this light.”*

- Applying the principles enumerated above, the Court held that: *“... **since no summons had been issued and obviously no application had been filed by the respondents for a summary judgment, the learned Single Judge could not have dismissed the suit invoking the provisions of Order 13-A CPC.**”*

Rockwool International v. Thermocare Rockwool (India)

[DHC - CS(COMM) 884/2017, decision dated 16th October, 2018]

- In the present case, both the Plaintiff and the Defendant in the trademark dispute had moved applications praying for a summary disposal under Order XIII-A.
- The Court observed that **there were several issues in the case which required adducing of oral evidence** and the same could not be determined in a summary manner without trial.
- In view of this, it was held that: *“The summary procedure is prescribed in order to expedite passing of judgment by Courts in commercial disputes where the Court is able to arrive at a conclusion in the absence of oral evidence. The present case is not one of that kind. The issues are contentious and the suit thus deserves to go to trial.”*

“13. In the present case, the Court is at this stage dealing with applications for summary judgment. The kind of cases that can be decided in a summary manner have to be those cases where a party has no real prospect of succeeding in the claim. ...

...

14. The pre-conditions for passing of a summary judgment under this provision are:

- i) that there is no real prospect of a party succeeding in a claim;*
- ii) that no oral evidence would be required to adjudicate the matter;*
- iii) there is a compelling reason for allowing or disallowing the claim without oral evidence.”*

GUIDELINES ISSUED BY THE DHC

- ❖ The Delhi HC in *Roland Corp. v. Sandeep Jain* [CS(Comm) 565/2018, decided on 15th January, 2019] elucidated on the principles under Order XV-A CPC and set time-limits for oral arguments in commercial suits.
- ❖ In *Vifor (International) Ltd. v. Suven Life Sciences* [CS(Comm) 1680/2016, decided on 11th March, 2019] it was emphasized that the endeavor to expediate the Court process envisaged under the Commercial Courts Act, did not rest solely upon the Court but on all the stakeholders involved including litigants as well as the counsels.

GUIDELINES ISSUED BY THE DHC

- ❖ In *Nitin Gupta v. Texmaco Infrastructure & Holding Ltd.*, [CS(Comm) 1215/16, decided on 29th April, 2019] it was held that applications for late filing of documents given the scheme of the Commercial Courts Act, ought not to be entertained without good cause.
- ❖ In *UOI v. Associated Construction* [FAO(OS)(Comm)14/18, decided on 15th October, 2019] a ld. Division Bench of the Delhi HC held that condonation of delay in filing an appeal under Section 37 of the Arbitration Act r/w Section 13 of the Commercial Courts Act cannot be condoned if it strikes at the very spirit of the Commercial Courts Act i.e. to enhance the efficiency of the Indian Judicial System.

SIMPLIFY PROCEDURE & MINIMIZE DELAYS

- Doing away with the practice of filing original documents
- Lawyers should either seek inspection or file statements to admit or deny documents
- Imposition of exemplary costs/reprimand in case frivolous arguments/issues are raised.
- Summary procedure needs to be revisited in view of the lack of discretion vested in a Judge to pass a summary judgment
- Service of summons can be undertaken by email and at last publicly known address, as incorporated in the DHC (OS) Rules, 2018

SIMPLIFY PROCEDURE & MINIMIZE DELAYS

- Recording of statement of a party under Order X
- Admission/Denial – to be conducted with the pleadings
- Publicly available documents ought to be exhibited unless there are serious objections
- Marking of exhibits can be done of most documents – cut short trial
- Expert witnesses should be permitted in technical matters

SIMPLIFY PROCEDURE & MINIMIZE DELAYS

- Before framing issues, mediation ought to be explored. Since 2013, in the DHC Mediation Centre, nearly 500 IPR suits have been mediated and settled.
- If an ex-parte injunction is granted, when an O.39 R.4 is filed, it is not compulsory to give time to file a reply. It can be disposed off on the first day, unless the Court feels that there is a need for a reply.
- If there is gross suppression, injunction can be suspended.

SIMPLIFY PROCEDURE & MINIMIZE DELAYS

- Timeline for filing a Written Statement is mandatory - no extension beyond 120 days
- Recording of evidence by Local Commissioner
- Number of witnesses to be examined - too many witnesses should not be permitted
- Time limits can be fixed on cross examination
- Time limits can also be fixed for oral arguments