



MONTHLY ROUNDUP

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CASE ANALYSIS

MOUNTAIN VALLEY SPRINGS INDIA PVT LTD *VERSUS* BABY FOREST AYURVEDA PVT LTD

The case involves a trademark infringement dispute between Mountain Valley Springs India Private Limited, the owner of the luxury skincare brand Forest Essentials, and the defendants who used the marks 'BABY FOREST', 'BABY FOREST-SOHAM OF AYURVEDA', 'BABY ESSENTIALS', and 'SAUNDARYA POTLI'. Forest Essentials sought an interim injunction to restrain the defendants from using these marks, claiming potential confusion and infringement on their established brand.

FACTS

Mountain Valley Springs India Private Limited, the proprietor of Forest Essentials, filed a suit against the defendants to prevent them from using certain marks that they argued were similar to their own. Forest Essentials has sold products worth Rs. 15 crores, whereas the defendants' sales amounted to Rs. 2.26 crores. Forest Essentials argued that their significant sales volume and brand recognition gave them the right to prevent the use of any marks containing the word 'Forest'.

LEGAL ISSUES INVOLVED

1. Whether the use of the word 'Forest' by the defendants constituted trademark infringement.
2. Whether Forest Essentials could claim exclusivity over the term 'Forest' without specific registration under Section 17(2) of the Trademark Act.
3. Whether the evidence provided was sufficient to demonstrate widespread confusion or likelihood of confusion among consumers.

CONTENTIONS MADE BY PLAINTIFF

Counsel for plaintiff claimed that plaintiff has been using the mark 'FOREST ESSENTIALS' continuously since 2000 with over 150 stores in India and internationally, enjoying annual sales of over Rs.425 crores. Plaintiff had trademark registrations for both word and logo marks for 'FOREST ESSENTIALS' in multiple classes. It was contended that Defendants' adoption of the mark was dishonest, since they made every effort to come as close as possible, to plaintiff's mark and to ride on the reputation and goodwill of plaintiff. Not only did defendants adopt deceptively similar mark 'BABY FOREST' but also adopted 'LUXURY AYURVEDA' 'BABY ESSENTIALS' and 'SAUNDARYA' and a similar 'Tree' logo.

CONTENTIONS MADE BY DEFENDANT

It was pointed out that plaintiff's mark was 'FOREST ESSENTIALS' and not 'FOREST ESSENTIALS BABY' or 'FOREST ESSENTIALS-BABY ESSENTIALS'. The word 'Baby' present on the packaging of plaintiff's baby care products does not make plaintiff's trademark as 'FOREST ESSENTIALS BABY'. The word 'Baby' was used to describe the intended purpose of the goods and not used as a trademark. It was stressed on behalf of defendants, that all the elements of reputation and goodwill cited by plaintiff, were for the main 'FOREST ESSENTIALS' range and not for the 'baby care' range of 'FOREST ESSENTIALS'.



JUDGEMENT AND REASONING

The Delhi High Court has dismissed the interim injunction plea filed by skincare and cosmetics brand Forest Essentials seeking to restrain another brand from using the marks “Baby Forest” and “Baby Forest- Soham of Ayurveda” while selling baby care products. It is observed that the word 'Forest' in itself is generic and Forest Essentials cannot claim dominance over the said part of their trademark, having not sought registration under Section 17 (2) of the Trademark Act. A couple of social media references are not enough to show that there is 'widespread confusion' or likelihood thereof. There is no substantial evidence to show continued confusion amongst customers over a length of time. It was also added that the new digital revolution in retail is obvious, and does not need to be articulated, since it envelops and involves most consumers, at least in the urban and semi-urban areas. With approximately 450 million smartphone users in India, the ability to access information is very high and prevalent, and while understanding the mindset of the consumer, this must be brought into the consideration.



ARTICLE

NOTABLE SHIFTS AND TRENDS IN THE ARBITRATION REGIME WRT IPR IN INDIA

In India, IP disputes are excluded from arbitration due to the government's control over IP rights like patents and trademarks. Internationally, the Geneva Convention states that all commercial matters are arbitrable, and the New York Convention excludes issues of public policy from arbitration. The arbitrability of disputes depends on government and judicial interests.

Since 1958, IP disputes have been considered non-arbitrable. In Hong Kong, the Arbitration (Amendment) Ordinance, 2017 ('amendment') enabled arbitration of IPR disputes even if it involved contentions regarding scope, infringement, etc. Taking cues from the Singapore Intellectual Property (Dispute Resolution) Act, 2019, the provisions of the amendment state that even when a relevant forum as per the statutory laws exists, the mechanism of arbitration could still be availed. For instance, in 2019, Turkey implemented compulsory civil mediation for all business issues, including monetary IP disputes. In the Philippines, certain forms of intellectual property disputes that are handled by the Intellectual Property Office are required to participate in mediation.

In recent time the arbitration is favoured for dispute resolution of IPR matters which is practised by entering an arbitration clause while executing the intellectual property contracts. Several changes were made in the IPR regime through Trade-Related Aspects of Intellectual Property Rights (TRIPS) and Section 89 of Civil Code Procedure which empowers the Court if deems fit then to allow for arbitration, mediation and conciliation of disputes outside the court.

BRIEF ANALYSIS FOCUSING ON ANY NOTABLE SHIFTS OR TRENDS

There are many reasons for this trend towards arbitrating IP disputes. Primarily, this trend is because of the territorially limited scope of state court proceedings. This feature of state court litigation no longer meets the requirements of complex cross-border economic processes and transactions, and related disputes arising from a more globalised world because of arbitration's confidential nature is valuable for IP disputes in general because of the sensitive nature of confidential information and know-how regularly involved in such disputes. In addition, specialist knowledge is often required to resolve technical IP disputes efficiently - a difficulty that can be addressed by appointing suitably qualified arbitrators.

LATEST TRENDS

In recent years, however, there has not only been a general increase in IP-related disputes but also a significant shift towards the resolution of IP disputes through arbitration. For example, the number of cases decided under the World Intellectual Property Organization (WIPO) Arbitration and Mediation Rules increased from 31 in 2012 to 182 in 2020 and to 263 in 2021, showing an increase of approximately 45 per cent over only one year^[1].



SEP/FRAND

ADR in technology-related disputes is a matter of growing interest and is by no means a new phenomenon. Standards setting organisations, such as the Institute of Electrical and Electronics Engineers, nowadays support the use of arbitration (e.g., by including arbitration agreements in their IP policies) for, among other things, the determination of royalties respecting FRAND principles^[2]. It has also been iterated in cases- BlackBerry v. Qualcomm, see Todd Haselton, 'BlackBerry awarded \$815 million in arbitration case against Qualcomm', CNBC, 12 April 2017.

In 2017, WIPO developed and published the Guidance on WIPO FRAND Alternative Dispute Resolution (ADR), which aims to facilitate submissions of FRAND disputes to WIPO mediation and arbitration. The Guidance, among other things, explains the procedural options that are available at different stages of the process and identifies key elements that the parties may wish to consider to shape the arbitration proceedings. In 2018, the WIPO guidance was followed by the FRAND ADR Case Management Guidelines of the Munich IP Dispute Resolution Forum. While the WIPO guidelines focus closely on the services provided by the WIPO Centre, the guidelines of the Munich IP Dispute Resolution Forum expand on FRAND ADR in general and, as such, may work in synergy with the WIPO guidelines. Accordingly, the trend towards arbitration in this area is expected to continue.

ADVANCED USE OF TECHNICAL TOOLS IN ARBITRATION

Although there was a growing interest in the use of technology in arbitration even before the onset of the pandemic, the pandemic led to an increased use of already existing technological tools. The WIPO Centre, for example, makes available at no cost to interested parties an online case administration platform, the WIPO e-ADR platform (which is already used in 30 per cent of the cases), and assists in the hosting of online meetings and hearings.

The International Chamber of Commerce (ICC) established a working group, in response to the pandemic, to update the 2017 edition of its report on information technology in international arbitration. The report has undergone a complete overhaul and now includes a variety of practical resources, including sample procedural language relating to technology tools and solutions, checklists for virtual hearings, items to consider when choosing an online case management platform and a template procedural order, mainly related to IPR.

INTELLECTUAL PROPERTY TRENDS IN INTERNATIONAL ARBITRATION FOR 2024^[3]

In 2024, arbitration strengthens its role in IP disputes with the establishment of specialized IP arbitration centres in key innovation hubs. These centres incorporate best practices and cutting-edge knowledge, enhancing the resolution of IP disputes and safeguarding intellectual capital. The UNICITRAL shapes arbitration rules and promotes effective dispute resolution. The evolving IP arbitration landscape highlights the need for comprehensive legal frameworks that harmonize global standards while respecting local laws. This push for a cohesive arbitral environment is supported by treaties and agreements enhancing predictability and cross-border cooperation. International arbitration is increasingly vital for protecting and resolving IP rights, reinforcing its importance in global commerce. The ICSID leads in handling investment disputes.

This position on arbitrability will make sure that a balance of rights between inventor/author and the general public will be maintained, with inventor/author retaining the right to arbitrate contractual rights and courts keeping in mind jurisdiction over claims that affect the general public. Such a balance is desirable for effective functioning of the IP regime.

[1] See World Intellectual Property Organization (WIPO), 'WIPO Caseload Summary', www.wipo.int/amc/en/center/caseload.html

[2] WIPO, 'Guidance on WIPO FRAND Alternative Dispute Resolution (ADR)', www.wipo.int/publications/en/details.jsp?id=4232&plang=EN

[3] International Arbitration Trends 2024 - Transnational Matters



NEWS UPDATES

PATENTS

Case: Microsoft Technology Licensing LLC v. The Assistant Controller of Patents and Design on 15 May, 2023 (Delhi High Court)

The Delhi High Court set aside the impugned order rejecting the patent on an invention titled “Methods and Systems for authentication of a user for sub-locations of a network location” and held that the rejection stems from an oversight of the technical effect and contribution of the claimed invention. The court held that the invention offers a novel and inventive technical solution to a security problem and not only provides a two-tier authentication process but also improves the user experience.

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India is planning to simplify patent laws to spur R&D: Official

The Centre on Tuesday said it was mulling over making the Indian Patent Act, 1970 more simplified and research-friendly for product-oriented results. Addressing the CII Global Science, Research and Innovation Summit, Akhilesh Gupta, senior adviser at the Department of Science and Technology, said while India grants an average of 23,000 patents per annum, it lacks the culture of patents filing.

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Pricing regulator sets mechanism to fix prices of off-patent drugs

The Department of Pharmaceuticals (DoP) has arrived at a formula to fix the prices of drugs that go off patent. The retail price of a drug that contains any molecule, component or ingredient that has been patented under the Patents Act (1970) shall be revised upon expiry of the patent to 50 per cent of the current ceiling price. After one year, the ceiling price will be revised again based on market data.

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The CRISPR Battle Through the Lens of International Patent Harmonization

On Tuesday, May 7, the U.S. Court of Appeals for the Federal Circuit will hear argument in a long-awaited appeal addressing the inventorship of the Nobel Prize-winning CRISPR technology. The case is the latest in a continuing legal battle between two groups of innovators, each asserting patent rights to key aspects of the ground-breaking technology.

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WIPO Report Highlights Importance of Patenting to Improve Tech Capabilities

On May 2, the World Intellectual Property Organization (WIPO) issued its most recent biennial report, entitled “Making Innovation Policy Work for Development,” which analyses patent filing, scientific publications and economic data across the globe over the last two decades to identify innovation policies effective at diversifying national economies. While WIPO’s report underscores the highly concentrated nature of the global innovation economy, it also highlights several countries that have seen significant improvements in their own technological diversification during the study period.

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Federal Circuit Highlights Differences in Statutory and Article III Standing in Patent Cases

On May 1, the U.S. Court of Appeals for the Federal Circuit issued a precedential decision in *Intellectual Tech LLC v. Zebra Technologies Corp.* reversing a Western District of Texas ruling that dismissed patent infringement claims for lack of constitutional standing. In so doing, the Federal Circuit found that Article III standing was not extinguished by the plaintiff’s default on a patent security agreement that granted a secured third party the right to assign the patents at issue in the appeal.

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TRADEMARKS

Delhi High Court Rules in Favour of Karim's in Trademark Lawsuit Against Karim's

Case name- KARIM HOTELS PVT LTD & ANR v. NIZAMUDDIN & ANR

The issue was related to back in 2010 when Karim's came to know that Nizamuddin was using "KARIN'S" mark along with "KARIM'S" and "SECRET OF GOOD MOOD TASTE OF KARIM'S FOOD" marks for a restaurant situated at the lease premises. Justice Sanjeev Narula decreed the suit in favour of Karim Hotels Private Limited and Karim's Mughlai Foods, which was accorded a license by the former authorising it to use "KARIM'S" trademark for commercial exploitation in relation to restaurant services.

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Delhi High Court Refuses Interim Relief To 'Forest Essentials' In Trademark Infringement Suit Against 'Baby Forest'

The Delhi High Court has dismissed the interim injunction plea filed by skincare and cosmetics brand Forest Essentials seeking to restrain another brand from using the marks "Baby Forest" and "Baby Forest- Soham of Ayurveda" while selling baby care products. It is observed that the word 'Forest' in itself is generic and Forest Essentials cannot claim dominance over the said part of their trademark, having not sought registration under Section 17 (2) of the Trademark Act.

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Trade Marks Registrar Must Pass Speaking Order with Reasons While Adjudicating on Application for Registration of Trade Mark Assignment

Electronica India Ltd. v. Electronica Hitech Machines Pvt Ltd. & Anr.

It highlighted the necessity for the Trade Marks Registry to adhere to principles of natural justice by providing a proper hearing and issuing a speaking order. The court found that the Registrar's handling of the case did not meet the requirements of Section 45 and Rule 77 of the Trade Marks Rules, which mandate a thorough verification process and proper documentation.

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Abu Dhabi Global Market v. The Registrar of Trademarks, Delhi on 18 May, 2023 (Delhi High Court)

The Delhi High Court set aside the impugned order rejecting the trademark application on the grounds that the subject application was not coined nor invented and used a geographical name. The court held that distinctiveness is a prerequisite for registration of a mark but inventiveness is not, as per Sections 9 and 11. The court further held that the subject mark was distinctive since the appellant's logo is registered already. With regard to the use of geographical location, the court assessed the mark overall and held that "Abu Dhabi" is only a part of the composite mark and set aside the impugned order.

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'Blenders Pride' Vs 'Royal Challenger American Pride': Punjab & Haryana High Court Dismisses Pernod Ricard's Appeal for Interim Relief

Holding "similarity of one word cannot be taken as infringement or passing off" Punjab and Haryana High Court dismisses Pernod Ricard's request for an injunction against United Spirits' use of "Royal Challenger American Pride."

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COPYRIGHTS

Delhi High Court Rules in Favour of Bhakti Vedanta Book Trust in ISKCON Copyright Infringement Case

Bhaktivedanta Book Trust India V. www.Friendwithbooks.Co 2024 Live Law (Del) 473

The Trust filed a lawsuit seeking a permanent injunction to prevent the website from infringing its copyright under Section 14(a) of the Copyright Act, 1957. The Trust argued that copyright is established through the creator's effort and therefore legally recognized under Section 17 of the Copyright Act. The court stated that once a person holds a legally recognized right, it can only be extinguished through a legal process. The right would only cease if the holder transfers or relinquishes it through a legally recognized procedure.

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Delhi High Court Grants Dynamic+ Injunction to Protect Copyrighted Works of Netflix, Universal City Studios in Suit Against Rogue Websites

"To keep up with the hydra-headed nature of the infringement actions of such infringing domains/websites, this Court finds it fit to grant a 'Dynamic+ injunction' to protect copyrighted works as soon as they are created, to ensure that no irreparable loss is caused to the owners of copyrighted works, as there is an imminent possibility of works being uploaded on infringing websites or their newer versions immediately thereafter," the court said.

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GEOGRAPHICAL INDICATIONS

First in country: Facilitation Centre for protecting traditional art forms through GI tagging

The state government is planning to start a facilitation centre in Bhopal to offer guidance to folk and tribal artists, artisans about the process of obtaining Geographical Indication (GI) tag, which is used to protect and conserve their art forms. A national workshop will be organised soon to decide the contours of the project. Legal, marketing and Intellectual Property Rights experts, representatives of Union industries ministry, NABARD, TRIFED and state government departments will be invited.

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NERAMAC's initiative to authorize 800 North East region farmers to use GI tagging of its processed certifications

Agricultural Marketing Corporation (NERAMAC) under Ministry of Do NER, Government of India had undertaken Geographical Indication (GI) certification of 13 products of the North-eastern region.

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OTHER IP

Delhi High Court protects personality rights of Jackie Shroff; restrains misuse of name, images, voice

The suit, filed against multiple entities, alleges unauthorized use of Shroff's name, photographs, voice, and the word "Bhidu" without his consent. The term "Bhidu" is particularly significant as it is a registered trademark associated with Shroff. This case emphasized the significance of personality rights, highlighting the misuse of Shroff's images and voice on merchandise such as T-shirts, posters, mugs, and even in memes and videos. Personality and Publicity Rights refer to the rights of an individual to control the commercial use of their identity.

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DHC's IPD Annual Report a Positive Step for Transparency

To mark the occasion of World IP Day, Delhi High Court's IPD released its annual report 2022-23 on April 24, 2022. Among other things like comments from who's who of the IP world and summaries of landmark orders, the report also had a dedicated chapter on the performance of the IPD in the past 1 year.

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Delhi High Court orders blocking of websites illegally streaming Undekhi's web series

Undekhi's producers had approached the High Court stating that as soon as the show was released on Sony Liv, it was leaked on rogue websites, thus infringing upon their IP rights.

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CGPDTM to Continue Daily Open House Sessions to address Grievances/Suggestions on IPR Issues

The sessions will be held on a daily basis from 4.30 PM to 5.30 PM via Webex. These Open House sessions will address various IPR grievances and suggestions, and if you are an IP practitioner, applicant or stakeholder, this is an excellent opportunity to interact directly with the IPO for any grievances or suggestions you may have.

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**Agreement on Royalty Sharing Signed between ISRA and Music Labels**

Recently, ISRA entered into a royalty-sharing agreement with Indian music labels. This comes only a few days after the Bombay High Court's order recognizing the royalty rights of lyrics and musical composers. It highlighted the general lack of clarity over the terms of the agreement and its limitations in fully resolving the issue of royalties for singers.

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India to seek pharma IPR waiver for future pandemics

India is likely to push for a global patent waiver for vaccines, therapeutics, and diagnostics to combat future pandemics at the mini-ministerial meeting of the World Trade Organization (WTO) in Paris next month, after securing a five-year waiver for Covid-19 vaccines in 2022.

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Mumbai High Court grants ex parte injunction against US company Cognizant in logo dispute

The Mumbai High Court has recently passed an ex parte injunction in a commercial suit pertaining to IP rights (Atyati Technologies Private Limited v Cognizant Technology Solutions). The plaintiff, Atyati Technologies Private Limited, filed the action against the defendant, Cognizant Technology Solutions, alleging infringement of its trademark and copyright, as well as passing off. Atyati sought to restrain Cognizant from using any mark identical or deceptively similar to the registered mark. Atyati argued that Cognizant's application for registration in Classes 35 and 42 evidenced its intention to free-ride on the goodwill and reputation of the ATYATI mark. The court found that Atyati had made a prima facie case in its favour.

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Cricketer Yuvraj Singh Invokes Arbitration Against Developer Over Personality Rights Violation, Possession of Apartment

In the notice concerning his privacy violation, Singh has said that the developer has misused his brand value and contravened the terms of the Memorandum of Understanding entered between the parties on November 24, 2020. As per the MoU, Singh was to promote and endorse the project in question. The MoU expired on November 23 last year. Singh is aggrieved by the alleged continued commercial use of the services provided by him, including the use of his photographs on billboards, project site, social media posts, articles etc. despite expiry of the MoU.

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