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Section 15(2) of Copyright Act, 1957: The Copyright and Design Interface

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In the Indian IP regime as it exists today, there is considerable overlap between 'artistic works' protected under the Copyright Act, 1957, and 'Designs' protected under the Designs Act 2000. Given the similarity of the work protectable under both these regimes, and the hugely disparate terms of protection (fifteen years for a registered design and 60 years after the death of an author or artist for a copyright) a conflict often arises as to which of the two protections can be availed.

The term 'artistic work' is defined under the Copyright Act, 1957 and includes two-dimensional works such as drawings, paintings, photographs and engravings and three-dimensional works such as sculptures, models etc.

A 'Design' by itself does not stand as an 'artistic work' but is to be copied by embodiment in a commercially produced artifact. Hence the manufactured article to which the design has been applied through an industrial process is entitled to protection under the Designs Act, without there being any conceptual separation between the 'artistic work' and the product to which it is applied.

At the heart of the Copyright-Design controversy are provisions-Section 15(1) and 15(2) of the Copyright Act, 1957. As per Section 15(1) of the Copyright Act, copyright does not subsist in a 'Design' which is registered under the Designs Act. Further, Section 15(2) of the Act stipulates that a 'Design' which is capable of being registered under the Designs Act, if is not so registered, then the copyright under the Copyright Act on such a design will cease as soon as any article to which the design has been applied is reproduced more than 50 times by the owner of such 'Design' or his licensee.

Courts have interpreted this provision to mean that Section 15 merely extinguishes the copyright in the design applied to an article and not the copyright in the original artistic work. The following will make the legal position clear:

a) Let us assume that there is an intricate floral pattern drawn/ painted by an artist. The copyright over this artistic work outlives the artist by 60 years.

b) The artist gets the same floral pattern applied on to a table top. It has now been reproduced in a three-dimensional form on to an article. The article qualifies for design registration. Two possibilities arise:

(i) If a design registration is obtained, then the author's ownership of the pattern as reproduced on the article (i.e. the table top) remains valid for 14 years against infringement.

(ii) If no design registration is obtained, then the author's ownership of the pattern as reproduced on the article (i.e. the table top) is extinguished after 50 pieces of the table top are manufactured and sold. In other words, the author can continue to protect the table top design against piracy for a term as long as the term of copyright (and not the shorter term of design protection) until the 49th piece is manufactured and sold. Once the 50th piece is sold, then piracy can no longer be prevented in the article as there are no unregistered design rights and copyright stands extinguished.

c) However, irrespective of the status of design registration of the table top, even in scenario (b) (ii), if the underlying artistic work is reproduced by a third party on any other article, such as, for example, a T-shirt, then the author can continue to enforce his/ her copyright against such reproduction as the underlying rights in the artistic work continue to remain valid, even when the copyright in the registrable (but unregistered) design in the article (i.e. the table top) is extinguished.

Succinctly put, original drawings, sketches and paintings used to industrially produce the designated article constitute 'artistic work' within the meaning Section 2(c) of the Copyright Act, 1957 and are entitled to full protection envisaged under the Act i.e. they cannot be reproduced in two or three-dimensional forms by anyone except the owner of the copyright. The said protection continues to exist even if the designated article loses copyright protection for reasons of non-registration as a design. However to avail such protection the underlying original drawings must involve an element of originality and creativity and be drawings of everyday objects which have no artistic purpose but to act as a blueprint for the designated article. For example, line drawings of a machine or objects like shoes and suitcases, etc. have been held by courts to not have artistic merit and therefore not entitled to copyright protection.

Thus it is advisable to secure design registrations in industrial articles instead of attempting, belatedly (and unsuccessfully) to enforce copyrights in such articles, against pirates.

The regulatory tempest around e-cigarettes and vapes in India

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Electronic Nicotine Delivery Systems (ENDS) like e-cigarettes (ECs), e-sheeshas, vapes, etc. have been a subject of much debate in recent times. The ongoing attempt to equate ENDS with tobacco-based products has given rise to several questions where health benefits from ENDS products are under scrutiny. These questions have in turn given rise to a further debate regarding the nature of statutory framework that must be devised to govern ENDS products. The High Court of Delhi in March 2018 stayed a ban on import, manufacture, sale and distribution of ENDS in India and opined that ENDS do not fall under the category of "drugs" and therefore cannot be governed by the Drugs and Cosmetics Act. The stay is currently valid till May 17, 2019 which is the next date of the hearing in the matter. As positive as this may appear to be for ENDS manufacturers, the battle is far from over.

The Cigarette and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 (COTPA) governs tobacco and tobacco-based products and consequently ENDS is beyond its purview. However, in December 2018, Ministry of Electronics and Information Technology (MeitY) proposed draft amendments to India's IT Act by which they required intermediaries like Facebook, WhatsApp, Twitter to remove content deemed unlawful and unsafe. Particularly, the draft rules flagged for removal of anything that "threatens public health or safety, including promotion of cigarettes or any other tobacco products or alcohol and Electronic Nicotine Delivery System (ENDS) & like products that enable nicotine delivery except for the purpose". Thereafter,the Directorate General of Health Services (DGHS) under the Ministry of Health, issued a circular banning the import, sale, manufacture, distribution, trade and advertisement of e-cigarettes and vapes.,The Delhi High Court while hearing a challenge to the circular, stayed it in March 2019 on the basis that that prima facie these products do not fall within the definition of a "drug" under section 3 (b) of the Drugs and Cosmetic Act, 1940, and if the product in question is not a drug, DHGS would not have jurisdiction to issue the circular. However, ENDS products are currently banned in five states in India. As per recent reports, the Ministry of Trade has taken the stand that there is no legal basis for imposing a ban on ENDS.

While the status of ENDS remains unknown, their popularity is unmistakable. It is apparent that ENDS (that primarily contain nicotine) do not cause the same health effects as those caused by tobacco. The choice ought to ultimately be that of a user to decide whether they consume tobacco or its alternatives. While it is likely that there will be advertising regulation regarding packaging of ENDS products in the future, when and how that comes in remains to be seen. Until then, the rising demand for the products in India is contributing to a rising volume of counterfeits as also fueling the gray market.

Use requirement under the Indian trademark law

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The 2017 amendment to the Indian Trademark Rules brought about some significant changes to the trademark practice in India. In the same year the Supreme Court of India passed a landmark judgment in Toyota Jidosha Kabushiki Kaisha vs. Prius Auto Industries Ltd. and Ors. [2018]142CLA39(SC).

From the point of view of Trademark Office practice, one of the crucial changes that has been introduced is the mandatory filing of the affidavit of use in a use-based application which was optional before. Now, any trademark application that is filed with a use claim in India needs to be supported with an affidavit from the applicant attesting to such use along with documentary evidence to support the use date claimed. The nature of evidence depends on the goods or services applied for. However, the threshold of evidence is steadily increasing, and it is not enough for the applicant to produce evidence to show first adoption or launch of the mark in India. Evidence of continuous and uninterrupted use from the date of first use needs to be produced. Fortunately, the Trademark Office accepts all kinds of evidence such as sale invoices, receipts, third party articles, pages from the applicant's own website, advertisement and promotional materials, photographs of product packaging, consignment orders, license and distribution agreements, etc. as long as the mark is depicted on the evidence. That said, the applicant needs to be mindful of the use claim being made in India as the same may be challenged by an opposite party in a contentious proceeding such as opposition or cancellation actions. Relying on an application which was filed on a proposed use in a contentious proceeding while claiming use prior to the filing date can also be detrimental to the applicant's case.

The judgement in Toyota vs. Prius judgment has not dramatically changed the pre-exiting goalpost and the concept of 'spill over reputation', also known as 'transborder reputation', has only been clarified. In this case, Toyota (who did not have a registration for the mark PRIUS in India) sought to prevent Prius Auto (who had a registration for the mark PRIUS since 2002) from using the mark on the strength of prior use. The Supreme Court of India ruled in favour of Prius Auto as Toyota was not able to prove reputation in the Indian market as on the date of adoption of the mark by Prius Auto. The judgment clarifies that it is not necessary for the claimant to have an establishment or an office in India to prove goodwill. Goodwill has been interpreted widely enough to include knowledge and awareness of a brand in India among the relevant section of public in India. Threshold of goodwill is satisfied if the claimant has customers in India, its advertisements and promotions are targeted towards people in India and generally the claimant, through its mark, can show its presence in India in a more subtle form. Applying the principle of territoriality of trademark, a claimant, in order to succeed, has to prove reputation and goodwill in India before the date of adoption of the mark by the opposite party.

As far as the Indian courts are concerned, the use threshold and principles of trans border reputation have not changed much but in fact have only been clarified. The Trademark Office practice, on the other hand, is constantly evolving and the use threshold has also changed over the years.

The Delhi High Court Rules on India's Bolar Exemption

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Section 107A of the Patents Act 1970 was introduced vide an amendment in 2002. This provision enumerates India's Bolar exemption provision and lays down that it shall not be an act of infringement to use, sell or import a patented invention, if reasonably related to the development and submission of information required under any law in India or in any other country. The purpose of this provision is to ensure that generic manufacturers can conduct research and seek prior regulatory approval to launch patented drugs as soon as the patent term expires.

The scope of this provision was recently settled by the Division Bench of the Delhi High Court in Bayer Intellectual Property GmbH & Anr. Vs. Alembic Pharmaceuticals Ltd. RFA(OS)(COMM) 6/2017. The bench was hearing appeals against judgments of Single Judges which had allowed two generic manufacturers to export patented drugs towards clinical trials for approvals from foreign regulatory authorities. The question before the court in this appeal was whether export of patented drugs was permissible within the ambit of Section 107A. Bayer, the patentee, argued that the provision only provides for the data generated in India under this exception to be submitted in other countries, and does not provide for the overseas sale of the patented product itself. It was also argued that since the provision mentions only "sale" and "import", export had been implicitly excluded by the Legislature. The patentee also argued that if exports were allowed, the patentee would have to undertake global surveillance to check for infringement and would be left remediless if it did not hold a patent in the country of export.

The Court however did not agree with the contentions of the patentee. It held that the Legislature never intended to exclude export from the width of the word "sale". The Court also relied extensively on the 2000 WTO Panel ruling in Canada-Patent Protection of Pharmaceutical Products where Canada's Bolar Exemption law was upheld. The Court held that neither the quantity used nor the place of research and development, whether in India or abroad alone were of primary importance in applying this exemption. The Court also took into account that various countries mandate that clinical trials be conducted only on their soil, and therefore this section should be given a wider interpretation What was important was the conduct of the individual or entity making, using or selling the patented product which must be non-commercial and for regulatory purposes. However, it was clarified that selling of a patented product for a profit but for purposes of regulatory compliance was well within the law.

Nevertheless, the Court also observed that the question of what was "reasonably related' to compliance with regulatory processes in or outside India would have to be answered on a case to case basis. The Courts will have to conduct an inquiry to determine if the provision is applicable, by examining various factors including the nature of the products, the details of both the Indian seller and foreign buyer, the quantity sought to be exported and the regulatory requirements of the foreign country.

This judgement has brought about some much-needed clarity on the applicability of this provision and will certainly have a great impact the Indian pharmaceutical industry. However, it also remains to be seen how the rights of patentee will be safeguarded in ensuring that this provision is not used to guise instances of infringement for commercial purposes.

Dynamic Injunction to Combat Digital Piracy in India

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The Delhi High Court has recently granted what is being characterised as "a dynamic injunction" in the case of UTV Software Communication Ltd and Ors. vs 1337X.TO and Ors. (the UTV case), against illicit communication of movies and music on websites which primarily and predominantly share infringing/pirated content or illegal work, also known as "rogue websites". This case addresses the malaise of websites that resurface after blocking, on account of redirects, mirror websites and alphanumeric websites, also known as hydra headed websites.

The nature of hydra headed rogue websites is such that every time they are blocked, they multiply and resurface. Therefore, a single court order to have the individual websites blocked is never an effective relief. In the wake of GDPR regulations and other such data privacy laws, it has been particularly difficult to deal with such websites in the absence of registrant details as it is tricky to establish a causal relationship between multiple instances of cropping up of offshoots, to be able to obtain a website blocking order on the basis of a previous injunction. The traditional approach in such cases was to seek injunction orders against new websites every time they cropped up and seek fresh orders from the Court to have them blocked. This was not just a cumbersome mechanism, but also resulted in waste of judicial time and resources.

Prior to the UTV case, the Delhi High Court had made an attempt to devise a dynamic injunction in the case of TATA Sky Limited vs National Internet Exchange of India (NIXI) which was a trademark infringement and passing off matter against multiple infringing domain names. The relief sought was that of a direction to NIXI not to register domain names infringing the plaintiff's trademark. The Court recorded that given NIXI's inability to screen out such violations, it is unable to devise a workable solution and referred the matter to a larger bench for consideration.

As far as copyright infringement is concerned, the Delhi High Court has had a history of granting broad based injunction orders in cases of rogue websites including sweeping John Doe orders against ISPs. In the case of Department of Electronics and Information Technology vs Star India Pvt Ltd, a division bench of the Delhi High Court observed the need for a more effective specie of injunction to be granted against rogue websites considering their nature of multiplying within seconds. It therefore ordered the ISP to block the entire website as opposed to the earlier practice of blocking just the offending URL as and when the plaintiff reports it to as the same becomes a gargantuan task for it. However, the Court has always recognised the need to undertake caution while verifying whether a website is in fact a "rogue website".

The UTV case, however, recognises the need for a simpler and more expedient redressal system and discusses the various methods of blocking such websites which have been adopted by various jurisdictions. The solution evolved by the Delhi High Court was that every time the plaintiff becomes aware of one or more mirror website, it can file an affidavit with evidence before a judicial officer of the Court to show that they are offshoots of the already injuncted rogue websites. Upon being satisfied with the evidence, the judicial officer is empowered to direct ISPs to disable access to the websites. The Court has also made a suggestion to the Indian Ministry of Electronics & Information Technology as well as the Indian Department of Telecommunication to frame policies for penalizing and warning internet users about copyright infringement and cautioning them about penalty in case of downloading infringing content in the form of e-mails, pop-ups etc.

Although this is an interesting modification of an existing practice to achieve greater success against hydra headed websites, the requirement of approaching a judicial officer every time a new website surfaces, is ultimately no different from approaching the court (as far as the plaintiff is concerned). True expediency in stopping the proliferation of such sites can only be achieved, if there can be a mechanism to block them at the point of the ISP itself without requiring a court order (in a process similar to how take down notices are issued for counterfeits on e-commerce portals).

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