

Legally Rooted - Newsletter

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Dear Readers.

Welcome to the 4th Issue of Singh & Singh Law Firm LLP's Newsletter. We are thrilled to bring you the latest insights and updates from the dynamic world of Intellectual Property (IP) litigation in our newest newsletter. Since our previous edition, there have been numerous significant developments that are reshaping the landscape of IP law.

In this edition, we highlight the recent landmark decisions in patent and competition law, including the pivotal victories we secured for our clients.

Our goal remains steadfast: to demystify the complexities of legal developments and present them in a clear, accessible, and engaging format. Dive in to stay informed and ahead in the ever-evolving world of IP law.

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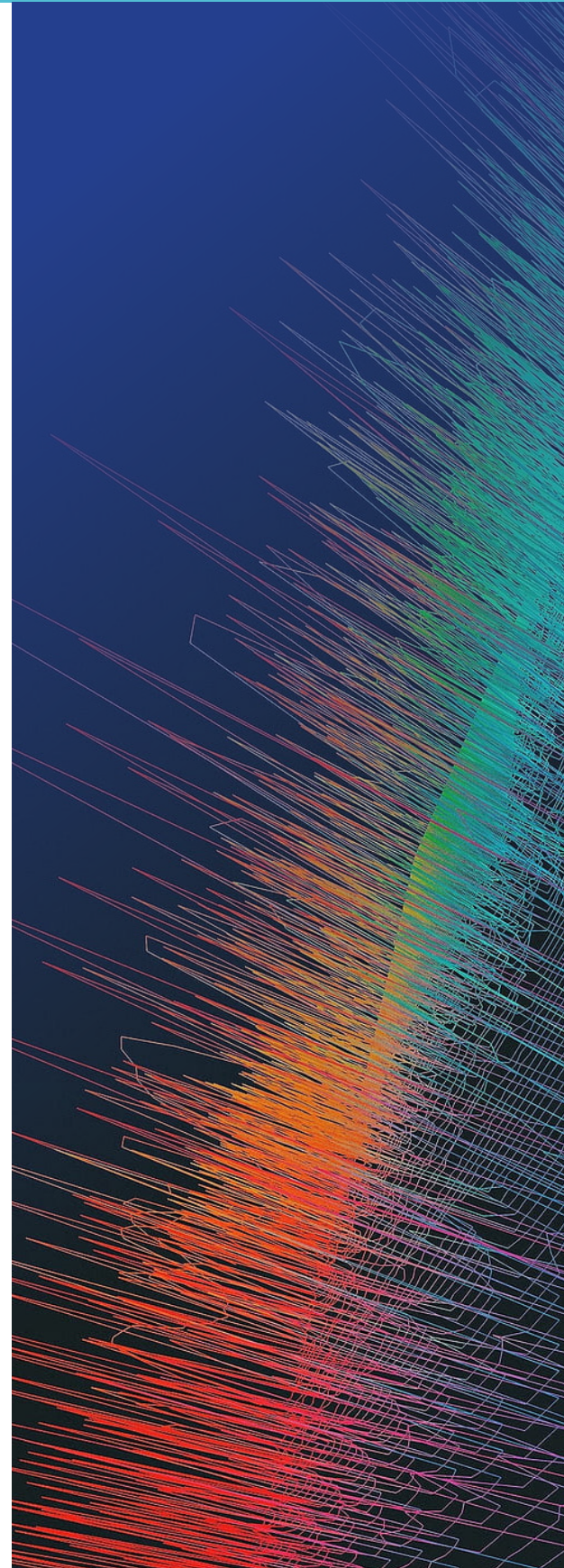
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Delhi High Court orders Lava to pay INR 244 Crores to Ericsson

In a massive victory for Ericsson, the Delhi High Court in its first final ruling on Standard Essential Patents in telecommunications has decreed the suit of Ericsson against Lava, directing it to pay a sum of Rs. 244,07,63,990/- for use of Ericsson's 2G and 3G patents. The Court has also awarded actual litigation costs to Ericsson.

For the FIRST time in India, a Court has undertaken the mammoth exercise of doing a FRAND determination in a litigation of this scale. The Court, also followed the two-step infringement test as set out in *Intex v. Ericsson 2023:DHC:2243-DB*, and held sales of 2G and 3G phones by Lava infringed Ericsson's SEPs.

This judgment was eagerly awaited and will contribute immensely to the landscape of SEP jurisprudence in India and across the world.

This landmark judgment by Hon'ble Justice Amit Bansal deals with various issues involved in the suit in a comprehensive manner. A summary of various findings is as under:

On Essentiality and infringement

- i. Two-step test for establishing infringement of SEPs has been recognized, which involves mapping the suit patent(s) to the standards and showing that the implementer's devices also comply with the standard.
- ii. Ericsson has established the essentiality of suit patents through claim charts.
- iii. In cases involving optional standard(s), test reports to show compliance with the optional standard to be filed.
- iv. The Court accepted the test reports filed by Ericsson showing compliance of Lava's devices with optional standards and held that Lava has failed to show use of alternate technology.
- v. Lava's devices held to be infringing in nature.
- vi. In order to claim benefit of defence of exhaustion, a defendant must provide clear and convincing evidence that the product was purchased in a legitimate manner.

On FRAND and damages

- vii. FRAND protocol balances equities between a proprietor and an implementer, ensuring that neither party has unjust bargaining power in negotiations.
- viii. Lava has been held to be an unwilling licensee due to its failure to negotiate with Ericsson in good faith by consistently delaying licensing negotiations, and its failure to respond to offers or present any counteroffer.
- ix. The purpose of filing declarations of essentiality to SSOs is to bind patent owners to FRAND commitment.
- x. The declarations filed by Ericsson were held to be compliant with ETSI IPR Policy.
- xi. Ericsson is entitled to receive damages based on the loss of royalty/license fees it would have received, had Lava executed a FRAND license agreement.
- xii. Damages are payable for all devices that comply with the relevant standards, not just the tested devices.

- xiii. The Court rejected Lava's argument of fixing royalty on chipset basis and awarded damages on end-user device.
- xiv. Licensing of entire portfolio of SEPs is essential for ensuring interoperability in the telecommunications industry.
- xv. Comparable licenses used to determine if offers made by Ericsson were FRAND and to determine FRAND rates.
- xvi. Allegations of royalty stacking and Hold-Up against Ericsson rejected.
- xvii. Lava held guilty of Hold-Out.
- xviii. Rates offered by Ericsson held to be FRAND.
- xix. Court fixed 1.05% of the net selling price of the devices sold by Lava as FRAND rate for damages.
- xx. Damages can be claimed from the date of publication of the patent application under section 11A(7) of the Act.

On Invalidity

- xxi. Under section 3(k) of the Act, only those inventions are non-patentable which are solely algorithms, mathematical methods, business methods, or computer programs per se.
- xxii. Inventions that result in technical effect which transforms or enhances functionality and effectiveness of a general-purpose processor, not hit by section 3(k).
- xxiii. A 'Seven Stambhas Approach' has been formulated by the Court as a guidance for determination of Novelty. This approach recognizes that novelty can be hit by implicit/inherent anticipation.
- xxiv. 7 Suit patents (out of 8 suit patents) were held valid on all counts.

Ms. Saya Choudhary Kapur (Sr. Partner), **Mr. Ashutosh Kumar** (Sr. Partner), **Ms. Vrinda Bagaria** (Principal Associate), **Mr. Vinod Chauhan** (Principal Associate) and **Ms. Radhika Pareva** (Associate), from Singh & Singh Law Firm LLP represented Ericsson before the Court.



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Vinod Chauhan
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Radhika Pareva
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Key Case Updates at the Firm




1. Hulm Entertainment Pvt Ltd & Ors. vs. SBN Gaming Network Private Limited & Ors. | FAO(COMM) No. 209 of 2023

Singh and Singh Firm had represented the Appellants in the aforementioned appeal before the Hon'ble Delhi High Court. The said appeal was filed against an order dated 10 October 2023 passed in CS (COMM) 718/2023. Vide the said order; the Ld. Single Judge had refused to consider the grant of an ad interim injunction under Order XXXIX Rule 1 & 2 of the Civil Procedure Code, 1908 without affording an opportunity to the respondent /defendant to respond to the said prayers. The aforesaid view had been taken primarily based upon the Ld. Single Judge's understanding of the order of the Court dated 21 August 2023 in 'Dabur India Limited vs. Emami Limited'.

The Hon'ble Division Bench after a detailed hearing, was pleased to allow the said appeal and passed a detailed observation that Dabur India Judgment cannot possibly be construed as interdicting a court from considering the grant of ad interim or ex parte reliefs, if circumstances and the facts of that particular case so warrant. The Hon'ble Division Bench further stated that the conclusion of the learned Judge that Dabur India bids courts to "avoid" passing an ad interim order prior to the defendant being afforded an opportunity is clearly incorrect. It also stated that the Ld. Judge also appears to have erred in understanding Dabur India enunciating a rule that injunction must be refused if it be found that the infringing product has been on the market for some time. It was further clarified by the Hon'ble Division Bench that the Dabur India Judgment neither propounds a "test" nor did it lay down a "standard" against the grant of injunction, ex parte or ad interim.

The Appellants were represented by **Mr. Rajiv Nayar, Mr. Sandeep Sethi, Mr. Chander M. Lall, Mr. Akhil Sibal (Senior Advocates)** along with with **Mr. Sudeep Chatterjee, Mr. Rohan Swarup, Ms. Tanya Arora and Mr. Sanyam Suri (Advocates)**

2. Havells India Ltd. Vs. Yash Royal Cable India Ltd. & Anr | CS (Comm) 538/2023

The said suit was filed by Havells India, seeking injunction against the Defendants from using the mark viz. HAVENS/ HAVENSPLUS along with the logo  ,  ,  which was identical/deceptively similar to the mark of the Plaintiff.

Upon hearing the counsels, the Hon'ble Delhi High Court was pleased to restrain the Defendants from infringing the well-known mark of the Plaintiff vide order dated 08.08.2023.

The Plaintiff was represented by **Mr. Sudeep Chatterjee, Mr. Kunal Vats, Mr. Rohan Swarup, Ms. Tanya Arora and Mr. Sanyam Suri (Advocates)**

3. Havells India Ltd. Vs. Polycab India Limited | CS (Comm) 421/2023

The said suit was filed by Havells India, seeking appropriate orders of injunction from the Hon'ble Delhi High Court, to be passed against the Defendant from infringing the registered designs of the Plaintiff's fans being, '280666', '338021' and '357755'.

The Hon'ble Delhi High Court, after a detailed hearing, was pleased to partly allow the prayer of injunction on 06.12.2023 thereby, restraining the Defendant – Polycab from dealing in its ceiling fans namely, ELANZA which is a direct copy of Plaintiff's design applied on its ENTICER ceiling fan.

The Plaintiff was represented by **Mr. Darpan Wadhwa (Senior Advocate) along with Mr. Sudeep Chatterjee, Mr. Kunal Vats, Mr. Rohan Swarup, Ms. Tanya Arora and Mr. Sanyam Suri (Advocates)**

4. Havells India Ltd. Vs. M/s Ioniq Domotics | CS (Comm) 543/2023

Singh and Singh represented the Plaintiff in the suit seeking injunction against the Defendants from using the mark viz. RIO/ REO which was identical/deceptively similar to the mark of the Plaintiff 'REO'.

Upon hearing the counsels, the Hon'ble Delhi High Court was pleased to restrain the Defendants from infringing the said well-known mark of the Plaintiff vide order dated 21.08.2023.

The Plaintiff was represented by **Mr. Amit Sibal (Senior Advocate) along with Mr. Sudeep Chatterjee, Mr. Kunal Vats, Ms. Tanya Arora and Mr. Sanyam Suri (Advocates)**

5. Havells India Ltd. Vs. G.P. Industries & Ors. | CS (Comm) 562/2023

Singh and Singh firm had represented the Plaintiff in the suit seeking injunction against the Defendants from using the mark viz. RIO FLEX which was identical/deceptively similar to the mark of the Plaintiff 'REO'.

Upon hearing the counsels, the Hon'ble Delhi High Court was pleased to restrain the Defendants from infringing the well-known mark of the Plaintiff vide order dated 21.08.2023.

The Plaintiff was represented by **Mr. Amit Sibal (Senior Advocate) along with Mr. Sudeep Chatterjee, Mr. Kunal Vats, Ms. Tanya Arora and Mr. Sanyam Suri (Advocates)**

6. Havells India Ltd. Vs. Cosmic Communication & Ors. | CS (Comm) 924/2023

Singh and Singh firm had represented the Plaintiff in the suit seeking injunction against the Defendants from using the mark viz. 'HEVALLS' which was identical/deceptively similar to the mark of the Plaintiff 'HAVELLS'.

Upon hearing the counsels, the Hon'ble Delhi High Court was pleased to restrain the Defendants from infringing the well-known mark of the Plaintiff vide order dated 04.01.2024.

The Plaintiff was represented by **Mr. Sudeep Chatterjee, Mr. Kunal Vats and Ms. Tanya Arora (Advocates)**

7. M/s Travel Destination vs Ghumo World Services Private Limited & Ors. | CS(COMM) No. 16 of 2020

The Plaintiff was represented by the firm. The suit was filed seeking recovery of Rs. 82 Lakh from the Defendant Company along with its directors towards the services rendered by the Plaintiff. In addition, the Plaintiff also sought damages to the tune of Rs. 40 Lakhs. During the course of the final hearing, Defendant took the plea that the suit itself is barred by Section 69(2) of the Indian Partnership Act, 1932. Thus, it was contended that the suit be dismissed as non-maintainable. The counsel for the Plaintiff, however, argued that the bar of Section 69(2) of the Indian Partnership Act, 1932 is not applicable in as much as, the recovery is being sought in terms of Section 70 of the Indian Contract Act, 1872.

After a detailed hearing, the Hon'ble Court while accepting the submission of the Plaintiff, decreed the suit in favor of the Plaintiff for an amount of Rs. 82 Lakhs along with 9% interest thereon. The Hon'ble Court also awarded damages of Rs. 20 Lakh.

The Plaintiff was represented by **Mr. Kunal Vats (Advocate)**

Determining Jurisdiction of High Courts regarding Cancellation and Rectification Petitions under the Trademark Act of 1999

[Rohan Swarup & Partheshwar Singh](#)

Recently, in a judgement dated 9th February, 2024, passed in the case of *The Hershey Company vs. Dilip Kumar Bacha, Trading as Shree Ganesh Namkeen & Anr.* [CO(COMM. IPD-TM) 179/2023] and connected matters a Id. Single Judge of the Hon'ble Delhi High Court expressed her reservations about the correctness of the view taken by a coordinate bench in *Dr. Reddy Laboratories Ltd vs Fast Cure Pharma* and accordingly referred the matters before the Court to the Chief Justice for constitution of a larger Bench to conclusively determine the following questions of law:

- i. Whether the decision of the Id. full bench in the case of *Giridhar Lal Gupta* concerning the Designs Act of 1911 would be applicable for the determination of jurisdiction of a High Court under Section 57 of the Trademarks Act, 1999?
- ii. Whether the jurisdiction of a High Court would be determined by the appropriate office of the Trademark Registry that granted the registration of the impugned trademark?
- iii. Whether the expression "High Court" can be differently construed in Sections 47, 57, and 91 of the 1999 Act?

The Hon'ble Court observed that the rectification petitions filed under Section 57 of the Trade Marks Act, 1999 raised an important legal issue concerning the interpretation of the term "The High Court", viz. whether rectification/cancellation petitions can be filed before any High Court where the cause of action arises, or whether they should be governed by the appropriate office handling the trade mark application or registration.

The Hon'ble Court noted that with the introduction of the Tribunals Reforms (Rationalization and Conditions of Service) Ordinance, 2021 followed by the Tribunals Reforms Act ("TRA"), the Intellectual Property Appellate Board ("IPAB") was abolished. The powers previously held by the IPAB were transferred to the High Court. In doing so, however, the TRA failed to define the term "the High Court" creating a gap in the practical application of Sections 47, 57 and 91 of the Trade Marks Act, 1999 that concerns cancellation/rectification petitions and appeals arising from the Trade Marks Registry.

The Hon'ble Court expressed its view that the correct interpretation of the term "High Court" would only be the High Court within whose jurisdiction the application for trade mark registration was filed. In so holding the Hon'ble Court considered the legislative history of the legislations governing the law of trade marks in India as well as judicial precedents on the subject.

The Hon'ble Court noted that trademark law in India was initially governed by Trade Marks Act, 1940, wherein powers of the High Court were provided through certain provisions;

- Section 2(d) read with Section 219 of Government of India Act defined "High Court".
- Section 46 vested power of cancellation/rectification petitions with the High Courts.
- Section 76 dealt with appeals to the High Court.

The Act of 1940 was replaced by the Act of 1958, where the aforementioned provisions of the previous Act had counterparts:

- Section 56 was concerned with Rectification/cancellation petitions,
- Section 109 dealt with appeals,
- Writ petitions arose out of proceedings before the office of Trade Marks Registry.

The Hon'ble Court further noted the judgment of the Hon'ble Andhra Pradesh High Court in the case of *Habeeb Ahmad vs Registrar of Trademarks, Madras*², where it was held that cancellation/rectification petitions would be entertained only by the High Court in whose jurisdiction the trade mark registration was filed. This judgment in turn relied upon the judgment of the Hon'ble Madras High Court in *Chunulal vs. G.S. Muthiah*³. Both these cases established a principle of territoriality when determining the correct forum for cancellation or rectification petitions regarding trademarks.

The Hon'ble Court further traced the evolution of the law by noting that the Trade Marks Act, 1999 introduced the Intellectual Property Appellate Board (IPAB) under Section 83 of the Act. The IPAB held hearings not only as per the appropriate office where the registration occurred, but also when both the parties consented. Owing to this, the IPAB held hearings even outside the jurisdiction of the four Trade Mark Registrar offices.

The Hon'ble Court considered the Patents Act, 1970 and Designs Act, 2000, both of which define the term "High Court", to determine the legislative intent and jurisdictional scope of the High Court to entertain rectification petitions under the Trademark Act of 1999. The challenge faced here is that both the aforementioned statutes provide varied definitions of "High Court", which does not allow for a harmonious interpretation of the prevailing law.

The issue of determining the appropriate jurisdiction in such matters has been dealt with in the case of *Girdhari Lal Gupta vs K. Gian Chand Jain*⁴. Here, in the context of the Designs Act, 1911, the learned full bench considered the static and dynamic effects of cancellation petitions under the Section 51-A of the Designs Act, 1911. The static effect is felt where a petitioner is acting *pro bono publico*, i.e., in public interest. In such a circumstance the appropriate forum would be the High Court in whose jurisdiction the Trademark Registry office is located. The dynamic effect, on the other hand, is said to occur when the private commercial interest of a person is affected. In such a situation, the appropriate jurisdiction would be that of the High Court where the concerned commercial interest lies. This principle of dynamic effect is what would allow a High Court, apart from the one within whose jurisdiction the Trademark Registry is located, to take jurisdiction of a cancellation or rectification petition.

This principle was relied upon in the case of *Dr. Reddy Laboratories Ltd vs Fast Cure Pharma*⁵, where the learned single judge determined whether or not the High Court of Delhi would be the appropriate forum for cancellation or rectification petitions where the concerned mark is registered in an office of the Trademark Registry located outside the territorial jurisdiction of the Delhi High Court. The learned single judge observed that the principle enunciated by the Full Bench in the *Gridhari Lal* case would be applicable, and therefore if the commercial interest of the person affected occurred in Delhi, the Hon'ble Delhi High Court would in fact be the appropriate forum. The Hon'ble Single Judge re-affirmed that such a petition is not only maintainable before the High Court within whose jurisdiction the mark has been registered, but also those High Courts within whose jurisdiction the dynamic effects of the impugned registration is felt.

However, the Id. Single Judge in Hershey's was of the opinion that the case of Gridhari Lal Gupta was not a suitable precedent as it was concerned with the Designs Act, 1911 which did not anticipate the existence of the IPAB. The Id. Single Judge was of the opinion that the effect of the TRA on the Trademarks Act of 1999 is unique and would therefore require further deliberation. Furthermore, the Id. Single Judge observed that the dynamic effect approach of the Hon'ble High Court in the case of Dr. Reddy Laboratories Ltd. could potentially expand the scope of explicit provisions and indirectly fill gaps that the legislature did not address.

In view of the significant issues noted above, the Id. Single Judge has referred the matter for the constitution of a larger bench. The Hon'ble Chief Justice has since then constituted a 5-Judge Bench to adjudicate the matter. Whatever be the outcome, it is sure to have a positive effect and give much needed clarity for stakeholders and adjudicators alike.

Rohan Swarup
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Partheshwar Singh
Intern Associate

¹2023: DHC: 6324

²AIR 1966 AP. 102

³AIR 1959 Mad. 359

⁴AIR 1978 Del 146

⁵2023: DHC: 6324

Congratulations!

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