

PROFESSIONAL PROGRAMME EXAMINATION (NEW SYLLABUS)

ELECTIVE PAPER 9(4)

INTELLECTUAL PROPERTY RIGHTS — LAW AND PRACTICE

MODEL QUESTION PAPER

Time allowed: 3 hours

Max Marks: 100

Note: Attempt all questions.

Question No. 1

Read the following case and answer the questions given at the end of the case:

**IN THE MATTER OF
ABC Limited (Appellant)
Vs.
*A& BC Limited (Respondent)***

ABC Ltd., the Appellant herein, instituted a Suit No. 4007 of 2013 before the High Court seeking a decree of permanent injunction against A&BC Paper Mills Ltd., the Respondent herein, restraining it from using in any manner as a part of its corporate name or trading style the words " A&BC " or any word which is deceptively similar to "ABC.

The Appellant is a 'company' incorporated and registered under the Indian Companies Act, 1913 and is an existing company under the Companies Act, 2013. It was incorporated in October 1945 with the name 'ABC Ltd.' having 15 other subsidiary companies.

The case of the Appellant is that the word ' ABC ' is its registered trade mark bearing Registration No. 338997, in respect of the goods in Class 12 of the Trade Marks Act, 1999 (hereinafter referred to as 'the Act'). According to the Appellant, the word ' ABC ' is not only a registered trade mark but forms the dominant and significant part of the appellant and other companies of the group. The companies carrying the name 'ABC' are engaged in industrial and trading activities in multiple fields such as manufacture of cars, jeeps, tractors, motor spare parts, farming equipments, chemicals, hotels, real estate, exports, computer software and computer systems, etc. The annual turnover of the appellant and some of its group companies exceeds Rs. 1, 00,000 crore. The annual expenditure for advertisements and market development for sales promotion by the appellant and its group of companies is about Rs. 900 crore. The Appellant has averred that the name and trade mark of ' ABC ' is extremely popular in India and is associated

with the products and services of the appellant. It was further averred that the ABC group of companies have a nation-wide network of selling and distributing agents. The name and trade mark "ABC " is prominently used and displayed on all its products and also promotional materials. The further case pleaded by the Appellant is that on 20th August, 2013, it came across a prospectus of the Respondent in respect of its public issue and for the first time the appellant then came to know about the existence of the Respondent and its corporate name. The name of the Respondent is almost the same as that of the Appellant with the only difference in spelling by substituting ' ABC ' for 'A&BC '.

It is the contention of the Appellant that the words are phonetically, visually and structurally almost identical and in any event deceptively similar. In the prospectus of the respondent the words "A& BC " are more prominently written than the rest of the names.

According to the Appellant, the Respondent wishes and intends to fraudulently and wrongfully deceive members of the public into believing that the respondent is the associate of the appellant or in some way connected with the appellant and to trade on the reputation of the appellant. The Appellant apprehends that by the use of name/words deceptively similar to that of the appellants name as its corporate name the intention of the respondent is to pass-off or likely to pass-off and to enable others to pass-off its business and products as those of the appellant. It is the contention of the Appellant that the Respondent by use of the said words is trading on the goodwill and reputation of the Appellant. The Appellant in the notice issued on 28th August, 2013 had called upon the Respondent to change its name. It had also moved the Securities and Exchange Board of India and various Stock Exchanges in the country drawing their attention to the fact that the respondent was using a deceptively similar corporate name as that of the appellant and to take appropriate action against the respondent.

The Respondent, in its reply to the said notice, took the plea that it has used the name of ' A & BC' honestly and the allegations made by the Appellant that it has dishonestly adopted the said name and style is misconceived. The Respondent , contested the notice by filing a reply affidavit in which it was stated, *inter alia*, that the deponent is better known as 'A&BC ' in the trade circle and he resides in ' A&BC House' named after him. He has been filing income tax returns in the name of A&BC. In the year 1974 he started his sole proprietary business in the name of ' A&BC Radio House'. After about four years, it started a partnership firm in the name of ' A&BC Seeds Company'. The Respondent further averred that on 1st of January, 1982 the said partnership of A&BC Seeds Company was incorporated as Pvt. Ltd Company In The Name of A&BC Seeds Pvt. Ltd. Another proprietary firm by the name ' A&BC Music & Electronics' was started by the respondent in the year 1983 and the same was registered under the Sales Tax Act also.

The Respondent further stated that its products are, in no way similar to the products and businesses of the appellant. The business carried on by the respondent does not overlap with the business of any of the companies enlisted by the Appellant. The Respondent pleads that it has a reputation of its own in the name of ' A&BC and cannot derive any benefit by the name which is alleged to be similar to that of the Appellant.

Thereafter, the Appellant (ABC Ltd.) filed the suit.

The assertion of the Appellant that the trade mark ABC has come to be identified with the Appellant or the Appellants group of companies in any manner, has been denied by the Respondent. The Respondent has also denied that the name of its company can be said to be deceptively similar to that of the Appellant. The plea of passing-off or likelihood of passing-off of trade or business of the Appellant has been denied. The Respondent has also set up the plea that the balance of convenience is not in favour of the Appellant nor would the appellant suffer irreparable loss in case the injunction is not granted.

An interim injunction passed by single judge of High Court against the Respondent (A&BC ltd.) as follows:

That pending the hearing and final disposal of this suit, the Respondent by itself, its servants, its agents or otherwise howsoever be restrained by an order of temporary injunction of this Hon'ble Court from in any manner using as a part of its corporate name or trading style the words "A& BC " or any word(s) which are deceptively similar to "ABC " so as to pass-off or to enable others to pass-off the business and/or services of the Respondent as those of the Appellant or as emanating from or affiliated or in some way connected with the Appellant.

The Respondent appeal to the Division Bench of the High Court to set aside the order passed by the learned Single Judge and to vacate the interim order of injunction. After hearing all the submissions, the Division Bench of the High Court uphold the order passed by the learned Single Judge.

Further, the Respondent Appeal to the Supreme Court

Submission of the Respondent's Advocate before the Apex Court: The main thrust of the submissions of learned counsel for the Respondent, was that the present case is not an action for infringement of trade mark but it is an action in passing-off the business and services. In the absence of any similarity of the goods manufactured or sold by the parties the tests of deception or confusion amongst the consumers does not arise. According to learned counsel, the action in passing- off is not to be considered in

the abstract sense; it has to be judged on the facts and circumstances of the case. The learned counsel contended that the respondent has been doing business since 1974 using the trade name "A& BC" in a wide range of products. Therefore, the claim of exclusive user of the name made by the appellant does not arise, at least not at the interlocutory stage, as it depends on evidence to be led in the suit. The learned counsel further submitted that while judging the plea of passing-off, the test to be applied is probability and not mere possibility of confusion or deception. On the facts and in the circumstances of the case, the learned counsel submitted that grant of interim injunction in favour of the Appellant was not warranted.

Submission of the Appellant's Advocate before the Apex Court: Per contra, the learned counsel for the Appellant, contended that the order of interim injunction passed by the learned Single Judge is based on well recognised principles of law which have been aptly applied to the case in hand. Learned counsel further contended that on a bare perusal of the prospectus issued by A & BC Paper Mills Ltd. it is manifest that the Respondent is trying to utilise the tremendous popularity and goodwill associated with the appellant's name 'ABC' in the trade circles. According to him, any man of average intelligence and imperfect recollection is likely to get an impression that the defendant is one of the associated companies of the 'ABC' group. The further contention of the learned counsel was that whatever amount was collected by the Respondent from sale of shares of the company to investors was due to the deceptively similar name given to the respondent company. It was further submitted by the learned counsel for the Respondent that the business activity of the company has not yet commenced. The learned counsel contended that the appellant successfully established a strong *prima facie* case in its favour and in the circumstances denial of order of interim injunction will result in irreparable loss and injury in its trade and business.

The question that arises before the Supreme Court for determination in this case is, whether, on the facts and circumstances of the case, the High Court committed an error in granting the Appellant's prayer for interim injunction.

In view of the above facts and circumstances answer the following questions:

- a) 'Passing -off' and 'Infringement' of Trade Marks are same. Critically examine the statement.
- b) On the facts and circumstances of the case, whether the High Court committed an error in granting order of injunction. Discuss with the support of case law.
- c) Enumerate the factors which are to be considered by the Court in an action of 'passing-off' of Trade Marks.

- d) Whether the High Court should apply Anton Piller order, in its injunction order.
Discuss the doctrine of Anton Piller order.
- e) Critically examine the facts and legal position in the above case and draft a reasoned order.

(10 marks each)

Question No. 2

(a) “The mere discovery of a new form of a known substance which does not result in the enhancement of the known efficacy of that substance or the mere discovery of any new property or new use for a known substance or of the mere use of a known process, machine or apparatus unless such known process results in a new product or employs at least one new reactant” is not an inventions within the meaning of Section 3(d) of the Patents Act, 1970. The primary purpose of section 3(d), as is evident from the legislative history, is to prevent “ever greening” of patents and yet to encourage incremental inventions. Discuss with the help of decided case law.

(b) Explain the rational for exemption of certain acts which do not constitute infringement of copyright and enjoy statutory exception under Copyright Act, 1957.

(15 marks each)

Question No. 3

TRIPS Agreement obliges member States exclude from patentability plants and animals other than micro-organisms and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes. Comment.

(5 marks)

Question No. 4

Effective management of Intellectual Property enables companies to use their intellectual property rights to improve their competitiveness and strategic advantages. Discuss the significance of Intellectual Property Management.

(5 marks)

Question No. 5

Industrial design play an important role in the trading of consumer goods or products as well as helps economic development by encouraging creativity in the industrial and manufacturing sector. Discuss briefly the legal protection available to a registered design and state the consequences for the piracy of a registered Design?

(5 marks)

Question No. 6

Undisclosed Information, Trade Secrets or Know-How are vital for business enterprises whether micro, medium or large. These key strategic asset needs to be protected. Comment.

(5 marks)
