Legislative and Judicial Protection of Goods in India from Counterfeiters and Pirates

Dr. Alka Chawla IPR Expert Faculty of Law University of Delhi

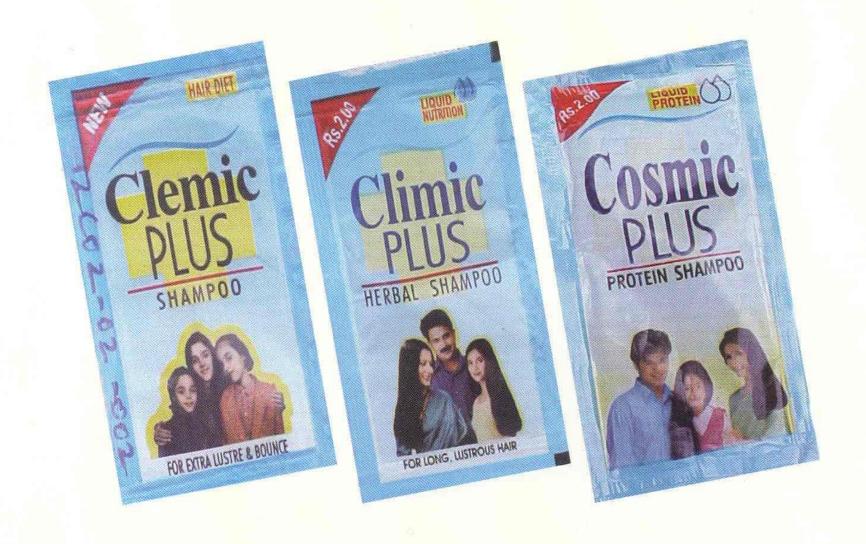
alka.chawla@rediffmail.com

Some examples of Pass-offs

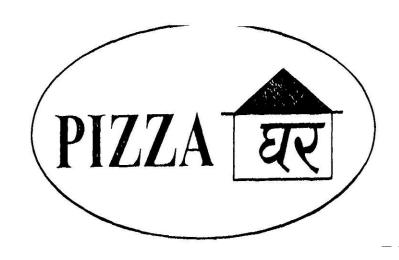












INDIA

- Quasi Federal country with 28 states and 7 union territories.
- Constitution of India, 1950 is the fundamental law.
- Centre has the power to enact IP laws.
- States have the power to enforce IP laws.
- No uniformity with respect to enforcement in the country

Counterfeit Products

- Visually similar
- Phonetically similar
- Exact duplicates or spurious goods

Legislative Enactments

Intellectual Property Statutes

- Indian Penal Code, 1860
 Consumers Act, 1986
- Drugs and Cosmetics Act, 1940
- Prevention of Food Adulteration Act, 1954
- Bureau of Indian Standards Act

Government Agencies for Enforcement and Protection of IP Rights

- Administrative Machinery
- Police and Investigating Agencies
- Customs
- Judiciary
 - Civil remedies
 - Criminal remedies

(Both can be used simultaneously)

Proactive Government Initiatives

- Awareness campaigns
- Institutions for training officers
- Advisory Council like CEAC
- IPR Units in Universities with grants from UGC

Proactive Police Initiatives

- Special cells in State Police Headquarters
- Law and Order Police-render assistance for raids on counterfeiters
- Suo motu raids by police under Section 115(4) of TMA, 1999 and Section 61(4) of CR Act, 1957
- CID for investigation
- EOW of Central Crime Branch-Video Piracy Cell, Cyber Cell, Trade Mark Cell

Industry Initiatives

Following play a major role in opposing piracy:

- Brand Protection Committee of Federation of Indian Chambers of Commerce and Industry.
- IT Anti Counterfeit Coalition of India (IACC)
- Indian Pharmaceutical Alliance (IPA)
- National Association of Software and Services Companies (NASSCOM)
- Business Software Alliance (BSA)
- Search through Investigative Agencies by Individual Companies

Judiciary: Civil Reliefs Available

- Injunctions
 - Anton Piller Order
 - Mareva Injunction
 - John Doe Order
 - Norwich Order
- Damages
- Punitive Damages
- Account of Profits

Anton Piller orders

- Derives its name from Court of Appeal decision in Anton Piller V. Manufacturing Processes [1976]Ch 55.
- Order is granted ex parte
- Courts appoint court commissioners to enter into an infringer's premises and carry out inspections to identify evidence of counterfeiting and piracy
- Takes defendant by surprise, precludes him from destroying evidence
- Defendant can be directed to disclose the names and addresses of suppliers and customers

- Court-appointed commissioners are also empowered to seize and seal any infringing evidence found at an infringer's premises for the purposes of a trial, which not only prevents the infringing material from further circulation but also helps the court to adjudicate on the matter efficiently and effectively.
- This remedy sends a strong deterring signal to infringers that they are not always safe if they are indulging in piracy either by use or commercial sale

Mareva Injunction

- Freezes the assets of the defendants
- Restrains the defendants from disposing of assets

 Anton Piller with Mareva can destroy the defendant's business

Norwich Pharmacal orders

- Gets the name from Norwich Pharmacal Co. vs.
 Customs and Excise Commissioner[1973]3WLR164
- An order by which information can be had from third parties or strangers to the suit regarding suppliers, distributers and manufacturers of infringing materials.
- Customs and excise officers can be directed to disclose details regarding the movement of goods, quantities, values and supporting invoices.

John Doe or Roving or Ashok Kumar Order

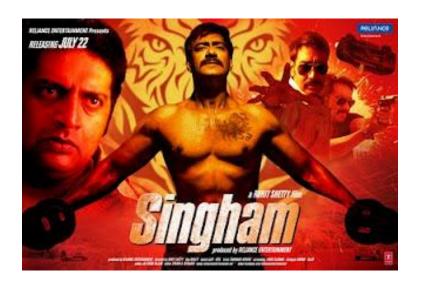
- When name and identity of culprit is not known and, therefore, suspected party may not be named in the suit.
- Empower court commissioners to visit any premises where they have reason to believe that an infringement is being committed

John Doe Order (JDO)

 Example I – JDO passed by Delhi High Court against various cable operators. Pay channels shown by cable operators using illegal decoders imported from Gulf and did not pay any subscription money to channels.



JDO



 Example II – JDO in favour of Reliance Big Entertainment Ltd. on 20.07.2011 for movie Singham against Jyoti Cable Network and other unnamed and undisclosed persons.

Account of Profits

- Df. asked to account to plaintiff the profits earned by him on account of infringing the copyright or trademark.
- There has to be investigation of actual accounts of Df.
- M.L. Gupta vs. The Board of School Education
 Haryana Df. ordered to pay 20% of profits as
 matter copied was less than one-tenth of the book

Damages: Compensatory, Punitive

- India has traditionally followed the principle of Compensatory Damages to remedy losses.
- Recent trend is to award Punitive Damages following American approach to discourage the lawbreakers.
 - Adobe Systems Inc. v. P. Bhuminathan (2009)
 - Aktiebolaget Volvo & Ors. v. AK Bhuva (2006)
 - Microsoft Corporation v. Deepak Raval (2006)

Criminal Remedies

- Can be availed of simultaneously with civil remedies.
- Imprisonment, fine, seizure and delivery up of all infringing copies to owner of copyright, trademarks
- First Conviction:
 - Imprisonment : 6 months to 3 years
 - Fine : INR 50000 to INR 0.2 million
- Second Conviction:
 - Imprisonment : 1 year to 3 years
 - Fine: INR 0.1 million to INR 0.2 million

Encouraging Trend of Judiciary

- Bajaj Auto Ltd. v. TVS Motor Co. Ltd. (2009) SC held that in matters relating to Trademarks, Copyright and Patents Order XVII Rule 1(2) to be strictly complied with.
 - Matter should proceed on day to day basis.
 - Final judgment to be given within 4 months of filing of suit.
- Shri Vardhaman Rice and General Mills v. AS Chawlawala (2009)
 - Experience shows that IPR litigation mainly fought for temporary injunction – years delay.
 - Effort to finally dispose of matter.

Challenges for Effective Enforcement

- Judiciary overburdened copyright owners do not prefer to proceed beyond interlocutory injunction.
- Judiciary lenient towards first offenders.
 Defendants ensure a new person as an offender each time.
- Consumer happy to buy low-priced pirated goods and do not co-operate with enforcement agencies.
- Enforcing officers consumers with low purchasing power.
- Police and enforcement a state subject.
- Unawareness of enforcing agencies
- Corruption in enforcing agencies.

Suggestions

- Awareness campaigns more vigorous.
- Affected Industry to seized fakes have counterfeit cell of legal officers, business manager, personnel trained in quality control, regulatory services and safety measures.
- Publicity through press releases and television as social stigma more damaging than monetary fines

Suggestions

- Rewards to be announced by Government and Industry to informers.
- Special anti piracy Tribunal
- Vigorous training of enforcement officials
- Enforcing agencies to consider piracy a grave crime.
- Centralised National Body with power to enforce cross borders.
- Industry to employ cost effective, consumer friendly technologies to protect and authenticate products.

Thank you