Remfry & Sagar

Letter From India

February 2019

2019: The Indian IP Scenario

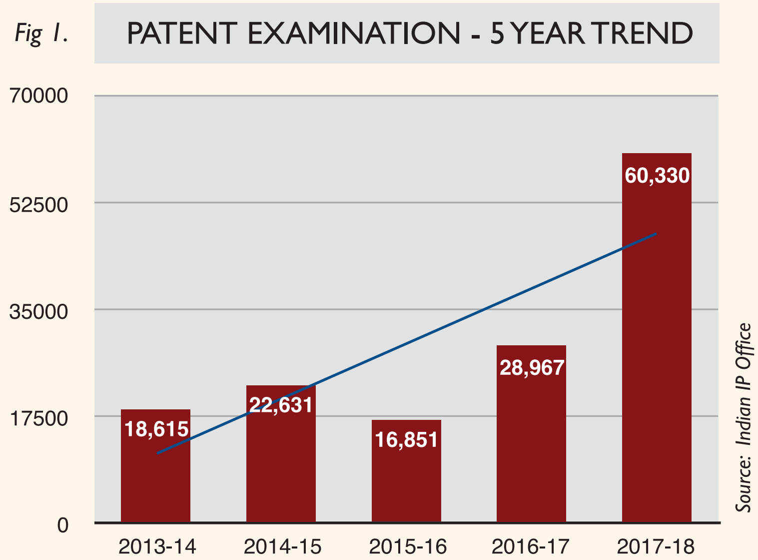
A good place to begin our reportage of recent events is the Indian Intellectual Property Office. Statistics released on its functioning continue to impress year on year.

The Patent Office examined a record number of applications in 2017-18 - 60,330 applications were examined in contrast to 28,967 applications examined during the same period in the preceding year. *Fig 1* shows the steep increase in examination figures over the last 5 years.

The Department of Industrial Policy & Promotion (DIPP) has predicted that the Indian Patent Office will be disposing around 2,00,000 applications in the next two years.

Increased staff strength and streamlining of various processes are the main drivers of the swift disposal at the Patent Office.

Fig 1.



As for the Trademark Office, which has also seen augmentation of staff complemented by increased use of technological tools (such as video-conferencing as a mode of conducting show-cause hearings), significant examination pendency was tackled successfully in 2016-17. Currently, trademark applications are typically examined within one month of filing; thus, filing and examination statistics are keeping pace with each other. To illustrate, 2,72,974 trademark applications were filed in 2017-18 and 3,06,259 applications were examined.

Meanwhile, as in the case of patents and trademarks, efforts are underway to digitise all records of the Copyright Office – at the moment, the database of searchable copyright applications is limited. Also, the Designs Office recently introduced e-filing of applications and several other forms.

In other news, the number of patent filings by Japanese companies in India has reportedly almost tripled over the last decade. In collaboration with the Japan Patent Office, the DIPP recently declared its intention to start a pilot Patent Prosecution Highway (PPH) program in the first quarter of this year. In this connection, it had in December 2018, published draft Patent Amendment Rules that *inter alia* propose to broaden the class of applicants that can avail the route of expedited examination of patent applications. The broader category would include startups and small entities, natural persons with at least one female applicant and government undertakings whether Indian or foreign. These Rules also propose to do away with the fee for availing the facility of WIPO DAS for priority documents. They further clarify that a foreign entity can claim small entity status by producing any document as evidence of eligibility.

The 'working of patents' is another trending issue. Hearing a Public Interest Litigation (PIL) on the subject, the Delhi High Court had disposed off the matter last April after directing the Patent Office to propose amendments to the working requirements factoring in any suggestions that stakeholders might have. Though the Patent Office issued a notification seeking comments from stakeholders on the issues raised in the PIL, no further progress on the said amendments had been reported till the end of 2018. The petitioner brought the delay to the court's notice once again earlier this month and the latter has sought a status report from the Patent Office which it would consider at the next date of hearing - February 15. Hopefully, we will see some clarity emerge in the next few months, as the Patent Office (and the court) decides the importance of the ideological requirement of working of patents in India, the procedural steps for compliance with the requirement and the consequences of non-compliance. Whatever the outcome, it is almost certain that the finality will bring about far reaching changes with respect to the working requirement.

IP IN THE SUBCONTINENT

Over the course of nearly two centuries of existence, Remfry & Sagar has fostered close associations across geographies facilitating easy fulfilment of a client's global IP needs. That said, we would like to highlight that in addition to India, we have a strong foothold in the entire subcontinent region. On account of a close network of associates and several cultural and legal similarities, we often function as a one-stop shop for our clients and assist them with a complete range of IP services in neighbouring jurisdictions such as Nepal, Bhutan, Bangladesh, Sri Lanka, Pakistan, Myanmar and the Maldives.

With an ear close to the ground in the whole region - we hear that in Myanmar the first trademark law is likely to come into force in 2019. Despite joining the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) in 1995 and the World Intellectual Property Organisation (WIPO) in 2001, protection of IP in Myanmar still mostly relies upon common law. Several bills have been drafted to modernise the IP regime, including the Trademark, Patent, Industrial Design and Copyright Bills, but their progress to becoming the law of the land has been slow. However, on December 12, 2018, the Myanmar Trademark and Geographical Indication Law was passed by the Lower House of Parliament following its adoption by the Upper House on February 15, 2018. It now awaits approval by the Union Parliament (combined House) and Presidential assent. Among several notable changes, the new law introduces a "first-to-file" system that requires no evidence of prior use or ownership in Myanmar. Presently, trademarks are protected by means of filing a Declaration of Ownership at the Office of the Registrar of Deeds and Assurances, Yangon under "*Section 18(f) of the Registration Act*" and "*Direction No. 13*" of the Inspector General of Registration. Once the Declaration is registered, public awareness of ownership of the trademark is made through a Cautionary Notice published in a local newspaper. Such cautionary notice may be re-published after 3 years to warn the public/trade against infringement.

FIRM BUZZ

Remfry & Sagar's **Annual Day celebration** on December 15, 2018 was a joyous and fun-filled evening. As part of the celebrations, several Remfry veterans were felicitated for their valuable contribution - 16 people were honoured for completing 10 years at Remfry & Sagar this year and 2 persons received commendation for completing 25 years. **The number of team members who have spent over 10 years at the Firm now stands at 77** - likely to be an industry benchmark!

On another happy note, we continue to be recognised as leaders in the IP domain. ***Chambers & Partners, The Legal 500*** and ***Asialaw*** all place the Firm in the Top Tier for IP in recently released rankings for 2019.

Carlsberg - Landmark Ruling on Composite Suits

For the very first time in an IP suit, a Special Bench of five judges was constituted at the Delhi High Court in the case of *Carlsberg Breweries A/S v. Som Distilleries & Breweries Ltd.* to decide a seminal point of law. The question was whether or not it was legally permissable to file a composite suit for infringement of a registered design as well as passing off.

In 2015, Carlsberg Breweries, represented by Remfry & Sagar, instituted a suit for infringement of registered design and passing off against Som Distilleries with respect to Carlsberg's beer bottle 'TUBORG'. Som Distilleries, relying upon the case of *Mohan Lal v. Sona Paint* (delivered by a three judge bench of the High Court of Delhi) contested the maintainability of this suit on the ground that a single suit could not club two causes of action i.e. infringement of a registered design and passing off. It cited the ratio in *Mohan Lal* - *"the cause of action for a suit for infringement of a registered design is different from the cause of action on which a claim of passing off is premised - two separate suits have to be filed, though, if filed at the same time, or in close proximity, they may be tried together as there may be some aspects which may be common"*. This decision relied upon the Indian Supreme Court's ruling in *Dabur India v. R.K. Industries*, wherein it was held that two different causes of action could not be combined in a single suit when the court lacked jurisdiction to entertain any one of the causes of action.

Remfry and Sagar contended that the decision rendered in *Mohan Lal* was rooted in an incorrect interpretation of the law. Finding merit in our argument, the single judge requested the matter be considered by a larger bench of the Delhi High Court (comprising more than three judges) to bring greater clarity to the issue. Accordingly, the Chief Justice of the Delhi High Court constituted the special 5 judge bench.

Before the larger bench, we once again argued that the *Dabur* ruling was premised on circumstances where a court had jurisdiction to decide an infringement suit but lacked jurisdiction to try a suit of passing off – in such a case, a composite suit was not maintainable. For example, under the Indian trademarks statute, in addition to the jurisdiction set out under the Code of Civil Procedure (CPC), a plaintiff is also allowed to sue for infringement where it resides or carries on business. An action of passing off, however, is not entitled to the benefit of such an additional forum for, under the CPC, suits can only be filed where the defendant resides/ carries on business or the cause of action arises. So applying the *Dabur* ratio, if the conditions under the CPC are fulfilled within the territorial jurisdiction of court 'X', and the plaintiff resides/carries on business within the territorial jurisdiction of court 'Y', the plaintiff cannot file a single suit for infringement and passing off before court 'Y'. Now such a dichotomy in jurisdiction was impossible in the case of design violations - under the Indian designs statute, unlike the trademarks statute, no additional forum is provided to a plaintiff. So just as in the case of passing off, a suit for design infringement can only be initiated where the cause of action arises or the defendant resides/carries on business.

The special Bench concurred with our arguments. In its judgment of December 14, 2018, observing that the CPC explicitly provides for joinder of causes of action in one suit, it held that the basic facts which impelled a plaintiff to approach a court of law complaining of design infringement were the same ones that underlay a case of passing off; thus, in such circumstances it was inconceivable that a cause of action be split and presented in the form of two separate suits. Overuling *Mohan Lal,* the Bench reasoned that both causes of action i.e. infringement of design and passing off would arise from the "same transaction of sale"; common questions of law and fact would be presented; and thus, joinder of causes of action "ought" to be done.

Accordingly, in a decision bound to have far reaching implications, it was held that a composite suit for infringement of a registered design and passing off is maintainable. The Bench went one step ahead and made it clear that misjoinder of causes of action is, in any case, merely a procedural issue and not a ground for 'rejection' of a suit.

Noose Tightens On Counterfeit Imports

IP owners can block the import of goods infringing their trademark, copyright or design rights by filing watch notices with Indian Customs. The 'Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007' ('the Rules') together with the Customs Act, 1962, authorise customs officials to suspend clearance of, and also destroy, infringing goods being imported into the country from any point of entry. Given the rising menace of counterfeits, such provisions are pivotal for right holders in India.

In a promising development, Remfry & Sagar recently argued a case before the Madras High Court that further strengthened the hands of right owners looking to stop the entry of counterfeit products into India. The court in this case directed Customs to seize a counterfeit shipment even though the right holder in question had not registered its IP rights in the country.

Roxar, a well-known manufacturer of drilling and rock breaking equipment, approached Remfry & Sagar upon learning its IP rights were being misused. An erstwhile client – Mavco - was manufacturing rock breaking machines under a logo substantially similar to one used by Roxar and utilising Roxar's proprietary rights in the trademarks/ trade name 'Euro Star'/ 'Roxar'. Also, Mavco's website - www.eurostarbreaker.com – stated: "our EuroStar Rock–Breakers are a Mavco-Roxar brand".

Further, Roxar learnt that a vessel carrying Mavco's products (*en route* to an Indian distributor) was to dock at the Indian port of Chennai on November 11, 2018. Given these facts, we immediately proceeded to file a copyright infringement and passing off suit before the High Court of Madras to restrain Mavco's use of Roxar's copyright and trademarks and also to suspend clearance of the counterfeit goods. Noting the urgency in response demanded by the circumstances of the case, the court passed the following orders on the very day (November 9, 2018) that the suit was instituted:

- *ex-parte* interim injunction restraining Mavco from using the impugned marks;
- direction to Customs to inspect the incoming shipment, inventory and detain the goods; and
- a local commissioner to be appointed to inventory the goods and submit a report to the court.

Thereafter, the shipment was seized and goods worth INR 90 lacs (approx. USD 1,30,000) interdicted.

Under prevailing practice, such a notice to Customs is furnished only if the right holder's IP is registered in India. In lowering the bar to include unregistered common law rights, the court has set important precedent.

Monsanto: Supreme Court Ruling

In a much awaited order, the Supreme Court on January 08, 2019 held that the Division Bench had erred in passing a summary judgment on complex technical issues and in invalidating Monsanto's patent without examining expert evidence. The order of the Division Bench in *Monsanto Technology LLC and Ors. v. Nuziveedu Seeds Ltd. and Ors* was therefore set aside and the suit remanded to the Single Judge for disposal in accordance with the law.

The patent in dispute pertains to Monsanto's Bt gene technology for cotton seeds that makes them resistant to infestation by bollworms. Several domestic seed companies, including Nuziveedu, who were desirous of creating their own varieties of bollworm resistant seeds had entered into licensing agreements with Monsanto under which they had to pay the latter royalties in return for utilising Monsanto's seeds as carriers to breed their own varieties. In 2015, government orders sought to fix the 'maximum value of royalty'. Pursuant to this the seed companies refused to pay the higher royalties stipulated in the licensing agreements, leading Monsanto to terminate the licenses and file a suit before the Delhi High Court to restrain infringement of its intellectual property rights. In turn, the domestic seed companies challenged the validity of Monsanto's patent. In March 2017, the Single Judge ruled that during the pendency of the suit, the seed companies - bound by licensing agreements signed with Monsanto – must continue to pay it royalties; however, to Monsanto's dissatisfaction, the royalty amounts were not contractual but determined by price controls set by the government.

Parties to the suit filed cross-appeals and the Division Bench in its ruling of April 11, 2018 granted a stay on the lower court's order. It also ruled that Monsanto's patent was invalid and offered that Monsanto could try and seek a different sort of protection available under the Protection of Plant Varieties and Farmers' Rights (PPVFR) Act, 2001. This decision was appealed before the Supreme Court.

The Division Bench had reasoned that Monsanto's patent fell foul of Section 3(j) of the Indian Patents Act. This provision excludes 'plants', 'seeds', and 'essentially biological processes for production or propagation of plants and animals' from being patented. More significantly, the ruling on validity of Monsanto's patent (apparently under consent from both the parties) was made without a proper trial. Typically, courts proceed in such instances after hearing expert evidence which can be quite crucial in adjudicating on the merits of such claims. In this case, no such trial took place which was a rather unusual fact.

In its decision, the Supreme Court held that in deciding the issue of patent validity, the Division Bench had usurped the jurisdiction of the lower court in a summary manner. The patent revocation petition raised complex issues connected with validity – pertaining to chemical, biochemical, biotechnical and microbiological processes, determination of the fact as to whether Monsanto's patented 'nucleic acid sequence' trait once inserted in a plant was reversible or not, and whether or not the patented DNA sequence was a plant or a part of a plant – these merited a detailed technical analysis involving expert evidence. It ruled that the Division Bench ought to have confined itself to examining the validity of the lower court's order. Thus, the matter was remanded to the Single Judge to decide all relevant questions of fact and law.

All eyes are on the court of first instance again – we will keep you updated.

Brand Owners Must Heed New Food Labelling Rules

Presently, there are lots of foods in the marketplace that are labelled and advertised as ‘natural’, ‘fresh’ or ‘pure’ – but it is commonplace for them to contain additives and processed ingredients. This is set to change under new rules introduced by the government - the Food Safety and Standards (Advertising and Claims) Regulations, 2018 – due to take effect from July 1, 2019.

The new rules define many terms including fats, sugars, dietary fibres, nutrients, a balanced diet etc. They also lay down general principles for representations that suggest or imply that a food has particular qualities relating to its origin, nutritional properties, nature, processing, composition or otherwise. These include:

- Claims must be truthful, unambiguous and not mislead customers;
- Claims must not encourage or condone excess consumption of a particular food;
- Claims are not to state, suggest or imply that a balanced and varied diet cannot provide appropriate quantities of nutrients as required by the body;
- Where the claimed benefit is related to or is dependent on the method of preparation of the food the same shall be provided on the label;
- Claims shall specify the number of servings of the food per day for the claimed benefit;
-The claim that a food has certain nutritional or health attributes shall be scientifically substantiated by validated methods of characterising or quantifying the ingredient that is the basis for the claim;
- Where the meaning of a trademark, brand name or fancy name containing adjectives such as *“natural”, “fresh”, “pure”, “original”, “traditional”, “authentic”, “genuine”, “real”,* etc., appearing on the label or advertisement of a food is likely to mislead a consumer as to the nature of the food, a disclaimer not less than 3mm size shall be given at an appropriate place on the label stating that –“*This is only a brand name or trademark and does not represent its true nature*”;
- All disclaimers related to a claim must be conspicuous and legible;
- Claims in advertisements shall be consistent with information on the label of the food or beverage.

Further, nutritional content must correspond to specified thresholds. Illustratively, a low calorie label may be affixed to a food package only if the food item contains not more than 40 kcal per 100 g for solids or 20 kcal per 100 ml for liquids. If a food label claims non-addition of a particular additive, it must be ensured that the additive has not been added to the food; is not contained in any ingredient of the food; has not been substituted by another additive giving the food equivalent characteristics etc. Any claim regarding prevention, treatment or cure of a disease cannot be made unless specifically permitted under regulations made under the Food Safety and Standards Act, 2006. The same holds true for foods for special dietary or medical uses.

The new rules are quite detailed and mark a strong departure from extant labelling norms. Some affected businesses have protested, however, for consumers this is a very positive development. It is hoped that the Food Authority, empowered under the new rules to utilise its *suo moto* powers to analyse misleading claims as well as investigate third party complaints, will ensure brand owners remove false information from food labels and also publish corrective advertisements when necessary. Incidentally, the Food Safety and Standards Act, 2006 already specifies a monetary penalty for misleading advertisements.

FROM OUR CORPORATE LAW DESK

Data Protection

The Personal Data Protection Bill, 2018 (the "Bill") was released by the government on July 27, 2018. With India moving towards digitisation, a robust and efficient data protection law was an imminent requirement. The Bill is broadly based on the framework and principles of the recently notified European Union General Data Protection Regulation (EUGDPR) and on the foundation of the landmark judgment in *Justice K.S. Puttaswamy (Retd.) v Union of India*, wherein the Supreme Court upheld the right to privacy as a fundamental right under the Indian Constitution.

There may be a few provisions that raise concerns such as the requirement of data localisation, a loose definition of sensitive personal data and liability being fastened on the directors of a company - these may require relaxation. That notwithstanding, we believe that the Bill is a positive step towards building a modern, trusted and sustainable data protection framework in India that is apropos to global expectations.

Competition Laws – Recent Judicial Trends

Tackling anti-trust issues of cartelisation have globally assumed centre stage for corporates. The Competition Commission of India (CCI), since its inception, *vide* the revamped Competition Act, has proactively been working to curb anti-competitive practices. It has consistently been of the view that mere existence of factors such as reduced number of bids and discussion of prices were 'determining factors' for deciding allegations of bid rigging and price fixation - primary essentials of a cartel.

Recently, in the *Ever Ready Torch Light* case, the CCI held that mere discussion to increase prices amongst competitors cannot itself constitute a cartel, if the decision to increase prices, is not implemented in the market. Thus, exchange of information without evidence of use on the ground cannot be construed as a violation of the law. In another welcome decision, the CCI in *Hitachi Systems Micro Clinic Pvt. Ltd* opined that the existence of only 2 bids is not adequate to raise a suspicion of cartelisation and remarked that "a low participation may not necessarily be indicative of or be an outcome of any concerted action". Relief on this front will also, indirectly, curb the illegal practice of entering cover/courtesy bids by easing pressure on parties participating in a bidding process.

Such rational decisions will help aboveboard participants from allegations of cartelisation.

Specific Relief In Contracts

The law of specific relief by enforcing terms of a contract was amended in the year 2018 whereby a 12 month period (extendable by 6 months) has been fixed for resolution of such disputes by the courts. Further, the amendment provides that an aggrieved party may have the contract performed by a third party and recover from the defaulting party costs/expenses incurred on account of substituted performance.

Again, we see focus on speedy disposal of cases with a rational approach.

Intermediary Liability - No Place To Hide?

ANALYSIS

Introduction

With a young demographic profile, surge in internet penetration and rising incomes, India is one of the fastest growing markets for the e-commerce sector. Online shopping brings with it obvious advantages. The variety of products and services available in the virtual world is something physical stores find hard to match. Plus, there are no crowds or queues at check-out and price comparisons are easily made. To top it off, many e-commerce websites provide eye-catching deals and lightning fast delivery to customers.

But unless one is very familiar with a brand or product, buying online requires a leap of faith - one that does not always favour the consumer. Products that look good in online pictures might actually turn out to be of poor quality or they could even be counterfeits. A counterfeit is a fraudulent imitation, often sold at a much lower price than the original product. The discounted price is one of the main factors, which attracts unsuspecting customers into buying fake products, under the impression that the original product is being sold at a lower or discounted price. Businesses can face severe backlash from counterfeit sales - monetary implications aside, reputation and positive perception can be altered irredeemably.

Are e-commerce sites accountable?

So how does one tackle the menace of counterfeits sold online? The High Court of Delhi had occasion to rule on this issue in a recent case before it - *Christian Louboutin SAS vs. Nakul Bajaj and Ors.*

Christian Louboutin SAS ("Louboutin"), a luxury brand and owner of the famed 'red sole' for shoes, filed a suit against *Nakul Bajaj and Ors.* ("the defendants"), who operate the online shopping website www.darveys.com. Louboutin alleged that the defendants were selling counterfeit or at least impaired products, under the former's brand name, on their website. Louboutin further claimed that the defendants were using the image of Christian Louboutin on their website creating an impression that the website was in some manner associated with or had sanction from Louboutin to sell its products. This tarnished Louboutin's reputation and resulted in infringement of its trademarks. The court granted a temporary injunction in favour of Louboutin in September 2014 restraining the defendants from directly or indirectly dealing in goods bearing the registered trademarks of Louboutin.

The defendants maintained that products available on their website were genuine – they did not change the physical condition of any product and hence, there was no impairment. No articles were purchased by them for resale; they argued that they only booked orders on behalf of the sellers whose products they displayed on their platform and whose names were correctly displayed on their website. Essentially, the defendants said that they were a mere intermediary and exempt from liability under Section 79 of the Information Technology Act, 2000 ("IT Act"). The said Section 79 is a safe harbour provision which states that intermediaries are not, subject to certain conditions, liable for any third party information, data, etc. made available or hosted by them. The court was thus confronted with two questions - whether the use of Louboutin's marks / image by the defendants was protected under Section 79? If not, what was the relief Louboutin was entitled to?

Indian law on intermediary liability

To begin with, the definition of an intermediary was examined. Under Section 2(1)(w) of the IT Act, the term has been defined thus: "*intermediary, with respect to any particular electronic records, means any person who on behalf of another person receives, stores or transmits that record or provides any service with respect to that record and includes …. online-market places….*" The defendants, an online marketplace, fell within this definition.

Next looking to Section 79 of the IT Act, the court held that it grants immunity if:

• the intermediary's function is limited to providing access to a communication system over which information made available by third parties is transmitted or temporarily stored or hosted; or

- the intermediary does not –
  - i. initiate the transmission,
  - ii. select the receiver of the transmission, and
  - iii. select or modify the information contained in the transmission; and
- the intermediary observes due diligence while discharging its duties.

Due diligence on part of an intermediary is a subject covered extensively under the Information Technology (Intermediaries Guidelines) Rule, 2011. Obligations include publishing rules and regulations, a privacy policy and a user agreement, which all persons looking to access or use the intermediary's computer resource must sign up to. These documents must caution users (specifying penalties) against hosting/ displaying/ uploading/ sharing any information that is unlawful including material that may infringe any patent, trademark, copyright or other proprietary rights. Also, an intermediary loses immunity if it conspires or abets or aids or induces in the commission of the unlawful act or, if upon receiving actual knowledge of information residing of an illegal activity, it fails to expeditiously remove the offending material.

Did Darveys fall outside the scope of immunity?

Examining previous judgments on intermediary liability, the Delhi High Court found that violation of trademark rights by e-commerce platforms was a subject that Indian courts had yet to deliberate upon in detail. So it began its analysis by considering 26 points to determine if an e-commerce website should qualify as an intermediary. These included whether the entity in question was offering the following services:

- Identification of the seller and providing details of the seller;
- Uploading the entry/ providing reviews of a product;
- Providing quality assurance after reviewing a product/ providing authenticity guarantees;
- Enrolling members upon payment of membership fees / offering them discounts;
- Promoting/ advertising the product amongst its dedicated database of customers;
- Providing assistance for placing a booking of the product, including collecting payment and offering call centre assistance;
- Packaging the product with its own packing, instead of the original packing of the trademark owner or changing the packaging in which the original owner's product is sold;
- Transporting the product to the purchaser;
- Transmission of the payment to the seller after retaining commission;
- Promoting its own affiliated companies on the basis of more favourable terms than other sellers;
- Entering into favourable arrangements with various sellers;
- Arranging for exchange of the product if there is a customer complaint; etc.

Further, the court pointed to the role of certain policies put in place by e-commerce websites to ensure that no illegal activities were committed by sellers. It listed the following factors for consideration - the terms of agreement entered between the website and the sellers, enforcement of the terms, consequences resulting from violation of the terms, whether suitable measures were in place to ensure that rights of trademark owners were protected, and if the website was aware of any unlawful activity.

If the facts of a particular case showed the presence of a large number of elements enumerated in the first instance above, and a lack of appropriate policies enumerated in the subsequent paragraph to curb illegal activity, the court said that the entity in question could be said to cross the line from being an intermediary to an active participant. In the present case, the court took into consideration that sellers of the products were based in foreign countries, whose details were not made available by the defendants on their website. Also, it was not very clear as to whether the sellers were in fact selling a genuine product. Customers could effectuate a purchase only upon acquiring membership of the website on payment of a non-refundable fee. Further, the defendants guaranteed that all products available on their website were genuine and in case of any product turning out to be fake, twice the money would be returned to a customer. The court thus concluded that the defendants were actively involved in the selling process and could not be relegated to the position of an intermediary. So on the first question it ruled that the defendants could not claim immunity under Section 79.

On the question of relief, the court, *inter alia*, directed the defendants to make information about sellers available on their website and obtain certificates from the sellers evidencing that the products were genuine. In addition, they were to seek a guarantee from the sellers that all the warranties and guarantees of the plaintiff were applicable and would be honoured by the seller. In addition, in case the defendants were made aware by Louboutin of any counterfeit being available on their website by Louboutin, immediate action was to be taken to obtain some form of evidence from the seller to corroborate the authenticity of the product and in case no evidence was made available by the seller, the concerned listing was to be removed and Louboutin be informed of the same. The court further directed the defendants to remove all meta-tags consisting of Louboutin's trademarks. With regard to damages, since none of Louboutin's products had been sold by the defendants, the court did not grant any damages in favour of Louboutin.

Incidentally, following this decision on November 2, 2018 the Delhi High Court revisited the issue in its November 12, 2018 decision in *L'Oreal v. Brandworld & Anr*. In this case, the sellers' details were contained in the invoice and also visible on the website (even though the e-commerce site was facilitating payment and allowing sellers to use its partners for logistical support). It also had a take-down policy for counterfeit goods. However, in the opinion of the court there were several other features of the website that pointed to the fact that it was not merely an intermediary. For example: i. the website guaranteed that "all products are 100% genuine"; ii. repeated sales of counterfeits were encountered on the website; iii. despite several infringement actions against it, the website did not seem to be taking precautions to stop sale of counterfeits; iv. there was a separate category for replicas on its website - on this window, various lookalike products were advertised and sold. While the take-down policy was in favour of the e-commerce site, the display of a replica window was considered an abetment of the violation of intellectual property. Thus, the website could not avail the safe harbour provision under Section 79 of the IT Act. This ruling has been appealed by the second defendant - Clues Network Pvt. Ltd. - through Remfry & Sagar before a Division Bench of the Delhi High Court. Clues Network contends that the single judge's finding contradicts previous court rulings and that it would have wide ranging repercussions. The appellate court has granted interim relief and held that the ruling in *L'Oreal v. Brandworld & Anr*. would not be binding precedent - any forum confronted with the issue of intermediary liability must decide the matter based on evidence and materials submitted in that particular case.

Conclusion

The judgment in *Christian Louboutin SAS vs. Nakul Bajaj and Ors*. deserves a more detailed examination – one aspect that certainly requires a closer study is the basis of the 26 point test. Accordingly, it will be interesting to see further jurisprudence on the subject in the times ahead.

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