

Bajaj Auto v. TVS

The Sparking Saga



Bajaj Auto Limited vs. TVS Motor Company Limited turned out to be a pivotal case for Indian Intellectual Property holders in more ways than one. The proceedings of this case led to a set of guidelines to ensure IP-related cases are processed faster in the Indian courts.

TVS Motor was sued for patent infringement

In 2007, Bajaj Auto Limited accused TVS Motor of violating their patent on twin spark plus engines (patent number: 195904). The patent discloses a Digital Twin Spark Ignition System (DTSi) - a technology considered to be a mighty breakthrough in the automobile industry - used in Pulsars sold by Bajaj Auto. The single spark plug used a higher rpm resulting in lower fuel efficiency; this was the premise on which Bajaj Auto created a solution using the four-stroke principle. Bajaj Auto claimed that this technology used in TVS Flame, a vehicle released by TVS Motor, violated Bajaj Auto's patent. They sought an immediate stop on the sale of TVS Flame and damages for infringement of the said patent. Bajaj Auto claimed that releasing TVS Flame bikes in the market would not only cause a drop in Bajaj's sales but

also lead to a drop in ranking and market standing, things that cannot be measured in terms of money.

TVS Motor files an application against groundless threats by Bajaj Auto

As an answer to Bajaj Auto's allegations, TVS Motor contended under sections 105 and 106 of the Patents Act, 1970 that the suit was based on groundless threats and that the technology used in Flame was very different from Bajaj Auto's patented mechanics.

The 125 CC Flame had a Controlled Combustion Variable timing intelligent (CC-VTi) Technology that focused on lean internal combustion. CC-VTi, as per TVS Motor, included several enhancements on the basic twin spark plug system. For starters, while the Bajaj Auto patent speaks of two spark plugs with two valves, the TVS implementation has two spark plugs with three valves. Consequently, TVS Motor went on to file a defamation suit against Bajaj Auto in the Bombay High Court followed by an appeal to the Indian Patents Appellate Board to revoke patent 195904 on the grounds of the undiscovered prior art.

Questioning the validity of Bajaj Auto's patent, TVS Motor went on to show that a twin spark plug in an IC engine was prior art. Also, Bajaj Auto's patent was a replica of the US Honda patent (patent number: 4534322) with the introduction of a bore size (here, bore stands for the diameter of a cylinder). The use of a twin spark plug was also mentioned in US Patent 320075 called "Internal Combustion Engine with Dual Ignition for a lean-burn".

The Divisional Bench of the High Court of Madras agreed to vacate the interim injunction and allowed the sale of TVS Flame.

Bajaj Auto appeals to the Supreme Court

Baja Auto thereafter appealed against the High Court's orders to vacate the injunction. And this is where the case took an interesting and significant turn. The Supreme Court reviewed the case and expressed its unhappiness with the slow proceedings. Citing the case of *M/s. Shree Vardhman Rice & Gen Mills vs. M/s Amar Singh Chawalwala*, Supreme Court emphasized the importance of expediting cases related to intellectual property. Dismissing the appeal, SC ordered the Madras High Court to expedite the proceedings and hear the

case on a day-to-day basis. It set a deadline for the high court to dispose of the suit and ordered it to maintain a record of the sales of TVS Flame until the case is concluded.

The Supreme Court went on to provide guidelines on handling intellectual Property related cases, widening the scope of 'infringement'. It also wrote that the lower courts and tribunals must decide on cases related to IP within four months of the case being filed.

Madras High Court's Final Judgement

The Madras Court's final statement maintained that the patent rights vested with Bajaj Auto because they had been monetizing on the technology patented for the last five years.

The court went on to acknowledge that TVS Motor had made considerable enhancements to the originally patented technology, however, legal procedures mandate they should pay the patentee before monetizing enhancements on the patented technology.

Impact of the case rulings

The application of the 'pith and marrow' test, a test devised to verify if the accused is infringing upon the accuser's patent, made this an interesting case study. The pith and marrow test or the doctrine of equivalents states that one can be held liable for infringement even if they do not violate every limitation mentioned in the patent.

Patent invalidity is a topic that is sure to raise the complexity of a case, but when raised by mainstream motor vehicle giants in a country as populous as India, it turns heads indeed. While the original suit was intense due to the patent invalidity clause brought forth by TVS Motor, the pivotal point of the case was Bajaj's appeal to the Supreme Court. Accordingly, the SC's ruling

directed guidelines for IP-related cases for all lower courts and tribunals in the country. Another important point raised by the Court was the need for an 'interim injunction' by the applicants in most cases pertaining to intellectual property. Discouraging this behavior, the Supreme Court emphasized the importance of speedy disposal of cases involving patents, copyrights, and trademarks.

Bajaj Auto and TVS Motors had to battle it out in the court for two long years, but their case made way for a significant change in the patent regime of India. It set the correct tone for IP law proceedings and enabled a deadline of four months – an impressive feat in a country with 44 million pending law cases all over the country (as of December 2021).

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