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AI ADOPTION HAS MORE THAN DOUBLED SINCE 2017, FINDS MCKINSEY REPORT

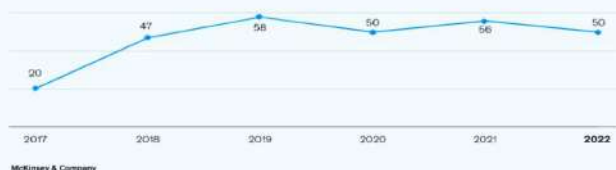
By Divyendu Verma



1 The Artificial Intelligence (AI) industry is evolving rapidly, with exciting trends expected in the coming years. The McKinsey study has mentioned some major AI developments in its report. Presenting 10 key takeaways: While only 20% of businesses had reported adoption of Artificial Intelligence (AI) in at least one of their business verticals in 2017, it has more than doubled in the five years, with 50% businesses registering the upgradation to AI in 2022.

While AI adoption globally is 2.5x higher today than in 2017, it has leveled off over the past few years.

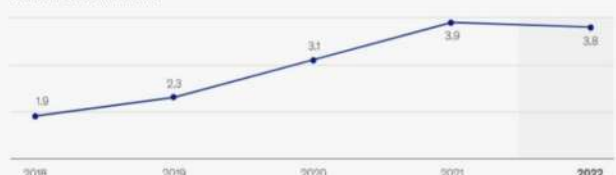
Share of respondents who say their organizations have adopted AI in at least one business unit or function, %



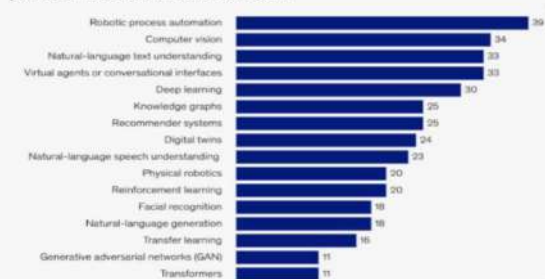
2 AI capabilities such as natural-language generation have doubled since 2018, with Robotic process automation and computer vision being the most commonly deployed each year. Natural-language had advanced from mid-pack in 2018 to the top of the list, behind computer vision.

Responses show an increasing number of AI capabilities embedded in organizations over the past five years.

Average number of AI capabilities that respondents' organizations have embedded within at least one function or business unit¹



Percentage of respondents who say given AI capability is embedded in products or business processes in at least one function or business unit²



3

Business investment in AI has increased in all verticals of organisations. While only 40% of businesses using AI reported that more than 5% of their digital budgets went to AI in 2018, now, 52% businesses report that level of investment. Looking forward, 63% say they expect their business investment in digital budget to increase over the next 3 years.

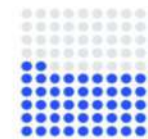
In 2018,

40%

reported more than 5% of their digital budgets went to AI



vs



52%

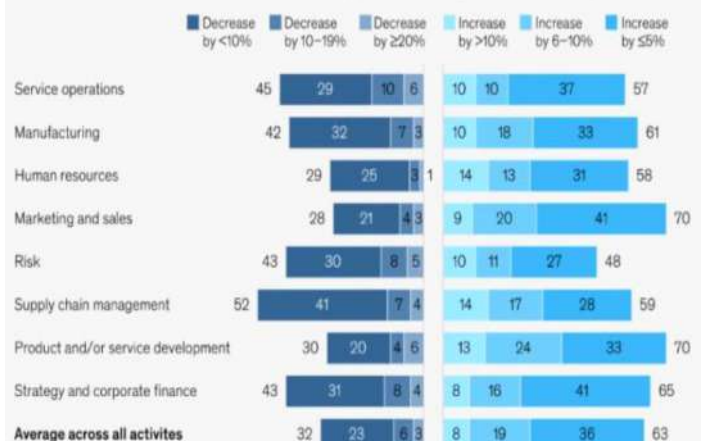
in 2022

4

Business areas where businesses see value from AI has evolved significantly. While in 2018, manufacturing and risk were the largest business functions where value from AI was reported by the majority of the companies. The greatest revenue increases using AI are reported in 2022 in three domains including marketing and sales, product development and strategy.

AI-related cost decreases are most often reported in supply chain management and revenue increases in product development and marketing and sales.

Cost decrease and revenue increase from AI adoption in 2021, by function, % of respondents¹



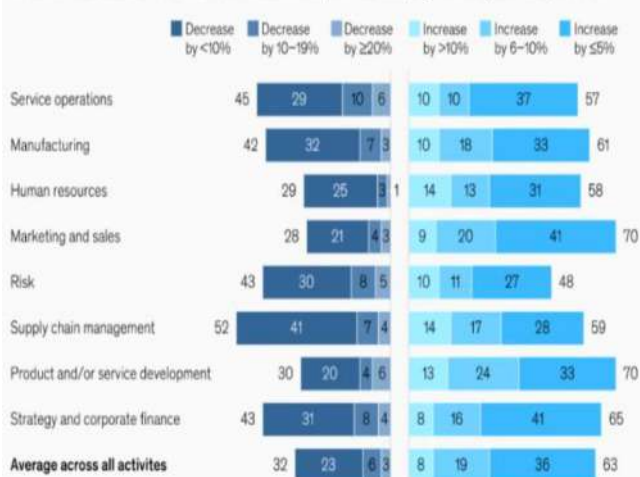
¹Question was asked only of respondents who said their organizations have adopted AI in a given function. Respondents who said "no change," "cost increase," "not applicable," or "don't know" are not shown.

McKinsey & Company

- 5 Cost benefits from AI are increasing. Majority of the companies have reported the highest cost benefits from supply chain management. 25% of respondents reported that more than 5% of their EBIT (earnings before interest and taxes, an indicator of profitability) was attributable to AI in 2021.

AI-related cost decreases are most often reported in supply chain management and revenue increases in product development and marketing and sales.

Cost decrease and revenue increase from AI adoption in 2021, by function, % of respondents¹



¹Question was asked only of respondents who said their organizations have adopted AI in a given function. Respondents who said "no change," "cost increase," "not applicable," or "don't know" are not shown.

McKinsey & Company

- 6 Though the above points indicate how the AI adoption has benefitted the various businesses. However, if we look at the data, the concern relating to risk mitigation is still at all-time low.

There has been no significant increase in mitigation of AI-related risks from 2019 on the contrary, AI adoption has just doubled as reported above. Top reported business risks by the companies are:

- Cyber-security
- Regulatory compliance
- Personal privacy

There has been no substantial increase in organizations' reported mitigation of AI-related risks.

AI risks that organizations consider relevant and are working to mitigate, % of respondents¹



¹Question was asked only of respondents who said their organizations had adopted AI in at least one function; n = 1,561. Respondents who said "don't know/not applicable" are not shown.

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7

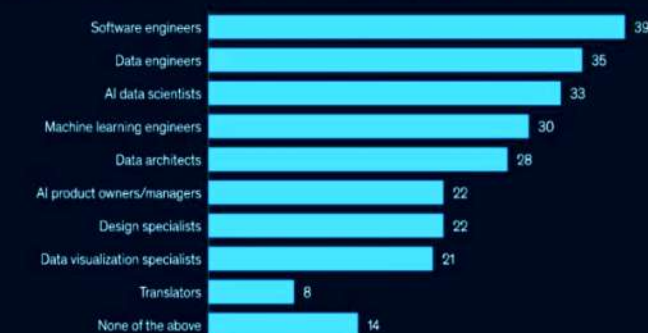
Businesses who are using AI in their operation are speeding ahead with their competitors. The report has indicated that "AI high performers" tag is attributed to businesses with more than 20% of EBIT (earnings before interest and taxes) from AI use. Such businesses are 1.6x more likely to engage nontechnical employees in creating AI applications through low-code or no-code programmes.

8

Another problematic area reported in hiring of AI talent which remains difficult. Across the IT industry, the software engineers were hired most in the past year. This is more often than data engineers and data scientists. This represents a shift from experimenting with AI to actively embedding it in enterprise applications.

Responses suggest that organizations are most often hiring software engineers, data engineers, and AI data scientists.

AI-related roles that respondents' organizations hired, past year, % of respondents¹



¹Only asked of respondents whose organizations have adopted AI in at least one function; n = 744.

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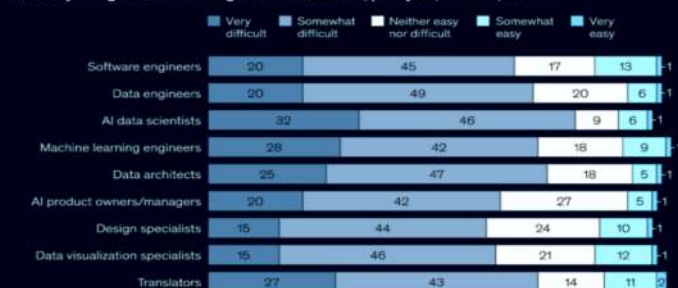
9

Another concern reported by the businesses is about the shortage of Tech Talent in Industry. A majority of respondents had difficulty hiring for each AI-related role in the past year. Specifically, 2022 was more difficult to acquire talent than past years.

Data scientists were the most difficult role to fill.

Most respondents say that hiring for each AI-related role has been difficult in the past year and hasn't become easier over time.

Difficulty in organizations' hiring of AI-related roles, past year, % of respondents¹



10 If you read all the above points carefully then this is the most obvious thing to say that - AI data scientists and machine learning engineers are in high demand.

AI high performing businesses are:

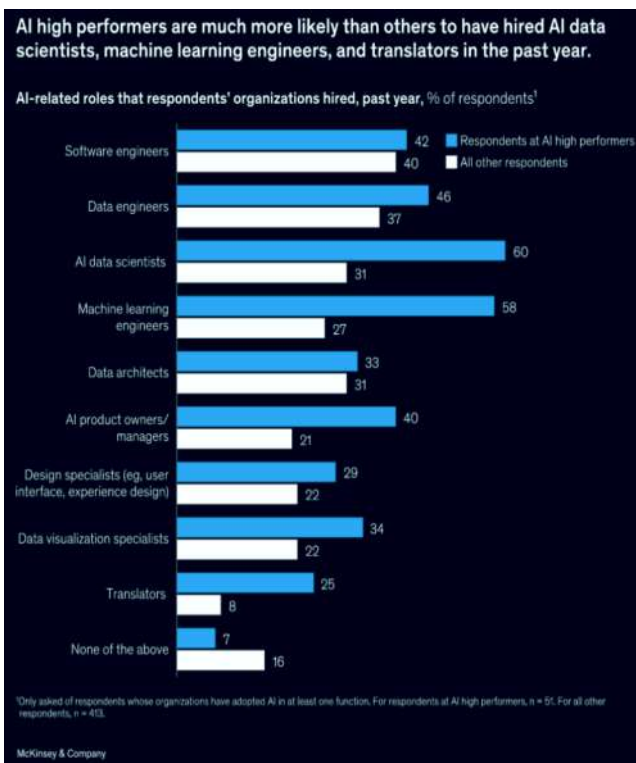
- 2x more likely to hire machine learning (ML) engineers and AI data scientists than other businesses
- 2x more likely to hire an AI product manager to oversee product development and adoption

P.S.:

1. For more details: refer to the report here:

<https://www.mckinsey.com/capabilities/quantumbl/ack/our-insights/the-state-of-ai-in-2022-and-a-half-decade-in-review>

2. The author acknowledges inputs received from Alex Banks, founder of “Through the Noise”- a tech media company.



RECENT UPDATES



Recently the US Patent office has revised the fee structure for filing patent applications under small entity and micro entity. Below is the updated fee schedule, effective from December 29, 2022.

Description	Large Entity	Small Entity	Micro Entity
Provisional Application	\$ 300	\$ 120	\$60
Non-provision application filing fee (including search fee and examination fee) for max.3 independent claims and overall, 20 claims	\$1820	\$ 728	\$364

RECENT UPDATES

PROPOSED AMENDMENTS IN INDIAN COMPETITION LAW



The Competition (Amendment) Bill, 2023 proposes a significant change in the methodology for imposing penalties on companies engaged in anti-competitive conduct. The Bill seeks to increase penalties by imposing them on the basis of the violating companies' global turnover from all products and services, rather than solely on the products or services related to the violation.

This change represents a departure from the current law, which only allows penalties to be imposed on the products or services relevant or related to the anti-competitive conduct. The proposed amendment is expected to have a significant impact on the competition landscape, as it will increase the penalties for anti-competitive conduct and deter companies from engaging in such behavior.

The Government's rationale for this change is to create a stronger deterrent against anti-competitive conduct, and to align with the global trend of imposing higher penalties on anti-competitive conduct. The Bill is also aimed at promoting fair competition and protecting consumers by ensuring that enterprises compete on a level playing field.

However, the proposed amendment may face opposition from some companies who may argue that the penalty is disproportionate to the violation or that it unfairly punishes companies that operate in multiple markets. It remains to be seen whether the proposed amendment will be passed into law and how it will be implemented. Stay tuned for more updates on this.

BATTLE OVER FOOD LABELS IN EUROPE



The European Commission is currently evaluating a new informative food label to be used throughout the European Union. One of the options being considered is the Nutri-Score, a traffic light label already used in seven countries, including Belgium, France, Germany, and Spain. This label is not exempt from controversy because of the balance given to certain parameters to rank the foodstuff.

In addition to the new food label, the introduction of a new EU certification mark is also being considered. This certification mark indicates that goods and services bearing the trademark comply with a given standard set out in the regulations. This certification mark would help to ensure consistency and transparency in food labeling across the EU.

Thus, the new food label and certification mark could have a significant impact on the food industry and consumer behavior. By providing more information about the nutritional content of food, consumers may be able to make more informed decisions about what they eat. However, it remains to be seen how effective these new measures will be in practice and how they will be received by different stakeholders.



Snippets



Design Case

**CASIO KEISANKI KABUSHIKI KAISHA
D/B/A CASIO COMPUTER CO LTD (PETITIONER)
vs Riddhi Siddhi Retail Venture and ANR (Defendant)**

Case Number : CS(COMM) 537/2022 and I.A.
12437/2022(Order XI Rule 1(4) of the CPC)

Casio, a reputed Japanese company, had filed a case against infringement of piano keyboard design by the defendant who is also a piano manufacturer. The petitioner had argued that the defendant's product has the same design, placement of power, volume, tone, organ buttons are at the same position, along with overall identically deceptively similar design. The Court observed that the lack of novelty or originality can constitute a ground of defense against an allegation of design piracy where the lack of novelty or originality can constitute a ground for cancellation of the registration granted to the design. As such, the lack of novelty or originality has to be seen as on the date when the design was registered. If a design, when registered, does not suffer from lack of novelty or originality, the mere fact that, after it is registered, several persons may choose to copy the said design can obviously not constitute a ground to cancel the registration of the design.



Trademark Cases:

**CAN WORD MARK AND DEVICE MARK
CREATE CONFUSION OR ARE
DECEPTIVELY SIMILAR?**

**RAJ KUMAR SHARMA (PETITIONER)
vs SANDEEP KUMAR & ANR (DEFENDANT)**

Case Number: C.O. (COMM.IPD-TM) 39/2021



The Petitioner device mark is  and a defendant wordmark is “PIZZA GALLERIA”. A major thing noted by the Delhi High Court while deciding this case was that which party filed the Trademark first and then impugned, similarity status of a word mark and device mark of parties. The petitioner's mark contains a pictorial depiction of a pizza, with the word “Galleria” alongside it.

A mental connection between the pizza and “Galleria” is, however, immediately made by an average consumer who sees the mark. The impugned mark of the respondent is “PIZZA GALLERIA”. Both parties provided eating and restaurant services for pizza. As per MOU (Memorandum of Understanding), the petitioner was allowed to operate the pizza shop services only in the city of Mewar, while the defendant can operate the pizza services all over India except the city of Mewar. But the defendant wanted to establish the pizza services in Mewar as well, violating MOU which led to filing of a court case by the petitioner against the defendant. At last judgment was in favor of Petitioner and prohibits defendants from establishing pizza services in Mewar while they can operate in other parts of India.

**LIVE LAW MEDIA PVT LTD (PETITIONER)
vs M/S TIYA LAW LIBRARY & ORS (DEFENDANTS)**

Case Number: CS(COMM) 671/2022 & I.A.
15836/2022, I.A. 1660/2023

The Delhi High Court passed an order in favor of the petitioner, who is a company that provides legal developments, legal events, publicises legal job opportunities, broadcasts real-time updates of court proceedings, analyses landmark judgments, significant legal provisions, contemporary issues, and legal concepts, and publishes columns and Op-eds. The defendant acknowledged and recognised that the petitioner is the owner of the registered trademark “LIVELAW”, and accepted to permanently restrained from using the mark “LIVE LAW” in any way or form whatsoever, to destroy all promotional materials related to mark and will not indulge in infringement or passing off or dilution of the trademark “LIVE LAW”. The defendant agreed to pay a sum of Rs 40,000 to the petitioner and finally the case was dismissed by submitting documents in lieu of acceptances of all points to the court.

**CAPITAL FOODS PRIVATE LIMITED (PETITIONER)
vs RADIANT INDUS CHEM PVT LTD (DEFENDANT)**

Case Number : FAO(OS) (COMM) 16/2023 &
CAV 62/2023 & CM APPLs.3778- 3781/2023

A petition was filed by the petitioner against the defendant, seeking cancellation of the mark “SCHEZWAN CHUTNEY”. The court stated that the intent behind the adoption of the same mark by the defendant was to trade in the name and reputation of the petitioner be it style, color combination, get up trade dress and copyrights in its advertising material. The petitioner has acquired secondary significance by the court keeping in view the advertisement and the sales figure of the defendant. The Court held that the adoption of the mark “SCHEZWAN CHUTNEY” by the defendant could not be said to be dishonest and therefore, the claim of the petitioner for grant of an ad interim injunction against the defendant from using the mark “SCHEZWAN CHUTNEY” or “SZECHUAN CHUTNEY” was rejected.

**ALPHAVECTOR INDIA PVT LTD (PETITIONER)
vs M/S SACH INDUSTRIES & ORS (DEFENDANT)**

Case Number : CS (COMM) 691/2022 & I.A. 16353/2022, I.A. 19344/2022, I.A. 21448/2022, I.A. 21449/2022

An interim order has been issued by the Delhi High Court in this case stating that the defendant are, prima facie, culpable of having infringed the petitioner's "91" trademark, as well as having sought to pass off their bicycles, by using the trademark "99"/"NINETY NINE" marks in a manner which would confuse the customer of average intelligence and imperfect recollection into believing the defendant's bicycles to be that of the petitioner's. In this case, the petitioner came to know that the defendant is using his trademark in a deceptively similar way as to mislead and confuse consumers in order to believe that it has resemblance to the petitioner's trademark. Both the parties deal with selling bicycles.

**INTERCONTINENTAL GREAT BRANDS
LLC & ANR (PETITIONER) vs
KAMCO CHEW FOOD PVT LTD (DEFENDANT)**

Case Number : CS(COMM) 14/2023

The petitioner has been engaged in manufacturing and selling confectionery and chocolate products like Dairy Milk, Oreo, Bournvita, Cocoa-based beverages, food, snacks and beverage products globally, including India, since 1913 and have successfully obtained trademarks under various classes. The petitioner's products are famous due to its presence in the market for a long period, also due to its noteworthy advertisements by reputed personalities. The petitioner learnt that the defendant, also in the business of manufacturing and selling identical products, has dishonestly adopted the aforesaid marks and labels, which are deceptively similar to the trademarks and labels being used by the petitioners for their business. The Delhi High Court on hearing the case believe that irreparable injury would be caused to the petitioners, if the defendant continues to use the impugned marks and labels as the marks and labels of the defendant are deceptively similar to that of the petitioners and likely to cause confusion among consumers. Accordingly, summons were issued to the defendant and all persons associated with them and were ordered to be restrained from manufacturing, selling, marketing, offering for sale, exporting, importing, retailing, supplying, distributing, advertising, promoting, dealing in any manner whatsoever. The next hearing of this case is scheduled on 12 April 2023.

**LOUIS VUITTON MALLETIER (PETITIONER)
vs CAPITAL GENERAL STORE & ORS (DEFENDANT)**

Case Number : CS(COMM) 469/2021 & LA. 15066/2022

The Delhi High Court directed the Defendant to pay Rs 5 Lakhs penalty to the petitioner, Louis Vuitton, or incarceration in civil prison for a period of one week, subjecting contempt of court for violating the interim order of injunction by selling counterfeit products, bearing the petitioner's brand's logo. The court came down heavily on the defendant and held that a person voluntarily selling counterfeit products should not be subjected to any sympathy when the person knowingly practices the act of copying and deception because such a deception goes beyond the doors of the small shop with ramifications involving national economy, benefiting from the rightful brand's goodwill, and deceiving a trusting customer.

**HERMES INTERNATIONAL & ANR (PETITIONER)
vs CRIMZON FASHION ACCESSORIES PRIVATE
LIMITED (DEFENDANT)**

Case Number : CS(COMM) 919/2022 & I.A. 22377/2022

The Delhi High Court has declared the mark "H" of the petitioner, as a well-known trademark within the meaning of the Trade Marks Act, 1999. It examined various factors while deciding the trademark to be well-known or not. The factors undertaken were knowledge among public of the trademark and its recognition, revenue generations by company, use of trademark since when (the longer the use, the better the chances of trademark being declared as well-known trademark), advertisement expenses and views by public, duration, extent and geographical area of promotion of the trademark, extensive promotional activities, duration of registration of trademark, recognition by any court.

**JINDAL STAINLESS (HISAR) LTD (PETITIONER)
vs SUNCITY SHEETS PRIVATE LIMITED AND
ANR (DEFENDANT)**

Case Number : CS(COMM) 604/2021 & I.A. 15428/2021, I.A. 5025/2022, I.A. 5026/2022, I.A. 5027/2022

A case filed by a business giant Jindal Stainless company known as JSL Limited company against Suncity Sheets alleging infringement of Trademark of the petitioner as a wordmark. Here, defendants are also alleged to be passing off their goods as those of JSL. The whole case is based on using the word "JINDAL" by the defendant in their device mark. The defendant's device mark is distinctive overall, as a whole but contains the word "JINDAL" which may possibly mislead the public to believe that goods, services provided by the defendant are related to the petitioner which in present case is not related in any way.

**GUPTA AND GUPTA PVT LTD (PETITIONER)
vs KHAN CHACHA HYDERABADI BIRYANI AND
ORS (DEFENDANT)**

Case Number : CS(COMM) 62/2023 & I.A.
2128/2023, I.A. 2129/2023, I.A. 2130/2023,
I.A. 2131/2023

The Delhi High Court directed ad interim interlocutory injunctive reliefs to the petitioner, and defendants are restrained from using or advertising, directly or indirectly, any mark which includes the words "KHAN CHACHA", for services identical or allied to the services covered by trademark classes 29 (Goods related to meat, poultry, fish etc) and 43 (services for providing food and drink) of the classification of goods and services for trademark purposes. The petitioner alleges that the defendant was using the petitioner's registered trademark "KHAN CHACHA" for their business services without asking or taking permission and authority to use the mark. The order passed by the court ordering the defendant to be restrained from using or advertising, directly or indirectly, any mark which includes the words "KHAN CHACHA".

**JAQUAR AND COMPANY PVT LTD (PETITIONER)
vs SHREE SHYAM CERAMICS (DEFENDANT)**

Case Number : CS (COMM.) 313/19

A case was filed in the district court where it was viewed that it has no territorial jurisdiction to hear the case. Section 134 of The Trademark Act, 1999 deals with the provision where suit for infringement to be instituted. To decide the jurisdiction as per the Trademark Act, place of business or residence of business or place of person or residence of person or cause of action have to be considered. In this case, the defendant was infringing the trademark of the petitioner at Hyderabad whereas petitioner was living in Delhi. Hence, according to the district court, the suit is not maintainable, and proceedings have to be initiated in the Hyderabad district court because cause of action has wholly arisen in Hyderabad.

**INTERCONTINENTAL GREAT BRANDS
(PETITIONER) vs PARLE PRODUCT PRIVATE
LIMITED (DEFENDANT)**

Case Number : CS(COMM) 64/2021

The Delhi High Court passed an interim injunction restricting the Defendant from using the mark "FABIO" which is deceptively similar to the petitioner's trademark "Oreo". The petitioner provides various edible goods like biscuits, cookies, bakery items and confectionery items under specific names which are

their registered Trademark of the company. One such Trademark name of proprietor is OREO, which is now a known product of the company because of massive media campaigns including television advertisements, hoardings, banners, etc. among the public. The defendant is selling similar confectionaries under the name FABIO, which is also phonetically similar. Also, the packaging of all the products of the defendant is deceptively similar to that of the petitioner which will misguide, mislead and confuse the public into believing that goods belong to the petitioner's company under the deceptively similar name. It is a very likable case where the defendant is dishonestly trying to use brand awareness of the petitioner to their profits.

**KENTUCKY FRIED CHICKEN INTERNATIONAL
HOLDINGS LLC (PETITIONER) vs
THE REGISTRAR OF TRADEMARKS (DEFENDANT)**

Case Number : C.A.(COMM.IPD-TM) 56/2022

The Trademark Registry had refused registering "CHICKEN ZINGER" holding that the mark is descriptive in nature. The petitioner filed an appeal before the Delhi High Court against the refusal by the defendant. The Delhi High Court observed that KFC has no exclusive trademark rights over the word 'Chicken' and that the trademark in question comprises two words -- "Chicken" and "Zinger" and their use together "does not draw an instant connection" and must be considered suggestive. The court also directed the defendant to proceed with the allowance and advertisement of the petitioner's application for registration of the mark "CHICKEN ZINGER", within three months. The court has also ordered that "It is clarified that Appellant shall not have any exclusive rights in the word "Chicken". Trademarks Registry shall reflect this disclaimer at the time of advertisement of subject mark and also if subject mark ultimately proceeds for registration".

DUXLEGIS & LES INDIA JOINTLY ORGANISED INTERACTIVE WORKSHOP ON 'IP & START UP ECOSYSTEM IN INDIA'

We are thrilled to announce the successful completion of our "IP & Start-up Eco-system in India" live workshop in the Bhartiya Vidyapeeth College of Engineering, Navi Mumbai! This workshop was organised by DuxLegis Attorneys and LES India to celebrate National Science Day on February 28, 2023. The theme of this National Science Day 2023 was "Global Science for Global Wellbeing".



And we all knew, the IPR plays a key role in attaining Global Wellbeing through Science.

DuxLegis Attorney's team of experts (Adv. Divyendu Verma & Adv. Sphurti Dalodria) had the opportunity to educate and empower the students about the importance of intellectual property protection and how it can benefit their future entrepreneurial endeavours. Our workshop covered a range of topics, including patents, trademarks, copyrights, trade secrets, and much more. We used simple language and visual aids to ensure that the students could understand the concepts clearly and effectively. We also tried to trigger imagination and creativity of students. We also tried to inculcate confidence among them by explaining them how they too can be inventor!



Our workshop was an interactive and engaging learning experience, and we encouraged students to participate by asking questions and sharing their experiences. We believe that by sharing our knowledge and experiences, we can inspire the students to develop innovative ideas and take the first steps towards creating successful start-ups.

Moreover, we provided students with follow-up support, such as materials, resources, and contact information, to help them apply what they learned and get further assistance if needed. We believe that this support will enable the students to take their first steps towards creating successful and sustainable start ups.



Our workshop was a massive success, and we are proud to have been a part of the students' entrepreneurial journey. We are confident that our workshop will have a positive impact on their lives, and we hope that they will utilize the knowledge gained to create innovative solutions and contribute to the growth of the economy.





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