

Patent | Case Law Update

Delhi High Court Orders Canva to Halt 'Present and Record' Amid Patent Suit

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In mid-July, RxPrism Health Systems Private Limited (*RxPrism*), a healthcare-focused, tech-based startup sued Canva Pty Ltd (Canva), an Australian global graphic design platform for patent infringement related to RxPrism's patented system and method for producing and sharing interactive content. The technology, exemplified by the product "My Show and Tell", allows users to create engaging presentations with a unique picture-in-picture (PIP) feature that synchronizes slides with embedded videos, coupled with an integrated Call-to-Action button.



In August 2020, Canva Pty Ltd (Canva) launched a product called "Present and Record" allegedly using this technology. Canva is a design platform that offers a variety of products and services.

In October 2020, RxPrism filed a patent infringement lawsuit against Canva in the Delhi High Court, alleging that Canva's "Present and Record" infringes on its patent because it uses all the essential features of the patent.

In this case, Canva's patent-filing-activity timeline played a pivotal role. RxPrism highlighted that on May 26, 2020, Canva had filed a provisional application in Australia named 'Presentation Systems and Methods' which lapsed on February 7, 2022. Between these events, on August 27, 2020, Canva released its 'Present and Record' feature, after the disclosure of RxPrism's patent.

Notably, on May 26, 2021, Canva undertook another attempt at securing patent protection through a PCT application. This new application, claiming priority from the earlier Australian filing, was also abandoned during the lawsuit's proceedings. RxPrism argued that this PCT application of Canva reflected features intrinsic to RxPrism's own patented technology, thereby suggesting a possible infringement.

RxPrism also rebutted Canva's expert reports; they argued that the first report, dated 8th January 2022, had conveniently ignored to consider Canva's PCT application and merely stated that not all features of the suit patent is covered by Canva's product. The second report from July 27, 2022, was objected to by RxPrism on the ground that the report was filed after the commencement of legal arguments and therefore, ought not be taken on record.

RxPrism argued that as per the "Doctrine of Pith and Marrow," an infringement can be found even if not all the features of a patent are present in the infringing product and that, the presence of essential features in Canva's product would be sufficient to

establish infringement. RxPrism also revealed that during the post-grant opposition proceedings against the grant of the suit patent, Canva had admitted that it has developed a similar technology, and hence was a person interested in the post-grant opposition to RxPrism's patent.

Canva, on the other hand, contended that features such as the capability of editing frames separately, without altering the other frame are covered by prior arts including Microsoft PowerPoint Presentation 2016. Canva also contended that its product had multiple functionalities, but the present suit is only in respect of the 'Present and Record' feature of the Canva product.

Canva further highlighted differences between its products. Unlike RxPrism's three-layered approach (media, video, and Call-to-Action), their product integrated this feature within the primary layer, reflecting a significant divergence in design philosophy. Additionally, while RxPrism's product relied on a hardware configuration, Canva's was software-embedded, further differentiating the two products. Canva also contended that RxPrism's product included a hardware configuration, Canva's was software-embedded, further differentiating the two products.

After hearing all the arguments and studying the supporting documentations presented, the Court granted the interim injunction to RxPrism relying on precedential rulings such as *Raj Parkash v Mangat Ram Chowdhury*, *F. Hoffman La Roche v Cipla*, and *Sotefin SA v Indraprastha Cancer Society and Research Centre*.

The Court also conducted a detailed claim chart mapping wherein claims of the suit patent were compared with that of Canva. The Court ultimately concluded that RxPrism's '**Present and Record**' feature demonstrated that almost all the same steps were present in Canva's product, establishing prima facie infringement. The Court also found that RxPrism's patent is not invalid, as Canva had argued.

The Court castigated Canva's conduct during negotiation attempts, especially their use of slanderous and defamatory language in the written statement when, in fact, RxPrism approached them in good faith to discuss a possible settlement and licensing agreement.

After careful examination of Canva's marketing records, the Court also held that the balance of convenience also lay in RxPrism's favour as not many Canva users were using the 'Present and Record' feature compared to their total users and subscribers. Furthermore, RxPrism's successful presentation of a prima facie case of infringement, coupled with Canva's inability to mount a persuasive rebuttal to the patent's legitimacy solidified the Court's decision to side with RxPrism. This also considered that RxPrism could lose a lot of business and money in the form of market opportunities for licensing and revenue generation if the infringement continued.

Consequently, Canva was ordered to deposit Rs. 50 lakhs due to their lack of assets in India and was fined an additional 5 Lakhs for their inappropriate remarks against RxPrism.

The case sets a clear precedent for future patent infringement cases: First, it emphasizes that the sequence of patent filings and product launches can heavily influence the Court's perception of infringement. Further, the submissions or contentions made by a party in a patent application can have a bearing on any subsequent suit for infringement, even if the said patent application is abandoned at a later stage. This case shows the importance of thorough expert reports and the timing of their submission. If they are perceived as incomplete or filed inappropriately, they may be discredited. Lastly, the Court values professional conduct during negotiations. Companies that engage in defamatory actions risk not only reputational damage but also potential legal consequences.