

**Ahmednagar Jilha Maratha Vidya Prasarak Samaj's  
NEW LAW COLLEGE, AHMEDNAGAR**

**INTELLECTUAL PROPERTY RIGHT I  
(Subject Code - LO 509)**

**STUDY MATERIAL**

**FOR**

**B.A, LL.B. – III (Sem. – V)**

**By**

**V.R.Sangale**

**(Asst. Prof.)**

**B.A, LL.M. SET (Law)**

**ACADEMIC YEAR**

**2020-21**

## DECLARATION

This is compilation of information, collected from various sources, out of which some of mentioned below. This work is intended for educational purpose and not intended or permitted for any other use by any method . No commercial use is intended or permitted by this compilation of content.

It is grateful to all persons, organization, etc for making these contents available.

## CONTENT

| <b>MODULE NO.</b> | <b>PARTICULARS</b>  | <b>PAGE NO.</b> |
|-------------------|---|-----------------|
| <b>I</b>          | <b>Introduction to Intellectual Property Rights :</b>                     | <b>3</b>        |
| <b>II</b>         | <b>Law of Copyright and Neighboring Right</b>                             |                 |
| <b>III</b>        | <b>Patent Law</b>   |                 |
| <b>IV</b>         | <b>Law of Trade Marks</b>   |                 |
| <b>V</b>          | <b>Protection of Industrial Designs :</b>                                 |                 |
| <b>VI</b>         | <b>Conventions and Treaties relating to other Intellectual Properties</b> |                 |
| <b>VII</b>        | <b>Current IP Issues</b>  |                 |
| <b>VIII</b>       | <b>BIBLIOGRAPHY OF REFERENCE MATERIAL</b>                                 |                 |

## MODULE 1

### Concept of Property Intellectual Property

The property which comes into existence by application of human intellect is termed as Intellectual Property.

It is product of

1) Intellectual Capabilities and

2) Labour

Intellectual Property relates to information which can be incorporated in tangible objects and reproduced in different locations. For Example, Patents, Designs, Trade Marks and Copyright. The rights accrued on the owner of such property (Intellectual Property) are termed as Intellectual Property Rights (IPR).

As stated above, Intellectual Property (IP) refers to the creations of the human mind, like inventions, literary and artistic works, and symbols, names, images and designs used in commerce. It can be divided into two categories:

1. Industrial property, which includes inventions (patents), trademarks, industrial designs, and geographic indications of source; and
2. Copyright, which includes literary and artistic works such as novels, poems and plays, films, musical works, artistic works, such as, drawings, paintings, photographs and sculptures, and architectural designs. Rights related to copyright include those of performing artists in their performances, producers of phonograms in their recordings, and those of broadcasters in their radio and television programs.

Intellectual property rights protect the interests of creators by giving them property rights over their creations. The most noticeable distinction between Intellectual Property and other forms of properties is that: Intellectual Property is intangible, that is, it cannot be defined or identified by its own physical parameters. It must be expressed in some discernible way to be protectable.

Generally, it encompasses four separate and distinct types of intangible properties, namely

a) Patent

b) Trademark

c) Copyright and

d) Trade Secret,

which collectively are referred to as “Intellectual Property.”

However, the scope and definition of Intellectual Property is constantly evolving with the inclusion of newer forms under the ambit of Intellectual Property.

In recent times, a) Geographical Indications

b) Protection of plant varieties

c) Protection for semi-conductors and integrated circuits, and

d) Undisclosed Information

have been brought under the umbrella of Intellectual Property. Intellectual Property Rights are like any other property rights. They allow the creators (or owners) of Patents, Trademarks or Copyrighted works (as the case may be) to benefit from their own respective work or investment in a creation. These rights are outlined in Article 27 of the Universal Declaration of Human Rights, which provides for the right to benefit from the protection of moral and material interests resulting from authorship of scientific, literary or artistic productions. The importance of Intellectual Property was first recognized in the Paris Convention for the Protection of Industrial Property (1883) and the Berne Convention for the Protection of Literary and Artistic Works (1886). Both treaties are administered by the World Intellectual Property Organization (WIPO).

In short, Property Rights in ideas are no different than the ownership of houses, cars and other forms of private property. The rhetoric it builds upon seems convincing at first i.e. you ought to be the exclusive owner of your idea to have the incentive to develop it, the very same way you ought to be the exclusive owner of your land to have incentive to develop it.

## Theories of Intellectual Property Rights

The term “intellectual property rights law” is a very broad term and it now includes and refers to a cluster of legal doctrines that regulate the uses of different sorts of ideas and insignia.

- i) The law of copyright protects different forms of expression which are original, including those contained in novels, movies, musical compositions, and computer software program.
- ii) Patent law on the other hand protects different kinds of inventions as also some discoveries provided it satisfies the essential conditions for a Patent.
- iii) The Trademark law is framed to protect ‘words’, ‘symbols’ etc. that help the consumers identify and distinguish the goods and services of different manufacturers and service providers. I
- iv) The Trade-secrets law which is a fairly new branch of Intellectual Property Rights law is intended to protect commercially valuable information for instance, soft-drink formulas, confidential marketing strategies, etc. that the companies would like to conceal and protect from their competitors.

The revenues of many businesses now depend substantially on the Intellectual Property that they possess and the steps that they adopt to protect them. Increasing number legal professionals are also specializing in this particular branch of law.

Further, the legislatures around the world are also busy in framing and revising their intellectual property laws. As a result of these emerging trends, scholarly interest in this particular field of law has risen dramatically in the recent years. Law reviews and journals as also those related to the subject of economics and philosophy, are increasingly focusing on including articles deploying “theories” of intellectual property. There are many writings which have commented upon the differences and the contest amongst the four approaches.

### **a) Utilitarian Theory**

Utilitarian Theory has been advocated by economist such as Bentham and Mill and its primary focus is upon attainment of greatest good for greatest number. It says that the any policy made and implemented by any authority should have power of ensuring greatest good for greatest

number. Greatest good here refers to utmost welfare and greatest number refers to masses. The utilitarian guideline says that:

- a) Lawmakers' beacon when shaping property rights should be the "maximization of net social welfare". This is essentially the utilitarian thought.
- b) In respect of the subject of intellectual property, the school of thought, requires that the lawmakers must strike an optimal balance between, the power of exclusive rights to stimulate the creation of inventions and works of art on the one hand, and, the partially offsetting tendency of such rights to curtail widespread public enjoyment of those creations, on the other.
- c) The danger expressed in respect of this theory is that the creators of such products will be unable to recoup their "costs of expression" i.e. the time and effort devoted by them to writing or composing and the costs of negotiating with publishers or record companies, since copyists are likely to undercut them and persons bear a very low cost of production and thus they can offer identical products to the consumers at a very low price resulting in a loss to the creators of the products.
- d) If this happens it will disincentivise the creators from making any socially valuable intellectual product.
- e) This can however be avoided by allocating to the creators (for limited times) the exclusive right to make copies of their creations. The creators of works that are valuable to the consumers will be empowered to charge prices (for allowing anyone to access to their works) which shall be substantially greater than they could in a competitive market. This rationale put forward by the utilitarian thinkers has been used to shape specific doctrines within the field.

#### b) Natural Right Theory / Labour Theory ( Locke's Theory)

The Natural Right Theory emanates from the proposition that "a person who labors upon resources that are either un-owned or "held in common" has a natural property right to the fruits of his or her efforts and that the state has a duty to respect and enforce that natural right". This idea has been elaborated in the writings of John Locke and is also applicable to the subject of intellectual property, wherein the raw

materials in the form of facts and concepts do seem in some sense to be “held in common” and where labor contributes substantially to the value of the finished product. Lockean property entitlements

- a) Right to use without harm
- b) Right to transfer the property
- c) Right of exclusive usage of the property

**c) Personality Theory** Personality theory

finding place in the writings of Kant and Hegel is that private property rights are crucial to the satisfaction of some fundamental human needs. The law makers thus must create and allocate entitlements to resources in a way that best enables people to satisfy such needs. From this perspective, Intellectual Property Rights may be justified either on the ground that they shield from appropriation or modification artifacts through

which authors and artists have expressed their “wills” (an activity thought central to “personhood”). Justin Hughes, taking inspiration from Hegel’s Philosophy of Right, laid down following guidelines concerning the proper shape of an Intellectual Property

regime (See Hughes, “Philosophy of Intellectual Property”): (a) We should be more willing to accord legal protection to the fruits of highly expressive intellectual activities, such as the writing of novels, than to the fruits of less expressive activities, such as

genetic research. (b) Because a person’s “persona” -- his “public image, including his physical features, mannerisms, and history” -- is an important “receptacle for

personality,” it deserves generous legal protection, despite the fact that ordinarily it does not result from labor. (c) Authors and inventors should be permitted to earn respect, honor, admiration, and money from the public by selling or giving away copies of their works, but should not be permitted to surrender their right to prevent others from mutilating or misattributing their works.

**d) Achievement of just and attractive culture theory**

The fourth approach is based on the proposition that property rights, in general, and intellectual property rights, in particular, can and should be shaped with the objective to help achieve a just and attractive culture. The approach has some similarities with the utilitarianism, but does not agree to deploy a vision for a society



richer than the conceptions of “social welfare” deployed by utilitarians. An appropriate illustration can be found in Neil Netanel’s essay, titled as “Copyright and a Democratic Civil Society.” Netanel begins by describing a picture of “a robust, participatory, and

pluralist civil society,” collaborating with “unions, churches, political and social movements, civic and neighborhood associations, schools of thought, and educational institutions.” In such a world described, all persons would enjoy some degree of financial independence coupled with considerable responsibility in shaping their local social and economic environments. Such a civil society is vital, Netanel claims, to the perpetuation of democratic political institutions. Such a society shall not, however, emerge spontaneously; it has to be nourished by the Government.

## Tangible and Intangible Property

### Tangible Property

The term ‘Tangible property’ refers to any type of physical property that can generally be moved (i.e., it is not attached to real property or land), touched or felt. It generally includes items such as furniture, clothing, jewellery, art, writings, household goods etc.

### Intangible Property

Intangible property on the other hand refers to some personal property that cannot actually be moved, touched or felt, but instead it represents something of value, such as, negotiable instruments, securities, service and intangible assets, including goodwill etc.

### Intellectual Property

Intellectual property is a property which comes into existence by application of human intellect. It is referred as as “Bauddhik sampada “ in the Indian Context. Bauddhik means related to buddhi or intellect and word sampada means property . When word buddhi gets combined with sampada it amounts to bauddhik Sampada.

The person who is owner of Intellectual property is provided bundle of rights related to the property which has come into existence by application of his intellect. These rights collectively are termed as intellectual Property rights.

Intellectual Property is a term which refers to and indicates a number of distinct types of creations of the mind for which law confers certain property rights upon its creator. The jurisprudence developed on the concept of 'Property' has made it abundantly clear that property does not just encompass tangible things, like a house, a car, furniture, currency, investment etc and that these assets are not the only kind of property which are subject matter of protection by law. There are many other forms of intangible properties which are known with the term 'intellectual property' that have been recognised by the law and thus granted protection against any kind of infringement by a person other than its rightful owner or a person authorised by such rightful owner.

Under the Intellectual Property Law, the owners of such intangible property have been granted and conferred with certain exclusive rights over their respective intangible assets/works, these include, musical, literary and artistic works; discoveries and inventions; and words, phrases, symbols, and designs, etc. Patent, Trademark, Copyright, and Designs

rights are the broad four main categories of intellectual properties, though the domain of such assets is expanding with the passage of time.

Exclusive rights are provided to the owners as a reward of the intellect, time, money, skill etc. they used for creation of intellectual property.

## Patents

Necessity is mother of invention and inventions are need of hour. The person who invents something having industrial application is granted Patent on the invention. Intellectual Property right related to patents provides bundle of rights related to the invention including the right to use, assign etc. Patents are conferred in order to grant protection to certain new products, processes, apparatus, etc. provided the invention involved in it is non-obvious in nature in light of what already exists or has already been done before, it is not in public domain, and has not been disclosed anywhere in the world at the time of the application for grant of patent. The invention involved must have a utility i.e. a practical purpose. Patents are territory specific and thus are registrable nationally. However, the Patents granted by European Patent Office is regarded as a 'bundle' of national Patents. Also, there is not yet any single EU-wide patent system which exists till date. Registration of patent provides its owner the right to prevent anyone else (other than the licensed user) from making, using, selling, or importing the invention for 20 years from the date of grant of patent. Patents are enforced by court proceedings.

## Trade Marks

A symbol in the form of a logo, words, shapes, jingles etc. which is employed to provide the product(s) or service(s) with a recognizable identity to distinguish them from the competing products is called as a Trade Mark. Trade Marks help in protecting the distinctive identification which make up the marketing identity of a brand. They can be registered by its founder/user nationally as well as internationally, thus enabling him to use such mark on his products along with the symbol ® which reflects the registration status of the symbol. Trade mark rights can be enforced through court proceedings wherein relief in the form of injunction and/ or damages are available. In cases wherein there is an element of counterfeit, the state authorities like the Customs Department, the Police, and even the Consumer Protection Agencies can be approached to assist and provide relief in such cases. An unregistrable trade mark however is symbolised by the use of the letters 'TM' to be used along with the mark.

To enforce one's right in respect of such unregistered trade mark in the court of law in case the competitor uses the same or a similar mark to trade his products in the same or a similar field, one has to prove that he/she has put to use such mark prior to the other person against whom the proceedings are brought about.

## Copyright

Copyright is used to protect works like original creative works, published articles, sound recordings, films, and broadcasts. The right exists independent of the medium on which the work is recorded, and therefore buying a copy thereof does not confer a right to copy the work. Limited copying in the form of photocopying, scanning, and downloading without permission of the copyright owner is however permissible but only for research activities. Further, publication of excerpts or quotes from the work requires a due acknowledgement of the source from which such excerpts or quotes have been taken. However, a mere idea is outside the domain of the protection of copyright and thus a mere idea cannot be copyrighted, i.e., only the expression of the idea.

Copyright also does not exist for a title, slogan or a phrase, although all these can be registered as a trade mark. Copyright extends to the internet medium as well like the matter published through web pages which are protected by the copyright law, such that permission is required before copying the matter contained therein or even to insert a hyperlink to it. Unlike many other Intellectual Property Rights, Copyright is not necessarily registrable and it arises automatically upon creation of the work itself.

Further, Copyright can be enforced through the court of law.

## Design Registration

Registration of a Design helps in protecting the products which can be distinguished by their mere novel shape or pattern. However, the requirement for registration is that such design itself must be new and thus the element of novelty is of the essence for design registration.

Design is registrable both nationally as well as under the EU-wide single registration. Such a right can also be protected through the copyright. Thus, from the aforementioned it is clear that the concept of property is in existence from very ancient period. The concept itself has a very long history and thus many philosophers/thinkers have put down their views on the subject in the form of different schools of thought. These thinkers include philosophers like Bentham, Laski etc. Their philosophies are very helpful and also indispensable to make one understand different aspects of the concept of property. Under the Transfer of Property Act, 1882 which is considered to be the most elaborate statute on the subject of Property does not contain a definition of the term 'Property' itself. In today's era, not only the things which can be seen or touched but also the things which cannot be touched or seen come within the purview of the term 'property'. This includes ideas, innovation, composition etc. These properties are known as intellectual property.

## 2 Need for Protecting Intellectual Property –

Policy Consideration – National and International Perspectives Protection of IPR, from the international perspective, is about the difference in the protection afforded by the developing and developed countries. While, developed countries normally bear the brunt of IPR related policies, developing countries are exposed as vulnerable and sentimental. Developing nations are sensitive to the standards of IPR protection set by the TRIPs and the tendency to extend this bilaterally which involves an element of reciprocity. Therefore, such countries maintain that different economic sophistication calls for different levels of IPR protection.

The stand of developing nations has been that under the norms set by TRIPs, there is a need to include steps that enables the marginalized developing countries to lessen the heavy social cost imposed by the TRIPs standards, and increase the gains accruing from higher international IPR protection. Different thinkers have different views on the subject. Some believe that the key motivation behind introduction of TRIPs was the desire of the developed nations to protect their accrued competitive technological advantage in the face of the threats and opportunities of globalisation. For them, a harmonized IPR regime serves as a powerful political tool enabling the Multi-National Corporates to internationalize the different phases of production without jeopardizing IPR protection.

Therefore, it is felt that the ultimate and the intended outcome of TRIPs is, to consolidate the global hegemony of a few developed nations. By challenging the political limits of national sovereignty, TRIPs provisions require that member states should provide higher protection to the IPRs thus providing some leverage to the developed states to enhance the standards under their bilateral negotiations. Such a move has been called as a drive to overcome pre-existing territorial limitations on intellectual property rights. An illustrative case herein is the United States. The percentage value of U.S. intellectual property exports skyrocketed in the second half of the twentieth century, and thus U.S. got concerned about erosion of its competitiveness caused by the widespread “piracy” occurring in the developing countries. Thus, there was a thinking that by reducing piracy, the U.S. would recapture the revenue involved diverting it to enhance profit taking. For most of the developing nations, adopting a Western-style IPR regime is not a desirable change as the same is not likely to bring in any tangible benefits to it.

The term “Intellectual property (IP)” signifies the inventions, devices, new varieties of designs and other intellectual properties that are brought into existence through the exercise of “mental or creative labour” by the human beings. “Intellectual Property Rights (IPR)” is an umbrella term which is employed to describe the legal status and the protection that allows people to own intellectual properties – the intangible products of their creativity and innovation imbedded in physical objects – in the form that they own physical properties. Under the TRIPs Agreement, IPR refers to copyright and related rights, trademarks, geographical indications, industrial designs, patents, integrated circuit layout designs, protection of undisclosed information and anti-competitive practices in contractual licenses.

The reasons behind grant of protection to such intellectual property are twofold.

- a) First, to give meaning to the moral sentiment that a creator (such as a craftsman) should enjoy the fruits of his creativity;
- b) the Second is to encourage investment of skill, time, finance, and other resources into innovation activities in a manner that is beneficial to the society.

These purposes are achieved through grant of certain time-bound exclusive right and protection in respect of his intellectual property such that he can control the use of such property.

IPR as a concept has been discussed and debated throughout since inception and with globalisation the debate has become increasingly controversial and confrontational with different stakeholders voicing their concerns. Thus, there arose a need to settle the disputes by laying down a law for IPR protection which is applicable in the international framework. The scholars have also made their contribution in giving a shape to the IPR law. They have also

debated the validity and legitimacy of IPR from different perspectives.

## Types of Intellectual Property – Origin and Development

### INTELLECTUAL PROPERTY REGIME IN INDIA

India remains one of the world's most growing economies in past 20 years and the ballgame of entrepreneurship and industries is a key element for contribution outstanding growth of Indian economy. On one hand, where businesses and their successful run is vital to the growth of economy; on the same hand, a structured set of IP protection helps in the advancement and development of businesses under a hassle free environment.

Henceforth, aligning the International practices, India too is having a systemized legal system to take care of IP protection. Historically the first system of protection of intellectual property came in the form of (Venetian Ordinance) in 1485. This was followed by Statute of Monopolies in England in 1623, which extended patent rights for Technology Inventions. In the United States, patent laws were introduced in 1760.

Most European countries developed their Patent Laws between 1880 to 1889. In India Patent Act was introduced in the year 1856 which remained in force for over 50 years, which was subsequently modified and amended and was called "The Indian Patents and Designs Act, 1911". After Independence a comprehensive bill on patent rights was enacted in the year 1970 and was called "The Patents Act, 1970".

Specific statutes protected only certain type of Intellectual output; till recently only four forms were protected. The protection was in the form of grant of copyrights, patents, designs and trademarks. In India, copyrights were regulated under the Copyright Act, 1957; patents under Patents Act, 1970; trademarks under Trade and Merchandise Marks Act 1958; and designs under Designs Act, 1911. With the establishment of WTO and India being signatory to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), several new legislations were passed for the protection of intellectual property rights to meet the international obligations. These included: Trade Marks, called the Trade Mark Act, 1999; Designs Act, 1911 was replaced by the Designs Act, 2000; the Copyright Act, 1957 amended a number of times, the latest is called Copyright (Amendment) Act, 2012; and the latest amendments made to the Patents Act, 1970 in 2005. Besides, new legislations on geographical indications and plant varieties were also enacted. These are called Geographical Indications of Goods (Registration and Protection) Act, 1999, and Protection of Plant Varieties and Farmers' Rights Act, 2001 respectively.

Over the past two decades around, intellectual property rights have grown to a stature from where it plays a major role in the development of global economy. In 1990s, many countries unilaterally strengthened their laws and regulations in this area, and many others were poised to do likewise. At the multilateral level, the successful conclusion of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) in the World Trade Organization elevates the protection and enforcement of IPRs to the level of solemn international commitment. It is strongly felt that under the global competitive environment, stronger IPR protection increases incentives for innovation and raises returns to international technology transfer.

India's engagement on Intellectual Property Rights (IPR) endures, primarily through the Trade Policy Forum's Working Group on Intellectual Property. In 2016, India released its comprehensive National IP Policy, with its primary focus being on awareness and building administrative capacity. The portfolio of Copyright and SemiConductors shifted to the Department of Industrial Policy and Promotion, Ministry of Commerce. The Cell of IP Promotion and Management (CIPAM) was set up and is tasked with implementing the IP Policy and interagency coordination. In 2016, the state of Telangana set up India's first IP Crime Unit, to combat the menace of internet piracy.

## COPYRIGHTS

Copyrights protect original works of authorship, such as literary works, music, dramatic works, pantomimes and choreographic works, sculptural, pictorial, and graphic works, sound recordings, artistic works, architectural works, and computer software. With copyright protection, the holder has the exclusive rights to modify, distribute, perform, create, display, and copy the work.

Section 14 of the Act defines the term Copyright Protection of separate rights.—

Subject to the provisions of this Act, where the several rights comprising the copyright in any work are owned by different persons, the owner of any such right shall, to the extent of that right, be entitled to the remedies provided by this Act and may individually enforce such right by means of any suit, action or other proceeding without making the owner of any other right a party to such suit, action or proceeding.

The greatest fear and challenges to the copyright industry is the piracy of works whether, books, musical works, films, television programmes or computer software or computer database. The special nature of infringement of copyrights in computer programmes has again been taken note of by the Copyright (Amendment) Act, 1994 by inserting a new section 63 B. The Copyright (Amendment) Act, 1999 makes it free for purchaser of a gadget/equipment to sell it onwards if the item being transacted is

not the main item covered under the Copyright Act. This means computer software which is built in the integral part of a gadget/equipment can be freely transacted without permission of copyright owner. This amendment also ensures fair dealing of 'broadcasting' gaining popularity with the growth of the Internet. With this amendment India has updated the Act to meet the concerns of the copyright industries mainly consisting of Book Industry, Music Industry, Film and Television Industry, Computer Industry and Database Industry.

The Copyright Act, 1957 amended in 2012 with the object of making certain changes for clarity, to remove operational difficulties and also to address certain newer issues that have emerged in the context of digital technologies and the Internet. Moreover, the main object to amendments the Act is that in the knowledge society in which we live today, it is imperative to encourage creativity for promotion of culture of enterprise and innovation so that creative people realize their potential and it is necessary to keep pace with the challenges for a fast growing knowledge and modern society.

## TRADEMARKS

A trademark is a word, phrase, symbol, or design that distinguishes the source of products (trademarks) or services (service marks) of one business from its competitors. In order to qualify for protection, the mark must be distinctive. For example, the Nike "swoosh" design identifies athletic footwear made by Nike.

Although rights in trademarks are acquired by use, registration with the Trademark Office under the Trademark Act, 1999 allows you to more easily enforce those rights. Before registering your trademark, conduct a search of federal and state databases to make sure a similar trademark doesn't already exist. This trademark search can help you reduce the amount of time and money you could spend on using a mark that is already registered and trademarked.

The Trade Marks Act 1999 ("TM Act") provides, inter alia, for registration of marks, filing of multi class applications, the renewable term of registration of a trademark as ten years as well as recognition of the concept of wellknown marks, etc. It is pertinent to note that the letter "R" in a circle i.e. ® with a trademark can only be used after the registration of the trademark under the TM Act.

Trademarks mean any words, symbols, logos, slogans, product packaging or design that identify the goods or services from a particular source. As per the definition provided under Section 2 (zb) of the TM Act,

"trade mark" means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colors.



The definition of the trademark provided under the TM Act is wide enough to include non-conventional marks like color marks, sound marks, etc. As per the definition provided under Section 2 (m) of the TM Act, “mark” includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

Accordingly, any mark used business entity in the trade or business in any form, for distinguishing itself from other, can qualify as trademark. It is quite significant to note that the Indian judiciary has been proactive in the protection of trademarks, and it has extended the protection under the trademarks law to Domain Names as demonstrated in landmark cases of *Tata Sons Ltd. v Manu Kosuri & Ors.* [90 (2001) DLT 659] and *Yahoo Inc. v Akash Arora* [1999 PTC 201].

#### Points to consider while adopting a Trademark

Any business entity needs to be cautious in selecting its trade name, brands, logos, packaging for products, domain names and any other mark which it proposes to use. One must do a proper due diligence before adopting a trademark.

The trademarks can be broadly classified into following five categories:

- Generic
- Descriptive
- Suggestive
- Arbitrary
- Invented/Coined

Explanation :

1. Generic marks means using the name of the product for the product, like “Salt” for salt.
2. Descriptive marks means the mark describing the characteristic of the products, like using the mark “Fair” for the fairness creams.
3. Suggestive marks means the mark suggesting the characteristic of the products, like “Habitat” for home furnishings products.
4. Arbitrary marks means mark which exist in popular vocabulary, but have no logical relationship to the goods or services for which they are used, like “Blackberry” for phones.

5. The invented/ coined marks means coining a new word which has no dictionary meaning, like “Adidas”. The strongest marks, are thus the easiest to protect, are invented or arbitrary marks. The weaker marks are descriptive or suggestive marks which are very hard to protect. The weakest marks are generic marks which can never function as trademarks.

India follows the NICE Classification of Goods and Services for the purpose of registration of trademarks. The NICE Classification groups goods and services into 45 classes (classes 1-34 include goods and classes 35-45 include services). The NICE Classification is recognized in majority of the countries and makes applying for trademarks internationally a streamlined process. Every business entity, seeking to register trademark for a good or service, has to choose from the appropriate class, out of the 45 classes.

While adopting any mark, the business entity should also keep in mind and ensure that the mark is not being used by any other person in India or abroad, especially if the mark is well-known. It is important to note that India recognizes the concept of the “Well-known Trademark” and the principle of “Trans-border Reputation”.

Examples of well-known trademarks are Google, Tata, Yahoo, Pepsi, Reliance, etc. Further, under the principle of “Trans-border Reputation”, India has afforded protection to trademarks like Apple, Gillette, Whirlpool, Volvo, which despite having no physical presence in India, are protected on the basis of their trans-border reputation in India.

## Patents

A patent grants proprietary rights on an invention, allowing the patent holder to exclude others from making, selling, or using the invention. Inventions allow many businesses to be successful because they develop new or better processes or products that offer competitive advantage on the marketplace. One could get a patent by filing a patent application with the Patent Office in India.

Patent, in general parlance means, a monopoly given to the inventor on his invention to commercial use and exploit that invention in the market, to the exclusion of other, for a certain period.

As per Section 2(1) (j) of the Patents Act, 1970, “invention” includes any new and useful;

- art, process, method or manner of manufacture;

- machine, apparatus or other article;
- substance produced by manufacture, and includes any new and useful improvement of any of them, and an alleged invention;

The definition of the word “Invention” in the Patents Act, 1970 includes the new product as well as new process.

Therefore, a patent can be applied for the “Product” as well as “Process” which is new, involving inventive step and capable of industrial application can be patented in India.

The invention will not be considered new if it has been disclosed to the public in India or anywhere else in the world by a written or oral description or by use or in any other way before the filing date of the patent application. The information appearing in magazines, technical journals, books etc, will also constitute the prior knowledge. If the invention is already a part of the state of the art, a patent cannot be granted. Examples of such disclosure are displaying of products in exhibitions, trade fairs, etc. explaining its working, and similar disclosures in an article or a publication.

It is important to note that any invention which falls into the following categories is not patentable:

- (a)** frivolous,
- (b)** obvious,
- (c)** contrary to well established natural laws,
- (d)** contrary to law,
- (e)** morality, (
- (f) injurious to public health,
- (g)** a mere discovery of a scientific principle,
- (h)** the formulation of an abstract theory,

(i) a mere discovery of any new property or new use for a known substance or process, machine or apparatus,

(j) a substance obtained by a mere admixture resulting only in the aggregation of the properties of the components thereof or a process for producing such substance, (k) a mere arrangement or rearrangement or duplication of known devices,

**(l)** a method of agriculture or horticulture, and

**(m)** inventions relating to atomic energy or the inventions which are known or used by any other person, or used or sold to any person in India or outside India. The application for the grant of patent can be made by either the inventor or by the assignee or legal representative of the inventor. In India, the term of the patent is for 20 years. The patent is renewed every year from the date of patent.

## Designs

In view of considerable progress made in the field of science and technology, a need was felt to provide more efficient legal system for the protection of industrial designs in order to ensure effective protection to registered designs, and to encourage design activity to promote the design element in an article of production. In this backdrop, The Designs Act of 1911 has been replaced by the Designs Act, 2000. The Designs Act, 2000 has been enacted essentially to balance these interests and to ensure that the law does not unnecessarily extend protection beyond what is necessary to create the required incentive for design activity while removing impediments to the free use of available designs.

The new Act complies with the requirements of TRIPS and hence is directly relevant for international trade.

According to section 2 (d) of the Designs Act, 2000

“Design” means features of shape, pattern, configuration, ornaments or composition of colors or lines which is applied in three dimensional or two dimensional or in both the forms using any of the process whether manual, chemical, mechanical, separate or combined which in the finished article appeal to or judged wholly by the eye; but does not include any mode or principle of construction or anything which is in substance a mere mechanical device.

Industrial Design law deals with the aesthetics or the original design of an industrial product. An industrial product usually contains elements of both art and craft, that is to say artistic as well as

functional elements. The design law excludes from its purview the functioning features of an article and grants protection only to those which have an aesthetic appeal. For example, the design of a teacup must have a hollow receptacle for holding tea and a handle to hold the cup. These are functional features that cannot be registered. But a fancy shape or ornamentation on it would be registrable. Similarly, a table, for example, would have a flat surface on which other objects can be placed. This is its functional element. But its shape, colour or the way it is supported by legs or otherwise, are all elements of design or artistic elements and therefore, registrable if unique and novel

## UTILITY MODELS

A utility model is an exclusive right granted for an invention, which allows the right holder to prevent others from commercially using the protected invention, without his authorization for a limited period of time. In its basic definition, which may vary from one country (where such protection is available) to another, a utility model is similar to a patent. In fact, utility models are sometimes referred to as “petty patents” or “innovation patents.”

## TRADE SECRETS

It may be confidential business information that provides competitive edge to an enterprise. Usually these are manufacturing or industrial secrets and commercial secrets. These include sales methods, distribution methods, consumer profiles, and advertising strategies, lists of suppliers and clients, and manufacturing processes.

Contrary to patents, trade secrets are protected without registration.

Trade secret may be in the form of a

- a) formula
- b) practice
- c) process
- d) design
- e) instrument
- f) pattern
- g) commercial methods

a) compilation of information not generally known A trade secret can be protected for an unlimited period of time but a substantial element of secrecy must exist so that, except by the use of improper means, there would be difficulty in acquiring the information. Considering the vast availability of traditional knowledge in the country, the protection under this will be very crucial in reaping benefits from such type of knowledge.

## GEOGRAPHICAL INDICATIONS

Geographical Indication (GI) is a tag or sign used on products for indicating their specific place of origin. It specifies the characteristics, qualities and reputation assumed to be in the product because of its linkage to a particular geographical location. Any sign can be used as a GI only when it has the ability of identifying a product to be originating from a particular place. It can be used for following mentioned things –

a) Agricultural products e.g. Alphonso Mango, Nagpur oranges b) Food stuffs e.g. Roquefort cheese is the unique blue cheese from France c) Wine and spirits e.g. Tequila made from blue agave plant growing in the city of Tequila, Mexico d) Handicrafts e.g. Mahdubani Paintings, Kanchipuram Sarees e) Industrial products e.g. Darjeeling tea. Until recently, Geographical indications were not registrable in India and in the absence of statutory protection, Indian geographical indications had been misused by persons outside India to indicate goods not originating from the named locality in India. Patenting turmeric, neem and basmati are the instances which drew a lot of attention towards this aspect of the Intellectual property. Mention should be made that under the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), there is no obligation for other countries to extend reciprocal protection unless a geographical indication is protected in the country of its origin. India did not have such a specific law governing geographical indications of goods which could adequately protect the interest of producers of such goods. To cover up such situations it became necessary to have a comprehensive legislation for registration and for providing adequate protection to geographical indications and accordingly the Parliament has passed a legislation, namely, the Geographical Indication of Goods (Registration and Protection) Act, 1999. The legislation is administered through the Geographical Indication Registry under the overall charge of the Controller General of Patents, Designs and Trade Marks.

The salient features of this legislation are as under:

(a) Provision of definition of several important terms like “geographical indication”, “goods”, “producers”, “packages”, “registered proprietor”, “authorized user” etc.

(b) Provision for the maintenance of a Register of Geographical Indications in two parts-Part A and Part B and use of computers etc. for maintenance of such Register. While Part A will contain all registered geographical indications, Part B will contain particulars of registered authorized users.

(c) Registration of geographical indications of goods in specified classes.

(d) Prohibition of registration of certain geographical indications.

(e) Provisions for framing of rules by Central Government for filing of application, its contents and matters relating to substantive examination of geographical indication applications.

(f) Compulsory advertisement of all accepted geographical indication applications and for inviting objections.

(g) Registration of authorized users of registered geographical indications and providing provisions for taking infringement action either by a registered proprietor or an authorized user.

(h) Provisions for higher level of protection for notified goods.

(i) Prohibition of assignment etc. of a geographical indication as it is public property.

(j) Prohibition of registration of geographical indication as a trademark.

(k) Appeal against Registrar’s decision would be to the Intellectual Property Board established under the Trade Mark legislation.

(l) Provision relating to offences and penalties.

(m) Provision detailing the effects of registration and the rights conferred by registration.

(n) Provision for reciprocity powers of the registrar,

maintenance of Index, protection of homonymous geographical indications etc.

## BIO-DIVERSITY AND IPR

In simple terms, the diversity among various life forms within the Biosphere refers to biodiversity. Biodiversity is the foundation of life on Earth. It is crucial for the functioning of ecosystems which provide us with products and services without which we cannot live. By changing biodiversity, we strongly affect human well-being and the well-being of every other living creature. Biodiversity is normally classified under 3 major categories: a) ecosystem diversity, representing the principal bio geographic regions and habitats; b) Species diversity, representing variability at the level of

families, genera and species; and c) Genetic diversity, representing the large amount of variability occurring within a species.

Diverse activities and actions have been taken by several stakeholders at local, state, national and international level to conserve/protect the valuable resource such as biodiversity to draw the benefits accrued in it for the society. It is a well-established fact that developing countries are rich in the world's flora and fauna and 80 percent of the earth's terrestrial biodiversity is confined to these countries, which is the "raw material" for biotechnology, i.e., genes, folk varieties, land races to develop new varieties by biotechnology. Until the advent of molecular biology and genetic engineering, the success of plant breeding depended on access to genetic variability within a species. Genetic engineering has, however, rendered the transfer of genes across sexual barriers possible and has thus enhanced the value of biodiversity.

The developed countries are not rich in biogenetic resources but are better equipped in research and development. They use the biogenetic resources accessed from the developing countries. As a result, there is a beginning in the unprotected flow of genetic information from the developing countries to the capital-rich west, and a protected flow in the reverse direction mainly through patents and Plant Breeders' Rights (PBR). It has both visible and invisible impacts. Genetic erosion is one of the most important invisible impacts that is in the long run manifested visibly with the loss of biodiversity.

The Convention on Biological Diversity (CBD) 1992: Opened for signature at the Earth Summit in Rio de Janeiro in 1992, and entering into force in December 1993, the Convention on Biological Diversity is an international treaty for the conservation of biodiversity, the sustainable use of the components of biodiversity and the equitable sharing of the benefits derived from the use of genetic resources. The interface between biodiversity and intellectual property is shaped at the international level by several treaties and process, including at the WIPO, and the TRIPS Council of the WTO. With 193 Parties, the Convention has near universal participation among countries. The Convention seeks to address all threats to biodiversity and ecosystem services, including threats from climate change, through scientific assessments, the development of tools, incentives and processes, the transfer of technologies and good practices and the full and active involvement of relevant stakeholders including indigenous and local communities, youth, NGOs, women and the business community. The Cartagena Protocol on Bio safety is a subsidiary agreement to the Convention. It seeks to protect biological diversity from the potential risks posed by living modified organisms resulting from modern biotechnology.



The treaty defines biodiversity as “the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.” The Convention reaffirms the principle of state sovereignty, which grants states sovereign rights to exploit their resources pursuant to their own environmental policies together with the responsibility to ensure that activities within their own jurisdiction or control do not cause damage to the environment of other states.

The Biodiversity Convention also provides a general legal framework regulating access to biological resources and the sharing of benefits arising from their use. India is a party to the Convention on Biological Diversity (1992).

The Convention on Biological Diversity establishes important principles regarding the protection of biodiversity while recognizing the vast commercial value of the planet’s store of germplasm. However, the expansion of international trade agreements establishing a global regime of intellectual property rights creates incentives that may destroy biodiversity, while undercutting social and economic development opportunities as well as cultural diversity. The member countries were pressurized to change their IPR laws to conform to the TRIPS agreement.

India also followed the suit by placing in place legal frameworks for the management of biodiversity and Intellectual property laws.

Following India’s ratification of the Convention on Biological Diversity (CBD) at international level, the Biological Diversity Act, 2002 was adopted. The Biological Diversity Act aims at conservation of biological resources and associated knowledge as well as facilitating access to them in a sustainable manner and through a just process.

## THE PARIS CONVENTION

### History

The Paris Union, established by the Convention, has an Assembly and an Executive Committee. Every State member of the Union which has adhered to at least the administrative and final provisions of the Stockholm Act (1967) is a member of the Assembly. The members of the Executive Committee are elected from among the members of the Union, except for Switzerland, which is a member ex officio.

The Paris Convention, concluded in 1883, was revised at Brussels in 1900, at Washington in 1911, at The Hague in 1925, at London in 1934, at Lisbon in 1958 and at

Stockholm in 1967, and it was amended in 1979. The Convention applies to industrial property in the widest sense, including patents, marks, industrial designs, utility models, trade names, geographical indications and the repression of unfair competition. The substantive provisions of the Convention may be divided into three main categories namely national treatment, right of priority, common rules.

## Salient feature

### National treatment

According to Articles 2 and 3 of this treaty, juristic and natural persons who are either national of or domiciled in a state party to the Convention shall, as regards the protection of industrial property, enjoy in all the other countries of the Union, the advantages that their respective laws grant to nationals.

In other words, when an applicant files an application for a patent or a trademark in a foreign country member of the Union, the application receives the same treatment as if it came from a national of this foreign country. Furthermore, if the intellectual property right is granted (e.g. if the applicant becomes owners of a patent or of a registered trademark), the owner benefits from the same protection and the same legal remedy against any infringement as if the owner was a national owner of this right.

### Priority right

The "*Convention priority right*", also called "*Paris Convention priority right*" or "*Union priority right*", was also established by Article 4 of the Paris Convention, and is regarded as one of the cornerstones of the Paris Convention.<sup>[3]</sup> It provides that an applicant from one contracting State shall be able to use its first filing date (in one of the contracting States) as the effective filing date in another contracting State, provided that the applicant, or his successor in title, files a subsequent application within 6 months (for industrial designs and trademarks) or 12 months (for patents and utility models) from the first filing.

### Temporary protection for goods shown at some international exhibitions

Article 11(1) of the Paris Convention requires that the Countries of the Union "grant temporary protection to patentable inventions, utility models, industrial designs, and trademarks, in respect of goods exhibited at official or officially recognized international exhibitions held in the territory of any of them".

If a patent or trademark registration is applied for during the temporary period of protection, the priority date of

the application may be counted "from the date of introduction of the goods into the exhibition" rather than from the date of filing of the application, if the temporary protection referred to in Article 11(1) has been implemented in such a manner in national law.<sup>[5][6]</sup> There are, however, other means for the Countries of the Union to implement in their national law the temporary protection provided for in Article 11 of the Paris Convention:

It is also possible, for example, in the case of exhibited patentable inventions, to make provision for temporary protection by other means, namely, by prescribing that, during a certain period, such exhibition will not destroy the novelty of the invention and that the person who exhibits the invention will also be protected against usurpation of his invention by third parties. Still another possibility of protection consists in the recognition of a right of prior use in favor of the exhibitor as against possible rights acquired by third parties.

Mutual independence of patents and trademarks in the different Countries of the Union

According to Articles 4bis and 6 (for patents and trademarks respectively), for foreigners, the application for a patent or the registration of a trademark shall be determined by the member state in accordance with their national law and not by the decision of the country of origin or any other countries. Patent applications and trademark registrations are independent among contracting countries.

## TRADE RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS (TRIPS)

AGREEMENT With the establishment of the world trade Organization (WTO), the importance and role of the intellectual property protection has been crystallized in the Trade-Related Intellectual Property Systems (TRIPS) Agreement. It was negotiated at the end of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) treaty in 1994.

The general goals of the TRIPS Agreement are contained in the Preamble to the Agreement, which reproduces the basic Uruguay Round negotiating objectives established in the TRIPS area by the 1986 Punta del Este Declaration and the 1988-89 Mid-Term Review. These objectives include

- a) the reduction of distortions and impediments to international trade, b) promotion of effective and adequate of intellectual property rights, and c) ensuring that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade.

The TRIPS Agreement encompasses, in principle, all forms of intellectual property and aims at harmonizing and strengthening standards of protection and providing for effective enforcement at

both national and international levels. It addresses applicability of general GATT principles as well as the provisions in international agreements on IP (Part I). It establishes standards for availability, scope, use (Part II), enforcement (Part III), acquisition and maintenance (Part IV) of Intellectual Property Rights. Furthermore, it addresses related dispute prevention and settlement mechanisms (Part V).

Formal provisions are addressed in Part VI and VII of the Agreement, which cover transitional and institutional arrangements, respectively.

The obligations under TRIPS apply equally to all member states.

However developing countries were allowed extra time to implement the applicable changes to their national laws, in two tiers of transition according to their level of development. The transition period for developing countries expired in 2005. For least developed countries, the transition period has been extended to 2016, and could be extended beyond that. The TRIPS Agreement, which came into effect on 1 January 1995, is to date the most comprehensive multilateral agreement on intellectual property. The areas of intellectual property that it covers are: (

- i) Copyright and related rights (i.e. the rights of performers, producers of sound recordings and broadcasting organizations);
- (ii) Trade marks including service mark
- (iii) Geographical indications including appellations of origin;
- (iv) Industrial designs;
- (v) Patents including protection of new varieties of plants;
- (vi) The lay-out designs (topographies) of integrated circuits;
- (vii) The undisclosed information including trade secrets and test data.

Issues Covered under TRIPS Agreement The TRIPS agreement broadly focuses on following issues:

- How basic principles of the trading system and other international intellectual property agreements should be applied.
- How to give adequate protection to intellectual property rights.
- How countries should enforce those rights adequately in their own territories.
- How to settle disputes on intellectual property between members of the WTO.
- Special transitional agreements during the period when the new system is being introduced.

Features of the Agreement The main three features of the TRIPS Agreement are as follows Standards:

The TRIPS Agreement sets out the minimum standards of protection to be provided by each Member.

Enforcement:

The second main set of provisions deals with domestic procedures and remedies for the enforcement of intellectual property rights. The Agreement lays down certain general principles applicable to all IPR enforcement procedures.

Dispute settlement:

The Agreement makes disputes between WTO Members about the respect of the TRIPS obligations subject to the WTO's dispute settlement procedures. In addition the Agreement provides for certain basic principles, such as national and most-favoured-nation treatment (non-discrimination), and some general rules to ensure that procedural difficulties in acquiring or maintaining IPRs do not nullify the substantive benefits that should flow from the Agreement. The TRIPS Agreement is a minimum standards agreement, which allows Members to provide more extensive protection of intellectual property if they so wish. Members are left free to determine the appropriate method of implementing the provisions of the Agreement within their own legal system and practice.

### Protection of Intellectual Property under TRIPS

TRIPS also specifies enforcement procedures, remedies, and dispute resolution procedures. Protection and enforcement of all intellectual property rights should meet the objectives to contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.

### Copyrights and related rights

Part II Section 1 (Article 9 to Article 14) of the TRIPS agreement deals with the minimum standard in respect of copyrights.

### Trademarks

Part II Section 2 (Article 15 to Article 21) of the TRIPS agreement contains the provisions for minimum standards in respect of Trademarks.

### Geographical Indications

Section 3 Part II (Article 22 to Article 24) of the TRIPS Agreement contains the provisions

for minimum standards in respect of geographical indications.

#### Industrial Designs

Section 4, Part II (Article 25 and Article 26) of the TRIPS Agreement contains the provisions for minimum standards in respect of Industrial designs.

#### Patents

Section 5 Part II of the TRIPS Agreement (Article 27 to Article 34) contains the provisions for standards in respect of Patents.

#### Layout Designs of Integrated Circuits

Articles 35 to 38 of Section 6 / Part II of the TRIPS agreement contain the provisions for protection of rights in respect of Layout Designs of Integrated Circuits.

#### Protection of undisclosed information

Article 39 of Section 7 Part II of the TRIPS agreement elaborates on the protections of trade secrets.

A Trade Secret or undisclosed information is any information that has been intentionally treated as secret and is capable of commercial application with an economic interest. There is no specific legislation regulating the protection of trade secrets. India follows common law approach of protection based on contract laws.

## MODULE 2

### COPYRIGHTS

Copyrights protect original works of authorship, such as literary works, music, dramatic works, pantomimes and choreographic works, sculptural, pictorial, and graphic works, sound recordings, artistic works, architectural works, and computer software. With copyright protection, the holder has the exclusive rights to modify, distribute, perform, create, display, and copy the work.

Section 14 of the Act defines the term Copyright as to mean the exclusive right to do or authorise the doing of the following acts in respect of a work or any substantial part thereof, namely

In the case of literary, dramatic or musical work (except computer programme)

: (i) reproducing the work in any material form which includes storing of it in any medium by electronic means;

**(ii)** issuing copies of the work to the public which are not already in circulation;

**(iii)** performing the work in public or communicating it to the public;

**(iv)** making any cinematograph film or sound recording in respect of the work; making any translation or adaptation of the work.

Further any of the above mentioned acts in relation to work can be done in the case of translation or adaptation of the work. In the case of a computer programme:

**(i)** to do any of the acts specified in respect of a literary, dramatic or musical work; and

**(ii)** to sell or give on commercial rental or offer for sale or for commercial rental any copy of the computer programme. However, such commercial rental does not apply in respect of computer programmes where the programme itself is not the essential object of the rental.

In the case of an artistic work:

**(i)** reproducing the work in any material form including depiction in three dimensions of a two dimensional work or in two dimensions of a three dimensional work;

**(ii)** communicating the work to the public;

**(iii)** issuing copies of work to the public which are not already in existence;

**(iv)** including work in any cinematograph film; making adaptation of the work, and to do any of the above acts in relation to an adaptation of the work. In the case of cinematograph film and sound recording:

**(i)** making a copy of the film including a photograph of any image or making any other sound recording embodying it;

**(ii)** selling or giving on hire or offer for sale or hire any copy of the film/sound recording even if such copy has been sold or given on hire on earlier occasions; and

**(iii)** communicating the film/sound recording to the public. In the case of a sound recording:

- To make any other sound recording embodying it
- To sell or give on hire, or offer for sale or hire, any copy of the sound recording
- To communicate the sound recording to the public.

The main objective of the Act is to give protection to the owner of the copyright from the dishonest manufacturers, who try to confuse public and make them believe that the infringed products are the products of the owner. Further, it wants to discourage the dishonest manufacturers from encroaching the goodwill of the owner of the copyright, who has established itself in the market with its own efforts [Hawkins Cookers Ltd. v. Magicook Appliances Co., 00(2002) DLT698].

Unlike the case with patents, copyright protects the expressions and not the ideas. There is no copyright in an idea. In *M/s Mishra Bandhu Karyalaya & Others v.*

*Shivaratanlal Koshal* AIR 1970 MP 261, it has been held that the laws of copyright do not protect ideas, but they deal with the particular expression of ideas.

In order to qualify under copyright laws, the work must be fixed in a tangible medium of expression, such as words on a piece of paper or music notes written on a sheet. A copyright exists from the moment the work gets created, so registration is required to provide proper protection to one's work and also to prevent the chances of its misuse and unauthorized use.

Copyright in India is governed by Copyright Act, 1957. This Act has been amended several times to keep pace with the changing times. As per this Act, copyright grants author's lifetime coverage plus 60 years after death under certain classes whereas in other classes it is 60 years in toto. Copyright and



related rights on cultural goods, products and services, arise from individual or collective creativity. All original intellectual creations expressed in a reproducible form will be connected as” works eligible for copyright protections”. Copyright laws distinguish between different classes of works such as literary, artistic, dramatic, musical works; and sound recordings; and cinematograph films. The work is protected irrespective of the quality thereof and also when it may have very little in common with accepted forms of literature or art.

Copyright protection also includes novel rights which involve the right to claim authorship of a work, and the right to oppose changes to it that could harm the creator’s reputation (Moral Right). The creator or the owner of the copyright in a work can enforce his right administratively and in the courts by inspection of premises for evidence of production or possession of illegally made “pirated” goods related to protected works.

The owner may obtain court orders to stop such activities, as well as seek damages for loss of financial rewards and recognition.

A vital field which gets copyright protection is the computer industry. The Copyright Act, 1957, was amended in 1984 and computer programming was included with the definition of “literary work.’ The new definition of” computer programme” introduced in 1994, means a set of instructions expressed in works, codes or in any other form, including a machine readable medium, capable of causing a computer to perform a particular task or achieve a particular result.

### Copyright Protection Enforcement

Civil remedies for infringement of copyright.—

**(1)** Where copyright in any work has been infringed, the owner of the copyright shall, except as otherwise provided by this Act, be entitled to all such remedies by way of injunction,damages, accounts and otherwise as are or may be conferred by law for the infringement of a right.

**(2)** The costs of all parties in any proceedings in respect of the infringement of copyright shall be in the discretion of the court.

Protection of separate rights.—

Subject to the provisions of this Act, where the several rights comprising the copyright in any work are owned by different persons, the owner of any such right shall, to the extent of that right,been titled to the remedies provided by this Act and may individually enforce such right by means of any

suit, action or other proceeding without making the owner of any other right a party to such suit, action or proceeding.

The greatest fear and challenges to the copyright industry is the piracy of works whether, books, musical works, films, television programmes or computer software or computer database. The special nature of infringement of copyrights in computer

programmes has again been taken note of by the Copyright (Amendment) Act, 1994 by inserting a new section 63 B. The new section provides that any person who knowingly makes use on a computer of an infringed copy of a computer programme will be punishable with imprisonment for a term of not less than seven days, which may extend to three years and with a fine of not less than ` 50,000/- and which may extend to `2,00,000/-. Proviso to section 63 B, however, provides that where computer programme has not been used for gain or in the course of trade or business, the court may at its discretion and for reasons mentioned in the judgment not impose any sentence of imprisonment and impose only fine up to ` 50,000/-.

The Copyright (Amendment) Act, 1999 makes it free for purchaser of a gadget/equipment to sell it onwards if the item being transacted is not the main item covered under the Copyright Act. This means computer software which is built in the integral part of a gadget/equipment can be freely transacted without permission of copyright owner. This amendment also ensures fair dealing of 'broadcasting' gaining popularity with the growth of the Internet. With this amendment India has updated the Act to meet the concerns of the copyright industries mainly consisting of Book Industry, Music Industry, Film and Television Industry, Computer Industry and Database Industry.

The Copyright Act, 1957 amended in 2012 with the object of making certain changes for clarity, to remove operational difficulties and also to address certain newer issues that have emerged in the context of digital technologies and the Internet. Moreover, the main object to amendments the Act is that in the knowledge society in which we live today, it is imperative to encourage creativity for promotion of culture of enterprise and innovation so that creative people realize their potential and it is necessary to keep pace with the challenges for a fast growing knowledge and modern society.

## THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS (1886)

The Convention rests on three basic principles and contains a series of provisions determining the minimum protection to be granted, as well as special provisions available to developing countries which want to make use of them.

(1)The three basic principles are the following:

**(a)**Works originating in one of the contracting States (that is,works the author of which is a national of such a State or works which were first published in such a State) must be given the same protection in each of the other contracting States as the latter grants to the works of its own nationals (principle of

“national treatment”).

**(b)** Such protection must not be conditional upon compliance with any formality (principle of “automatic” protection).

**(c)** Such protection is independent of the existence of protection in the country of origin of the work (principle of the “independence” of protection).

If, however, a contracting State provides for a longer term than the minimum prescribed by the Convention and the work ceases to be protected in the country of origin, protection may be denied once protection in the country of origin ceases.<sup>3</sup> (2) The minimum standards of protection relate to the works and rights to be protected, and the duration of the protection: (

a) As to works, the protection must include “every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression” (Article 2(1) of the Convention).

**(b)** Subject to certain permitted reservations, limitations or exceptions, the following are among the rights which must be recognized as exclusive rights of authorization: • the right to translate, • the right to make adaptations and arrangements of the work, • the right to perform in public dramatic, dramatico-musical and musical works, • the right to recite in public literary works, • the right to communicate to the public the performance of such works, • the right to broadcast (with the possibility of a contracting State to provide for a mere right to equitable remuneration instead of a right of authorization), • the right to make reproductions in any manner or form (with the possibility of a contracting State to permit, in certain special cases, reproduction without authorization provided that the reproduction does not conflict with the normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author, and with the possibility of a contracting State to provide, in the case of sound recordings of musical works, for a right to equitable remuneration), • the right to use the work as a basis for an audiovisual work, and the right to reproduce, distribute, perform in public or communicate to the public that audiovisual work.<sup>4</sup> The Convention also provides for “moral rights,” that is, the right to claim authorship of the work and the right to object to any mutilation or deformation or other modification of, or other derogatory action in relation to, the work which would be prejudicial to the author’s honor or reputation.

**(c)** As to the duration of protection, the general rule is that protection must be granted until the expiration of the 50th year after the author’s death. There are, however, exceptions to this general rule. In the case of anonymous or pseudonymous works, the term of protection expires 50 years after the work has been lawfully made available to the public, except if the pseudonym leaves no doubt as to the author’s identity or if the author discloses his identity during that period; in

the latter case, the general rule applies. In the case of audiovisual (cinematographic) works, the minimum term of protection is 50 years after the making available of the work to the public (“release”) or—failing such an event—from the creation of the work. In the case of works of applied art and photographic works, the minimum term is 25 years from the creation of such a work.<sup>5</sup> (3) Countries regarded as developing countries in conformity with the established practice of the General Assembly of the United Nations may, for certain works and under certain conditions, depart from these minimum standards of protection with regard to the right of translation and the right of reproduction. The Berne Union has an Assembly and an Executive Committee. Every country member of the Union which has adhered to at least the administrative and final provisions of the Stockholm Act is a member of the Assembly. The members of the Executive Committee are elected from among the members of the Union, except for Switzerland, which is a member *ex officio*. The establishment of the biennial program and budget of the WIPO Secretariat—as far as the Berne Union is concerned—is the task of its Assembly. The Berne Convention, concluded in 1886, was revised at Paris in 1896 and at Berlin in 1908, completed at Berne in 1914, revised at Rome in 1928, at Brussels in 1948, at Stockholm in 1967 and at Paris in 1971, and was amended in 1979. The Convention (the full text of which is available at [www.wipo.int/treaties](http://www.wipo.int/treaties)) is open to all States. Instruments of ratification or accession must be deposited with the Director General of WIPO.

#### Copyright and Related Rights –TRIPS Agreement

The TRIPS Agreement requires member countries to comply with the basic standards of the Berne Convention. This is expressed in Article 9.1 of the Agreement which makes reference to the Berne Convention for the Protection of Literary and Artistic Works of 1971 and establishes that Members should comply with Articles 1 through 21 and the Appendix thereto. However, Members do not have rights or obligations under the TRIPS Agreement in respect of the rights conferred under Article 6bis of that Convention, i.e. the moral rights (the right to claim authorship and to object to any derogatory action in relation to a work, which would be prejudicial to the author’s honour or reputation), or of the rights derived therefrom. The provisions of the Berne Convention referred to deal with questions such as subject-matter to be protected, minimum term of protection, and rights to be conferred and permissible limitations to those rights. The Appendix allows developing countries, under certain conditions, to make some limitations to the right of translation and the right of reproduction. That apart, the TRIPS Agreement clarifies and adds certain specific points.

Article 9.2 of the Agreement confirms that copyright protection shall extend to expressions and not to ideas, procedures, and methods of operation or mathematical concepts as such.

Computer programs and Compilation: Article 10.1 provides that computer programs, whether in source or object code, shall be protected as literary works under the Berne Convention (1971). This provision confirms that computer programs must be protected under copyright and that those provisions of the Berne Convention that apply to literary works shall be applied also to them. It confirms further, that the form in which a program is, whether in source or object code, does not affect the protection. The obligation to protect computer programs as literary works means e.g. that only those limitations that are applicable to literary works may be applied to computer programs. It also confirms that the general term of protection of 50 years applies to computer programs. Possible shorter terms applicable to photographic works and works of applied art may not be applied. Article 10.2 clarifies that compilation of data or other material shall be protected as such under copyright even where the databases include data that as such are not protected under copyright. Databases are eligible for copyright protection provided that they by reason of the selection or arrangement of their contents constitute intellectual creations. The provision also confirms that databases have to be protected regardless of which form they are in, whether machine readable or other form. Furthermore, the provision clarifies that such protection shall not extend to the data or material itself, and that it shall be without prejudice to any copyright subsisting in the data or material itself.

#### Rental Rights:

Article 11 provides that authors shall have, in respect of at least computer programs and in certain circumstances, of cinematographic works, the right to authorize or to prohibit the commercial rental to the public of originals or copies of their copyright works. With respect to cinematographic works, the exclusive rental right is subject to the so-called impairment test: a Member is exempted from the obligation unless such rental has led to widespread copying of such works which is materially impairing the exclusive right of reproduction conferred in that Member on authors and their successors in title. In respect of computer programs, the obligation does not apply to rentals where the program itself is not the essential object of the rental.

#### Term of protection:

According to the general rule contained in Article 7(1) of the Berne Convention as incorporated into the TRIPS Agreement, the term of protection shall be the life of the author and 50 years after his

death. Paragraphs 2 and 4 of that Article specifically allow shorter terms in certain cases. These provisions are supplemented by Article 12 of the TRIPS Agreement, which provides that whenever the term of protection of a work, other than a photographic work or a work of applied art, is calculated on a basis other than the life of a natural person, such term shall be no less than 50 years from the end of the calendar year of authorized publication or failing such authorized publication within 50 years from the making of the work, 50 years from the end of the calendar year of making.

**Limitations and Exceptions:** Article 13 requires Members to confine limitations or exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and makes it clear that they must be applied in a manner that does not prejudice the legitimate interests of the right holder.

**Protection of Performers, Producers of Phonograms and Broadcasting Organizations:** The provisions on protection of performers, producers of phonograms and broadcasting organizations are included in Article 14. According to Article 14.1, performers shall have the possibility of preventing the unauthorized fixation of their performance on a phonogram (e.g. the recording of a live musical performance). The fixation right covers only aural, not audiovisual fixations. Performers must also be in a position to prevent the reproduction of such fixations. They shall also have the possibility of preventing the unauthorized broadcasting by wireless means and the communication to the public of their live performance. In accordance with Article 14.2, Members have to grant producers of phonograms an exclusive reproduction right. In addition to this, they have to grant, in accordance with Article 14.4, an exclusive rental right at least to producers of phonograms. The provisions on rental rights apply also to any other right holders in phonograms as determined in national law. This right has the same scope as the rental right in respect of computer programs. Therefore it is not subject to the impairment test as in respect of cinematographic works.

However, it is limited by a so-called grand-fathering clause, according to which a

Member, which on 15 April 1994, i.e. the date of the signature of the Marrakesh Agreement, had in force a system of equitable remuneration of right holders in respect of the rental of phonograms, may maintain such system provided that the commercial rental of phonograms is not giving rise to the material impairment of the exclusive rights of reproduction of right holders. Broadcasting organizations shall have, in accordance with Article 14.3, the right to prohibit the unauthorized fixation, the reproduction of fixations, and the re-broadcasting by wireless means of broadcasts, as well as the communication to the public of their television broadcasts. However, it is not necessary to grant such rights to broadcasting organizations, if owners of copyright in the subject-matter of broadcasts are provided with the possibility of preventing these acts, subject to the provisions of the Berne Convention. Any Member may, in relation to the protection of performers, producers of phonograms and



broadcasting organizations, provide for conditions, limitations, exceptions and reservations to the extent permitted by the Rome Convention [Article 14.6]. The term of protection as per Article 14.5 is at least 50 years for performers and producers of phonograms, and 20 years for broadcasting organizations.

## MODULE 3

### PATENTS

#### CONCEPT OF PATENT

Patent is a grant for an invention by the Government to the inventor in exchange for full disclosure of the invention. A patent is an exclusive right granted by law to applicants / assignees to make use of and exploit their inventions for a limited period of time (generally 20 years from filing). The patent holder has the legal right to exclude others from commercially exploiting his invention for the duration of this period. In return for exclusive rights, the applicant is obliged to disclose the invention to the public in a manner that enables others, skilled in the art, to replicate the invention. The patent system is designed to balance the interests of applicants / assignees (exclusive rights) and the interests of society (disclosure of invention).

#### Meaning of 'Invention' under Patent Law

Sec.2(1)(J) - Invention” means a new product or process involving an inventive step and capable of industrial application

What is not an 'Invention'?

According to Sec 3 of the Patent Act, 1970

- Frivolous inventions
- Inventions contrary to well established natural laws
- Commercial exploitation or primary use of inventions, o which is contrary to public order or morality o which causes serious prejudice to health or human, animal, plant life or to the environment
- Mere Discovery of a Scientific Principle or
- Formulation of an Abstract Theory or
- Discovery of any living thing or
- Discovery of non–living substance occurring in nature
- Mere discovery of any new property or new use for a known substance or of the mere use of a known process, machine or apparatus, unless such known process results in a new

product or employs at least one new reactant. • Substance obtained by mere admixture resulting only in the aggregation of the properties of the components thereof or a process for producing such substance • Mere arrangement or re- arrangement or duplication of known devices, each functioning independently of one another in a known way • Method of Agriculture or Horticulture • Any process for medicinal, surgical, curative, prophylactic, diagnostic, therapeutic or other treatment of human beings or a similar treatment of animals to render them free of disease or to increase their economic value or that of their

products • Plants & animals in whole or any part thereof other than micro- organisms, but including seeds, varieties and species and essentially biological process for production or propagation of plants & animals • mathematical

method or • business method or • algorithms or • computer programme per se

• A literary, dramatic, musical or artistic work or any other aesthetic creation including cinematographic work and television productions • Presentation of information • Topography of integrated circuits. • Inventions which are Traditional Knowledge or an aggregation or duplication of known properties of traditionally known component or components

What is meant by 'New'?

The invention to be patented must not be published in India or elsewhere, or in prior public knowledge or prior public use with in India or claimed before in any specification in India

A feature of an invention that involves technical advance as compared to the existing knowledge or have economic significance or both and makes the invention not obvious to a person skilled in the art.

What can be patented?

Any invention concerning with composition, construction or manufacture of a substance, of an article or of an apparatus or an industrial type of process.

What cannot be patented?

Inventions falling within Section 20(1) of the Atomic Energy Act, 1962 Who are the beneficiaries of the patent grant?

1. The inventor is secure from competition and can exploit the invention for his gain. 2. For the public the invention becomes public knowledge. The technology is freely available after expiry of patent and cheaper and better products become available.

Nature of a Patent.-

A Patent is a grant (in the form of a document) by the Government, given for disclosing a new invention by an Inventor or a group of Inventors or otherwise an applicant. Once the Patent is issued, it gives to the Inventor or the applicant, as the case may be, an exclusive right to sell, manufacture and use the invention disclosed in the Patent. The legal exclusive right in the Patent can be exercised by the Inventor/ applicant only in the country which grants the right. This right can be exercised only for a limited period of time,

normally known as the 'Term of the Patent'. Therefore, on the expiry of the

Term of the Patent, the invention becomes a public property.

Rights vested on the Patentee.-

Patent represent one of the most powerful Intellectual Property Rights. These rights can be a very important economic tool if used effectively and diligently. For instance, Patent rights can bring a substantial income through the manufacture or licensing of the invention covered in the Patent. Patent also represents a long-term security. Patent provides a right to the Patentee to prevent a third party from commercially using the patented invention without the permission of the Patentee.

Role of Patents.- Patent gives the Patentee the right to take legal action to prevent others from commercially exploiting the patented invention in the country which grants the Patent without the permission of the Patentee (Proprietor). The grant of a Patent for an invention however does not guarantee the merit of the invention disclosed therein. The country that grants the Patent does not guarantee the legitimacy of the Patent. The Government does not give any financial or any other award/assistance to the Inventor(s)/Patentee(s) along with the grant of the Patent. It is left to the Patentee to commercially exploit the Patent and make profit from it.

Objective of securing a Patent.-

It is commonly believed that securing a Patent automatically brings in Wealth and Prosperity. This is not correct. Securing a Patent is only one aspect of the process that may lead to success if one is able to commercially use the invention. Though each invention is different but the objectives of securing a Patent protection for the inventions are basically the same, they are: – To make money.- One has to evaluate the invention and its potential to be converted into wealth.

–To gain security.- It is required to protect the invention from any unauthorized commercial use.

–To gain knowledge.- Learning the patenting process is easy and when mastered, it can save one from substantial professional charges. Furthermore, through the knowledge thus gained one can extend the life of the Patent and consequently the earnings from it.

. Therefore, the success of a Patent would depend upon the actions taken by the Patentee. Although the basic purpose of granting a Patent is to encourage inventive activities, in practice, this system is formulated and revised from time to time in the context of political, socio-economic and industrial environment of a nation, so as to safeguard the interests of the nation.

Benefits of establishing a Legal framework around Patents.-

Patent is said to be the most common, important and complicated form of Intellectual Property, as it includes technical and legal aspects. The legal aspects provide an intensive protection from Patent infringement. This is because of its technical-cum-legal nature and the widest and the strongest legal protection one can secure. However, it should be remembered that similar benefits are also present in other forms of IP. The contribution of the Patent system in stimulation of inventions is in following ways

: – Rights accrued to work the invention covered under a Patent for a limited period provides an important incentive for inventive and innovative activities. If the inventions which are the fruits of R & D are not protected by Patents, they would be available for free exploitation by anyone, including those who have not invested in such R & D activity. The inventive organisation and the personnel, under these circumstances, will be placed in a disadvantageous position.

– A Patent system of rewarding the inventor and/or the Patentee is based on the idea that the grant of monopoly will automatically secure him a reward which will be commensurate with the value of his intellectual input and the investment made for the development of the invention. If the invention is commercially viable, the inventor should be able to exploit it or sell the Patent, thereby making profit. However, if on the other hand, if it is not commercially viable, he would gain nothing. In practice, even if the invention is good, owing to the factors beyond the control of the inventor, the inventor might not be able to make a profit out of his Patent. But in certain other cases, the reward for the Patent secured for his invention might be out of all proportions. The aspiration for an economic reward is undoubtedly an important factor for activating and stimulating creative activities.

– If the Patentee has no financial resources to work the invention commercially, he can grant license or assign the rights in the Patent to others for its commercialization and obtain financial gain.

– Securing Patents will help the inventor(s)/Patentee(s) to protect his invention, while developing the knowledge to make it commercially viable with the assistance of a third party, if required, with the legal protection of the invention. Such a position protects the inventor(s)/applicant(s) from an unfair competition.

– Securing a Patent would enable the inventor to establish an official record of the invention. – In order to obtain a Patent, the invention has to be disclosed in detail in the Patent Document (Specification). The Patent law also

stipulates that the invention should not be made open to public before the date of filing of the application for Patent. Therefore, in most cases, the information contained in a Patent document is the first available information on the particular subject which is not available from any other source.

Therefore, the Patent documents are rich, latest and unique source of technological information in the world.

– The information contained in the Patent Documents can be freely used for R & D purposes at any point of time anywhere in the world, including the country which has granted the Patent and where it is still in force. Such a use will not constitute an infringement. A Patent that has lapsed becomes public property and therefore can also be commercially utilized even in the country which has granted the Patent by anyone without fear of any infringement.

– Thus, the Patent system enables the dissemination of valuable technological information for the benefit of society.

– The Inventor(s)/Patentee(s) can secure a Patent for his invention and then make the protected invention freely available to the public without demanding any benefits.

In such a situation, if there is a misuse or abuse of the rights in the Patent, the inventor(s)/Patentee(s) can initiate legal proceedings to prevent such misuse or abuse. On the other hand, if such a protection has not been secured then the inventor will remain a silent spectator to the abuse(s) or misuse of the invention.

The fact that Patent documents are open to the public and are freely exchanged marks the difference between the Patent system from other proprietary rights relating to technical subject matter such as trade secrets and knowledge. There is a school of thought which believes that the Patent system prevents dissemination of free scientific information, as was the practice earlier. In this context, it is to be noted that the Patent System only assists in a free exchange of scientific information. By securing a Patent, it is not mandatory that the Patentee should charge any fees for commercializing the invention disclosed therein. An inventor can make available the invention developed to those interested for commercialization without charging any fees. In such a situation, if somebody misuses or abuses the rights in the Patent, the inventor(s)/Patentee(s) can initiate legal proceedings for prevention such misuse or abuse. On the other hand, if such a protection has not been secured, then the inventor will remain as a silent spectator to the abuse(s) or misuse(s) of the invention.

One of the important objectives of the Patent System is to disseminate the information disclosed in a Patent as early as possible. In this context, it should be noted that many countries in the world publish the contents of Patent documents (Patent Specification) on the expiry of 18 months from the date of filing or the priority date, whichever is earlier. The main objective of this publication is to make available the information to the interested public early, instead of keeping the information confidential for a long time. Consequent to the Patent System getting popular and the examination of the Patent documents getting complicated due to the complicated technologies involved, the publication of Patent documents was getting delayed. To avoid such a situation, an early publication of the information contained in Patent applications has been adopted globally. In this context, it should also be noted that India has also adopted the procedure of such publication after 18 months. A provision to this effect has been incorporated in the Patents (Amendment) Act, 2002 and has been brought into force from May, 2003.

#### PATENT COOPERATION TREATY (PCT)

The PCT created a Union. The Union has an Assembly. Every signatory State to the PCT is a member of the Assembly. Some of the most important tasks of the Assembly are

- a) The amendment of the Regulations issued under the Treaty,
- b) the adoption of the biennial program and budget of the Union, and
- c) the fixing of certain fees connected with the use of the PCT system.

The PCT was concluded in 1970, amended in 1979 and modified in 1984 and 2001. It is open to States party to the Paris Convention for the Protection of Industrial Property (1883). Instruments of ratification or accession must be deposited with the Director General of WIPO. The Patent Cooperation Treaty makes it possible to seek patent protection for an invention simultaneously in each of a large number of countries by filing an international patent application. The application may be filed by anyone who is a national or resident of a contracting State, with the national patent office of the contracting State of



which the applicant is a national or resident or, at the applicant's option, with the International Bureau of WIPO in Geneva. If the applicant is a national or resident of a contracting State which is party to the European Patent Convention, the Harare Protocol on Patents and Industrial Designs (Harare Protocol) or the Eurasian Patent Convention, the international application may also be filed with the European Patent Office (EPO), the African Regional Industrial Property Organization (ARIPO) or the Eurasian Patent Office (EAPO), respectively.

## Overview of PCT System

The Treaty regulates in detail the formal requirements with which any international application must comply. The applicant is required to indicate those countries in which he wishes his international application to have effect, generally known as designated States. The effect of the international application in each designated State is the same as if a national patent application had been filed with the national patent office of that State. Where a designated State is party to the European Patent Convention, the applicant must opt for the effect of a European patent application. Where a designated State is party to the Eurasian Patent Convention, the applicant may opt for the effect of a Eurasian patent. Where a designated State is party to the Harare Protocol, the applicant may opt for the effect of an ARIPO patent application.

Where a designated State is a member

of the African Intellectual Property Organization (OAPI), the effect of the designation is automatically that of a regional application filed with OAPI. The international search is conducted in respect of an international application by one of the major patent offices and such search results in an international search report, that is, a listing of the citations of published documents that might affect the patentability of the invention claimed in the international application.

The international search report is communicated to the applicant who may decide to withdraw his application, in particular where the content of the report suggests that the granting of patents is unlikely. If the international application is not withdrawn, it is, together with the international search report, published by the International Bureau and communicated to each designated Office.

If the applicant decides to continue with the international application with a view to obtaining national (or regional) patents, he can wait until the end of the 20th month after the filing of the international application or, where that application claims the priority of an earlier application, until the end of the 20th

month after the filing of that earlier application, to commence the national procedure before each designated Office by furnishing a translation (where necessary) of the application into the official language of that Office and paying prescribed fees. This 20-month period can be extended by a further 10 months where the applicant requests, prior to the expiration of the 19th month from the priority date, for an international preliminary examination report and which gives a preliminary and non-binding opinion on the patentability of the claimed invention. The applicant is however entitled to amend the international application during the international preliminary examination.

### Advantages of PCT Filing

The advantages of PCT filing for the applicant, the patent offices and the general public are given below:

- (1) The applicant has up to 18 months more than in a procedure outside the PCT to reflect on the desirability of seeking protection in foreign countries,
- (2) To appoint local patent agents in each foreign country,
- (3) To prepare the necessary translations and to pay the national fees. The PCT filing assures the applicant that if his international application is in the form prescribed by the PCT, it cannot be rejected on formal grounds by any designated Office during the national phase of the processing of the application. On the basis of the international search report, the applicant can evaluate with reasonable probability the chances of his invention being patented. On the basis of the international preliminary examination report, that probability is even stronger; the applicant has the possibility to amend the international application to put it in order before processing by the designated Offices. distribute, perform in public or communicate to the public that audiovisual work. The Convention also provides for “moral rights,” that is, the right to claim authorship of the work and the right to object to any mutilation or deformation or other modification of, or other derogatory action in relation to, the work which would be prejudicial to the author’s honor or reputation.

WTO- TRIPS

## THE AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS (TRIPS)

The Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) is an international agreement administered by the World Trade Organization (WTO) that sets down minimum standards for many forms of intellectual property (IP) regulation as applied to nationals of other WTO Members. It was negotiated at the end of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) in 1994. The TRIPS agreement introduced intellectual property law into the international trading system for the first time and remains the most comprehensive international agreement on intellectual property to date.

The establishment of WTO as a result of institutionalization of international framework of trade calls for harmonization of several aspects of Indian Law relating to Intellectual Property Rights. The TRIPS agreement set minimum standards for protection for IPR rights and also set a time frame within which countries were required to make changes in their laws to comply with the required degree of protection. In view of this, India has taken action to modify and amend the various IP Acts in the last few years

### PATENTS ACT, 1970

After India became a signatory to the TRIPS agreement forming part of the Agreement establishing the World Trade Organization (WTO) for the purpose of reduction of distortions and impediments to international trade and promotion of effective and adequate protection of intellectual property rights, the Patents Act, 1970 has been amended in the year 1995, 1999, 2002 and 2005 to meet its obligations under the TRIPS agreement. The Patents Act has been amended keeping in view the development of technological capability in India, coupled with the need for integrating the intellectual property system with international practices and intellectual property regimes. The amendments were also aimed at making the Act a modern, harmonized and user-friendly legislation to adequately protect national and public interests while simultaneously meeting

India's international obligations under the TRIPS Agreement. Subsequently the rules under the Patent Act have also been amended and these became effective from May 2003. These rules have been further

amended by Patents (Amendment) Rules 2019 w.e.f . 17th September 2019. Thus, the Patent Amendment Act, 2005 is now fully in force and operative.

Section 5 Part II of the TRIPS Agreement (Article 27 to Article 34) contains the provisions for standards in respect of Patents.

Patentable Subject Matter:

The TRIPS Agreement requires Member countries to make patents available for any inventions, whether products or processes, in all fields of technology without discrimination, subject to the normal tests of novelty, inventiveness and industrial applicability. It is also required that patents be available and patent rights enjoyable without discrimination as to the place of invention and whether products are imported or locally produced (Article 27.1).

There are three permissible exceptions to the basic rule on patentability. One is for inventions contrary to ordre public or morality; this explicitly includes inventions dangerous to human, animal or plant life or health or seriously prejudicial to the environment. The use of this exception is subject to the condition that the commercial exploitation of the invention must also be prevented and this prevention must be necessary for the protection of ordre public or morality (Article 27.2).

The second exception is that Members may exclude from patentability diagnostic, therapeutic and surgical methods for the treatment of humans or animals (Article 27.3(a)).

The third is that Members may exclude plants and animals other than micro- organisms and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes. However, any country excluding plant varieties from patent protection must provide an effective sui generis system of protection. Moreover, the whole provision is subject to review four years after entry into force of the Agreement (Article 27.3(b)).

Rights Conferred:

The exclusive rights that must be conferred by a product patent are the ones of making, using, offering for sale, selling, and importing for these purposes.

Process patent protection must give rights not only over use of the process but also over products obtained directly by the process. Patent owners shall also have the right to assign, or transfer by succession, the patent and to conclude licensing contracts (Article 28).

Exceptions:

Members may provide limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties (Article 30).

Term of protection:

The term of protection available shall not end before the expiration of a period of 20 years counted from the filing date (Article 33)

Conditions on Patent Applicants:

Members shall require that an applicant for a patent shall disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art and may require the applicant to indicate the best mode for carrying out the invention known to the inventor at the filing date or, where priority is claimed, at the priority date of the application (Article 29.1).

Process Patents:

If the subject-matter of a patent is a process for obtaining a product, the judicial authorities shall have the authority to order the defendant to prove that the process to obtain an identical product is different from the patented process, where certain conditions indicating a likelihood that the protected process was used are met (Article 34).

Other Use without Authorization of the Right Holder:

Compulsory licensing and government use without the authorization of the right holder are allowed, but are made subject to conditions aimed at protecting the legitimate interests of the

right holder. The conditions are mainly contained in Article 31. These include the obligation, as a general rule, to grant such licences only if an unsuccessful attempt has been made to acquire a voluntary licence on reasonable terms and conditions within a reasonable period of time; the requirement to pay adequate remuneration in the circumstances of each case, taking into account the economic value of the licence; and a requirement that decisions be subject to judicial or other independent review by a distinct higher authority. Certain of these conditions are relaxed where compulsory licences are employed to remedy practices that have been established as anticompetitive by a legal process. These conditions should be read together with the related provisions of Article 27.1, which require that patent rights shall be enjoyable without discrimination as to the field of technology, and whether products are imported or locally produced.

### Budapest Treaty

Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure, 1977

-Adopted in 1977, the Budapest Treaty concerns a specific topic in the international patent process: microorganisms. All states party to the Treaty are obliged to recognize microorganisms deposited as a part of the patent procedure, irrespective of where the depository authority is located. In practice this means that the requirement to submit microorganisms to each and every national authority in which patent protection is sought no longer exists.

### Doha Ministerial Conference of 2001

The Fourth Ministerial Conference of the World Trade Organization, also known as the WTO Fourth Ministerial Conference, was held at Doha, Qatar from November 9–13, 2001. At this conference, ministers from all WTO members launched the Doha Development Agenda.

At the 2001 conference, trade ministers agreed to undertake a brand new round of multilateral trade negotiations and services<sup>[1]</sup> The ministers passed two declarations. The first, the main declaration folded the ongoing negotiations in agriculture and services into a broader agenda, which is commonly known as the Doha Development Round. In addition, the Doha agenda included the topic of industrial tariffs, topics of interest to developing countries, changes to WTO rules, and other provisions. The second declaration dealt with the



Agreement on Trade- Related Aspects of Intellectual Property Rights (TRIPS) and allow government to be flexible of TRIPS to deal with health problems.

Intellectual property declaration

The Doha Declaration on Public Health sought to alleviate developing country dissatisfaction with aspects of the TRIPS regime. It delayed the implementation of patent system provisions for pharmaceutical products for least developed countries (LDCs) until 2016. The declaration committed member states to interpret and implement the agreement to support public health and to promote access to medicines for all. The Declaration recognized certain “flexibilities” in the TRIPS agreement to allow each member to grant compulsory licenses for pharmaceuticals and to determine what constitutes a national emergency, expressly including public health emergencies such as HIV/AIDS, malaria, and tuberculosis or other epidemics.

### Doctrine of equivalents

In order to prove patent infringement, a patent holder must demonstrate that the alleged infringing item has sufficiently copied the original invention. Because, historically, it was rare for a second invention to consist of literal infringement, or an exact, identical replica of the original patented item, patent law recognizes the doctrine of equivalents.

This doctrine gives plaintiffs greater ability to succeed in patent infringement actions if claimed elements are sufficiently equivalent in both the original and the copy. If any claims are not present in the second invention, the patent holder may not be successful in an infringement action.

In recent years, however, literal infringement has been on the rise, while doctrine of equivalents claims have decreased. Regardless, the doctrine of equivalents remains an important tool for patent holders to utilize when enforcing their intellectual property rights.

### Doctrine of Equivalents Patent

This doctrine stems from the public policy that an infringer should not benefit from an invention that it obviously copied, while only changing minor, superficial details on the claimed patent.

The doctrine of equivalents applies when:

- The two elements are interchangeable, and
- A person with ordinary skill in the art would have known the two elements are interchangeable at the time of the infringement.

In determining whether the doctrine of equivalents is applicable in a particular infringement case, courts will compare the two items to determine how close the allegedly infringing item adheres to the claimed elements of the original patent.

Courts will also examine the history of the second invention, as well as the thought process that went into its design. Documents and communications revealed during the discovery process may reveal evidence of intentional copying, or attempts to design around the existing patent, which could affect the outcome of the case. However, it is not necessary to show the defendant intentionally infringed upon the plaintiff's patent rights.

The doctrine of equivalents can apply to technological equivalents developed after a patent is approved.

The plaintiff has the initial burden of showing that the elements of infringement are present. Once the plaintiff has met its burden, the defendant has an opportunity to raise a number of affirmative defenses in its favor. A common theme among affirmative defenses raised in the face of doctrine equivalents claims is the public policy that patent holders may only enforce their intellectual property rights to the extent of their patent's grant.

## Defenses to Infringement Claims Based on the Doctrine of Equivalents

In patent litigation cases in which plaintiffs base their arguments on the doctrine of equivalents, defendants have a number of affirmative defenses available.

### 1 Prosecution History Estoppel and the Presumptive Bar Approach

Often, defendants in patent infringement cases are able to avoid infringement claims by arguing prosecution history estoppel, also known as file-wrapper estoppel.

To argue estoppel, a defendant must show:

- The plaintiff made a statement, that

- The defendant reasonably relied on
- The defendant is now facing legal detriment by its reliance, and
- Justice requires enforcement of the plaintiff's statement.

In patent infringement cases in which estoppel is raised, courts look to statements made by the plaintiff during its patent application process, known as patent prosecution.

When a patent is being prosecuted, a plaintiff may make amendments to the original patent claims, based on communications with the patent examiner. If a plaintiff amends the claims during patent prosecution, prosecution history estoppel would then prohibit a plaintiff from asserting broader claims in a later infringement case.

When raising claims of estoppel, a defendant in a patent infringement case can also point to written statements or oral arguments made during the patent prosecution that limited the scope of protection being sought.

This affirmative defense is in line with court rulings, prohibiting patent holders from expanding their patent claims from what was originally granted by the U.S. Patent Office.

While courts recognize prosecution history estoppel as a limitation to the doctrine of equivalents, they also recognize that patent holders may not have intended to narrow or surrender claims that were amended out of their patent applications.

Thus, when a defendant successfully raises prosecution history estoppel as a defense to a doctrine of equivalents claim, the court can assume that the patent does not extend to the original claims, but, under the presumptive bar approach, the plaintiff has the ability to refute this assumption.

Under this approach, the plaintiff will bear the burden of proof to show:

- The equivalent was unforeseeable at the time the claim was drafted;
- The amendment did not surrender the particular equivalent in question; or
- There was some reason why the patentee could not have recited the equivalent in the claim.

In reaching a determination on prosecution history estoppel, courts will thus look at the reasoning behind the amendments before determining whether the plaintiff waived its rights to any equivalents claims. If the plaintiff's reasoning was not to limit the patent, it may still be successful in its infringement claims.

## 2 Vitiation

The vitiation rule is another common defense raised in the face of a doctrine of equivalents claim. For this rule to apply, the elements of the two items in question must be so different, there is no possible way for equivalency to be established. In other words, in this situation, the legal meaning of infringement is impaired, or vitiating. Generally, in vitiating cases, the two elements at question are complete opposites from one another, or the second element is the antithesis of the claimed element.

Vitiating is brought up in summary judgment motions, when a judge may determine that no question of material fact remains for a jury to decide. When vitiating is raised, a judge will review the totality of the circumstances to determine whether the evidence would prevent a reasonable jury from determining that two elements are equivalent.

## 3 Ensnarement of Prior Art

Ensnarement is an affirmative defense to doctrine of equivalent claims that prevents patent holders from gaining rights over, or “ensnaring” prior art – inventions or knowledge that were known before the invention of the patent – that was not part of the original patent grant.

To determine whether a patent holder is attempting to ensnare prior art in an improper way, the court will

analyze a “hypothetical patent claim,” where it will determine whether the Patent Office would have accepted the claim over the prior art at the time the patent was granted.

If the court believes the Patent Office would have done so, the patent holder may claim the prior art as being within the scope of its patent monopoly. If not, the patent holder’s doctrine of equivalents claims may fall short.

## 4 Dedication to the Public

Finally, another affirmative defense that defendants can raise occurs when, in the original patent application, the plaintiff *disclosed* subject matter in the specifications, but did not *claim* this subject matter. Any unclaimed subject matter listed as an alternative to a claim limitation is considered dedicated to the public and cannot be recaptured by the patent holder.

This defense illustrates the importance of patent drafting, specifically how patents must be drafted with an eye to enforcing potential infringement claims in the future.

## 5 Reverse Doctrine of Equivalents

The reverse doctrine of equivalents is a theory that could be used to avoid a finding of infringement, even if infringement technically exists.

The two elements that must be present to find infringement:

- First, the patent holder must show that the allegedly infringing object falls within the scope of the patent claims.
- Second, the patent holder must show there is substantial identity between the claimed invention and the allegedly infringing invention.

The doctrine of equivalents comes into play in the first prong of this test – although there may not be literal infringement, there may be insubstantial differences in the two items that amount to infringement.

## Public Dedication Rule

The dedication rule means that when deciding a patent infringement case, if the patent owner discloses an embodiment in the specifications without incorporating or attempting to incorporate it into the protection scope of the patent claims in the process of the patent application, the embodiment should be deemed as a donation to the public, which the patent owner could not incorporate into the protection scope of the claims.

## Exhaustion of intellectual property rights

The exhaustion of intellectual property rights constitutes one of the limits of intellectual property (IP) rights. Once a given product has been sold under the authorization of the IP owner, the reselling, rental, lending and other third party commercial uses of IP-protected goods in domestic and international markets is governed by the principle.

After a product covered by an IP right, such as by a patent right, has been sold by the IP right owner or by others with the consent of the owner, the IP right is said to be exhausted. It can no longer be exercised by the owner. This limitation is also referred to as the exhaustion doctrine or first sale doctrine. For example, if an

inventor obtains a patent on a new kind of umbrella, the inventor (or anyone else to whom he sells his patent) can legally prohibit other companies from making and selling this kind of umbrella, but can not prohibit customers who have bought this umbrella from the patent owner from reselling the umbrella to third parties.

The same applies to software patents. If a piece of software containing a patented algorithm is redistributed by the patent owner, for example by Microsoft via GitHub, the patent is exhausted.

While there is a "fairly broad consensus" throughout the world that patent exhaustion "applies at least within the context of the domestic market", [there is less consensus as to what extent the sale of an IP protected product abroad can exhaust the IP rights over this product in the context of domestic law." The former is the concept of "national exhaustion", the latter of "regional exhaustion" or "international exhaustion". The rules and legal implications of the exhaustion largely differ depending on the country of importation, i.e. the national jurisdiction.

The legal concept of international exhaustion is much more controversial, and is recognized in some countries but not in others. The importation, in a country that recognizes the concept of international exhaustion, of a product sold in a foreign country with the authorization of the IP right owner cannot be prevented by the IP right owner. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), an international agreement administered by the World Trade Organization (WTO), does not address the issue of exhaustion of intellectual property rights.

### Patent-Misuse Doctrine

Patent misuse doctrine is an equitable rule that a patentee should not be allowed to use a patent to broaden the scope of the patentee's monopoly in restraint of trade or otherwise against the public interest. This doctrine is an extension of the equitable doctrine of unclean hands and allows a court of equity to refuse to lend its support to enforce of a patent that has been misused. Patent misuse refers to specific types of prohibited behavior engaged in by the owner of the patent rights. It is an affirmative defense used in patent litigation when a defendant has been accused to have infringed a patent. For example, using a patent to restrain competition from an unpatented product or process, or employing the patent beyond its life span to exclude others from gaining commercial advantages by using the product or process. The effect of patent misuse is the loss of patent protection.

## Enforcement of Patent Rights

In most systems, a patent is the right enforceable in a court, usually to prevent the manufacture, sale and use of a patented invention. It is not, as many people think, permission to practice the patented invention, which may be subject to restrictions for other reasons such as security or public health.

Application is made to the court to stop the unauthorized manufacture, sale or use of the invention, so that the court may grant the appropriate order and stop the infringement. In practice, however, the process is less straightforward than it sounds.



## MODULE 4

### Law of Trademarks

A trade mark (popularly known as brand name) in layman's language is a visual symbol which may be a word signature, name, device, label, numerals or combination of colours used by one undertaking on goods or services or other articles of commerce to distinguish it from other similar goods or services originating from a different undertaking.

- The selected mark should be capable of being represented graphically (that is in the paper form).
- It should be capable of distinguishing the goods or services of one undertaking from those of others.
- It should be used or proposed to be used mark in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services and some person have the right to use the mark with or without identity of that person.

Trade Marks are distinctive symbols, signs, logos that help consumer to distinguish between competing goods or services. A trade name is the name of an enterprise which individualizes the enterprise in consumer's mind. It is legally not linked to quality. But, linked in consumer's mind to quality expectation.

#### Key Features of Trademark

- Trademark must be Distinctive
- Trademark must be used in Commerce

#### Types of Trademark

- Trademark,
- Servicemark,
- Collectivemark,
- Certification Mark

## Functions of Trademark

Trademark performs four functions –

- It identifies the goods / or services and its origin;
- It guarantees its unchanged quality;
- It advertises the goods/services;
- It creates an image for the goods/ services.

## MADRID AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF MARKS (1891)

### Introduction

The system of international registration of marks is governed by two treaties: The Madrid Agreement, concluded in 1891 and revised at Brussels (1900),

Washington (1911), The Hague (1925), London (1934), Nice (1957), and Stockholm (1967), and amended in 1979, and the Protocol relating to that Agreement, which was concluded in 1989, with the aim of rendering the Madrid system more flexible and more compatible with the domestic legislation of certain countries which had not been able to accede to the Agreement.

The Madrid Agreement and Protocol are open to any State which is party to the Paris Convention for the Protection of Industrial Property. The two treaties are parallel and independent and States may adhere to either of them or to both. In addition, an intergovernmental organization which maintains its own Office for the registration of marks may become party to the Protocol. Instruments of ratification or accession must be deposited with the Director General of WIPO. States and organizations which are party to the Madrid system are collectively referred to as Contracting Parties.

The system makes it possible to protect a mark in a large number of countries by obtaining an international registration which has effect in each of the Contracting Parties that has been designated. Who May Use the System? An application for international registration (international application) may be filed only by a natural person or legal entity having a connection, through establishment, domicile or nationality, with a Contracting Party to the Agreement or the Protocol. A

mark may be the subject of an international application only if it has already been registered with the Trademark Office (referred to as the Office of origin) of the Contracting Party with which the applicant has the necessary connections. However, where all the designations are effected under the Protocol (see below) the international application may be based on a mere application for registration filed with the Office of origin. An international application must be presented to the International Bureau of WIPO through the intermediary of the Office of origin.

### Who May Use the System?

An application for international registration (international application) may be filed only by a natural person or legal entity having a connection, through establishment, domicile or nationality, with a Contracting Party to the Agreement or the Protocol. A mark may be the subject of an international application only if it has already been registered with the Trademark Office (referred to as the Office of origin) of the Contracting Party with which the applicant has the necessary connections.

However, where all the designations are effected under the Protocol (see below) the international application may be based on a mere application for registration filed with the Office of origin. An international application must be presented to the International Bureau of WIPO through the intermediary of the Office of origin.

### The International Application

An application for international registration must designate one or more Contracting Parties where protection is sought. Further designations can be effected subsequently. A Contracting Party may be designated only if it is party to the same treaty as the Contracting Party whose Office is the Office of origin. The latter cannot itself be designated in the international application.

The designation of a given Contracting Party is made either under the Agreement or under the Protocol, depending on which treaty is common to the Contracting Parties concerned. If both Contracting Parties are party to both the Agreement and the Protocol, the designation will be governed by the Agreement, in accordance with the so-called “safeguard clause”

Where all the designations are effected under the Agreement the international application, and any other subsequent communication, must be in French. Where at least one designation is effected under the Protocol, the applicant has the option of English or French, unless the Office of origin restricts this choice to one of these.

The filing of an international application is subject to the payment of a basic fee (which is reduced to 10% of the prescribed amount for international applications filed by applicants whose country of origin is a Least Developed Country (LDC), in accordance with the list established by the United Nations), a supplementary fee for each class of goods and/or services beyond the first three classes, and a complementary fee for each Contracting Party designated. However, a Contracting Party to the Protocol may declare that when it is designated under the Protocol, the complementary fee is to be replaced by an individual fee, whose amount is determined by the Contracting Party concerned but may not be higher than the amount which would be payable for the registration of a mark with its Office.

## International Registration

Once the International Bureau receives the international application, it carries out an examination for compliance with the requirements of the Agreement, the Protocol, and their Common Regulations. This examination is restricted to formalities, including the classification and comprehensibility of the list of goods and/or services; any matter of substance, such as whether the mark qualifies for protection or whether it is in conflict with an earlier mark, is left to each designated Contracting Party to determine. If there are no irregularities, the International Bureau records the mark in the International Register, publishes the international registration in the WIPO Gazette of International Marks, and notifies it to each designated Contracting Party.

## International Registration

Once the International Bureau receives the international application, it carries out an examination for compliance with the requirements of the Agreement, the Protocol, and their Common Regulations. This examination is restricted to formalities, including the classification and comprehensibility of the list of goods and/or services; any matter of substance, such as whether the mark qualifies for protection or whether it is in conflict with an earlier mark, is left to each designated Contracting Party to determine. If there are no irregularities, the International Bureau records the mark in the International Register, publishes the international registration in the WIPO Gazette of International Marks, and notifies it to each designated Contracting Party.

## Refusal of Protection

These Contracting Parties may examine the international registration for compliance with their domestic legislation and, if some substantive provisions are not complied with, they have the right to refuse protection in their territory. Any such refusal, including the indication of the grounds on which it is based, must be communicated to the International Bureau, normally within 12 months from the date of the notification. However, a Contracting Party to the Protocol may declare that, when it is designated under the Protocol, this time limit is extended to 18 months. Such a Contracting Party may also declare that a refusal based on an opposition may be communicated to the International Bureau even after this time limit of 18 months.

The refusal is communicated to the holder, recorded in the International Register and published in the Gazette. The procedure subsequent to a refusal (such as an appeal or a review) is carried out directly between the administration or court of the Contracting Party concerned and the holder, without any involvement of the International Bureau. The final decision concerning the refusal must, however, be communicated to the International Bureau, which records and publishes it.

## Effects of an International Registration

The effects of an international registration in each designated Contracting Party are, as from the date of the international registration, the same as if the mark had been deposited directly with the Office of that Contracting Party. If no refusal is issued within the applicable time limit, or if a refusal originally notified by a Contracting Party is subsequently withdrawn, the protection of the mark in question is, from the date of the international registration, the same as if it had been registered by the Office of that Contracting Party. Protection may be limited with regard to some or all of the goods or services or may be renounced with regard to only some of the designated Contracting Parties. An international registration may be transferred in relation to all or some of the designated Contracting Parties and all or some goods or services.

## Advantages of the Madrid System

The system of international registration of marks has several advantages for trademark owners. Instead of filing many national applications in all countries of interest, in several different languages, in accordance with different national procedural rules and regulations and paying several different (and often higher) fees, an international registration may be obtained by simply filing one application with the International Bureau (through the Office of the home country), in one language (either English or French) and paying only one set of fees.

Similar advantages exist when the registration has to be renewed; this involves the simple payment of the necessary fees, every 10 years, to the International Bureau. Likewise, if the international registration is assigned to a third party or any other change, such as a change in name and/or address, has occurred, this may be recorded with effect for all the designated Contracting Parties by means of a single procedural step.

## Trademark and TRIPS Agreement

Protectable subject matter: The basic rule contained in Article 15 of the TRIPS Agreement is that any sign, or any combination of signs, capable of distinguishing the goods and services of one undertaking from those of other undertakings, must be eligible for registration as a trademark, provided that it is visually perceptible. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, must be eligible for registration as trademarks.

Where signs are not inherently capable of distinguishing the relevant goods or services, Member countries are allowed to require, as an additional condition for eligibility for registration as a trademark, that distinctiveness which has been acquired through use. Members are free to determine whether to allow the registration of signs that is not visually perceptible (e.g. sound or smell marks).

Members may make registrability depend on use. However, actual use of a trademark shall not be permitted as a condition for filing an application for registration, and at least three years must have passed after that filing date before failure to realize intent to use is allowed as the ground for refusing the application (Article 14.3).

The Agreement requires service marks to be protected in the same way as marks distinguishing goods.

### Rights Conferred:

The owner of a registered trademark must be granted the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered, where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion must be presumed (Article 16.1).

The TRIPS Agreement contains certain provisions on well-known marks, which supplement the protection required by Article 6bis of the Paris Convention, as incorporated by reference into the TRIPS Agreement, which obliges Members to refuse or to cancel the registration, and to prohibit the use of a mark conflicting with a mark which is well known. First, the provisions of that Article must be applied also to services. Second, it is required that knowledge in the relevant sector of the public acquired not only as a result of the use of the mark but also by other means, including as a result of its promotion, be taken into account. Furthermore, the protection of registered well-known marks must extend to goods or services which are not similar to those in respect of which the trademark has been registered, provided that its use would indicate a connection between those goods or services and the owner of the registered trademark, and the interests of the owner are likely to be damaged by such use (Articles 16.2 and 3).

#### Exceptions:

Members may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties (Article 17).

#### Term of protection:

Initial registration and each renewal of registration, of a trademark shall be for a term of no less than seven years. The registration of a trademark shall be renewable indefinitely (Article 18).

#### Requirement of Use:

Cancellation of a mark on the grounds of non-use cannot take place before three years of uninterrupted non-use has elapsed unless valid reasons based on the existence of obstacles to such use are shown by the trademark owner. Circumstances arising independently of the will of the owner of the trademark, such as import restrictions or other government restrictions, shall be recognized as valid reasons of non-use. Use of a trademark by another person, when subject to the control of its owner, must be recognized as use of the trademark for the purpose of maintaining the registration (Article 19).

It is further required that use of the trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as use with another trademark, use in a special form, or use in a manner detrimental to its capability to distinguish the goods or services (Article 20).

#### Licensing and Assignment:

Members may determine conditions on the licensing and assignment of trademarks. Compulsory licensing of trade marks is not permitted (Article 21)

## MODULE 5

### PROTECTION OF INDUSTRIAL DESIGNS

#### MEANING AND DEFINATION OF INDUSTRIAL DESIGNS

##### DESIGN PROTECTION IN INDIA.

In India, previously the law of designs was governed by the Designs Act 1911. Since the enactment of the Design Act, 1911 considerable progress has been made in the field of science and technology. Hence the legal system for the protection of industrial design required to be made more efficient in order to ensure effective protection to registered designs. It was also essential to promote design activity in order to promote the design element in an article of production. The Designs Act, 2000, repealed the Act of 1911 and it aims at protecting the designs in India and bringing the Indian law at par with International law. . India's Design Act, 2000 complies with the articles 25 and 26 of TRIPS agreement which stresses on designs protection.

The new Act has come into existence on 25.05.2000 and the new Act is a consolidating and amending Act relating to the protection of design. From the Statement of Objects and Reasons of the new Act, it appears that the framers of the law became aware of the considerable progress in the field of science and technology which has taken place since the enactment of the old Act in 1911. As such, one of the objects of the new Act was to ensure effective protection to the registered designs. One of the objects was also to ensure that law does not unnecessarily extend protection beyond what is necessary to create the required incentive for design activity and to remove impediment to the free use of available design. The important purpose of design registration is to see that the artisan, creator, originator of a design having aesthetic look is not deprived of his bonafide reward by others applying it to their goods.



## DESIGN: DEFINITION AND MEANING.

“Design,” is defined in Section 2 (d) of the Designs Act 2000 (the Designs Act) as follows:

Design means only the features of shape, configuration, pattern, ornament or composition of lines or colors applied to any article whether in two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye; but does not include any trade mark as defined in clause (v) of sub-section (1) of section 2 of the Trade and Merchandise Marks Act, 1958 or the property mark as defined in section 479 of the Indian Penal Code or any artistic work as defined in clause (c) of section 2 of the Copyright Act, 1957.

The definition is exclusive and only those which satisfy the following conditions can be brought under the purview of design:

1. Design primarily represents features of shapes, configuration, pattern, ornament, color or composition of lines.
2. Such shape, configuration, pattern, ornament, color, or composition of lines should be applied to any article.
3. Such article may be two dimensional or three dimensional or both.
4. Any of these features may be one that is applied by any Industrial process or means which may be manual, mechanical, chemical, separate or combined.

5. And such an application of the aforesaid features in the finished article shall appeal to and judged solely by the eye.

6. It does not include any mode or principle of construction or anything which is in substance a mere mechanical device.

7. It does not include any trade mark as defined in clause (v) of sub-section (1) of section 2 of the Trade and Merchandise Marks Act, 1958 or the property mark as defined in section 479 of the Indian Penal Code or any artistic work as defined in clause (c) of section 2 of the Copyright Act, 1957.

The definition of Design under the new Act has been widened. Under the previous law, the Design registration was granted only for the visual appearance of an article which included shape, configuration pattern, and ornamentation whether in two or three dimensions. Under, the Designs Act 2000, a Design registration can now be obtained for new or original features of shape, configuration pattern, ornamentation or composition of lines or colours as applied to an article, whether in two or three dimensions or both. A Design is something which determines the appearance of an article, or some part of an article. Designs are applied to an article with the objective of ornamenting and beautifying the article. If a particular feature is so applied on an article that it does not appeal to the eye at all and is incapable of attracting a prospective consumer in any manner for the purchase thereof, then such feature will not fall within the scope of a design. A visual characterization of an article which influences a person to purchase an article in preference to other articles which are identical in function but differ in appearance, such characterization would also meet the criteria of a design. A design must be applied in the article itself as in the case of a shape or configuration which is three-dimensional, e.g., shape of a bottle or flower vase or the case of design which is two dimensional, e.g., design on a sari, bed sheet, wallpaper which serves the purpose of ornamentation. It should be one which catches the eye of the purchaser. In *Delhi Metro Plastic Industries v. Galaxy Footwear case*, it was held the definitions of "design" in Section 2(5) of the 1911 Act and Section 2(d) of the 2000 Act were slightly different and the present definition had certain additional features. The legislation has amplified the definitions of article and design to confirm them with international accepted definitions for providing wider protection. The definition of article has been broadened to include parts of articles sold separately within its scope. The definition of Design has also been amplified to incorporate the composition of lines and colors to avoid overlapping with Copyright Act, 1957 regarding the definition of design with respect to artistic work.

INDUSTRIAL DESIGN: MEANING.

Industrial design protection is provided only for the aesthetic feature of a product, not for its functional design. Industrial design laws generally protect designs applied on industrial products which are aesthetic and non functional. Such designs merely enhance the aesthetic appeal of industrial products. Typically industrial designs are applied on products like furniture, packaging, watches, textiles and handicrafts. The economic value of these products lies in enhancing their aesthetic appeal to consumers. Designs which are functional are not registrable under the Designs Act, thus if a designer makes an article in a certain shape not to make it appeal to the eye of a consumer but solely to make the article perform a function ,then it does not become registrable.

### REQUIREMENTS FOR REGISTRATION OF DESIGNS.

1 A Design is something which is applied to an article and not the article itself.

#### **2. APPEAL TO THE EYE.**

The design must be capable of being applied to an article in such a way that the article to which it is applied will appeal to and judged solely by the eye.

#### **3.NOVELTY OR ORIGINALITY.**

A design can be registered only when it is new or original and not previously published in India.A design would be registrable if the pattern though already known is applied to new article.

Separation of rights under copyright & design laws

Under the Indian IP system, a clear distinction has been made between rights available under the Designs Act, 2000 (“the Designs Act”) and the Copyright Act, 1957 (“the Copyright Act”), to

avoid any overlap in protection under the two Acts.

As per Section 2(d) of the Designs Act a design has been defined to mean only the features of shape, configuration, pattern or ornament or composition of lines or colour or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, *and does not include any trade mark, as defined in clause (v) of subsection of Section 2 of the Trade and Merchandise Marks Act, 1958, property mark or artistic works as defined under Section 2(c) of the Copyright Act, 1957.*

As per Section 15(1) of the Copyright Act, copyright under the Copyright Act shall not subsist in a design protected under the Designs Act. Hence, once a design is registered, the proprietor foregoes the protection under the Copyright Act. Further, under Section 15(2) of the Copyright Act, if any design which can be registered under the Designs Act is not so registered, then the copyright under the Copyright Act on such a design shall cease as soon as any article to which the design has been applied has been reproduced more than 50 times by an industrial process by the owner of the design or by any other person with the license of the owner. In this case, if the proprietor does not get the design registered and manufactures more than 50 pieces of the article with that design, the proprietor then ends up foregoing the copyright protection under the Copyright Act as well.

When an artistic work is applied, by an industrial process, on an article of which the proprietor is likely to manufacture more than 50 pieces, it is important that design registration be obtained under the Designs Act as the proprietor is likely to lose copyright protection for the article under the Copyright Act. Since a design has to be novel for it to be registered, the design application should be made before the artistic work is made public in anyway.

## PROTECTION OF INDUSTRIAL DESIGN UNDER TRIPS AGREEMENT

Article 25.1 of the TRIPS Agreement obliges Members to provide for the protection of independently created industrial designs that are new or original. Members may provide that designs are not new or original if they do not significantly differ from known designs or combinations of known design features. Members may provide that such protection shall not extend to designs dictated essentially by technical or functional considerations. Article 25.2 contains a special provision aimed at taking into account the short life cycle and sheer number of new designs in the textile sector; requirements for securing protection of such designs, in particular in regard to any cost, examination or publication, must not unreasonably impair the opportunity to seek and obtain such protection. Members are free to meet this obligation through industrial design law or through copyright law. Protection: Article 26.1 requires Members to grant the owner of a protected industrial design the right to prevent third parties not having the owner's consent from making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes. Article 26.2 allows Members to provide limited exceptions to the protection of industrial designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of protected industrial designs and do not unreasonably prejudice the legitimate interests of the owner of the protected design, taking account of the legitimate interests of third parties. Duration of protection: The duration of protection available shall amount to at least 10 years.

### The Hague Agreement Concerning the International Registration of Industrial Designs (1925)

Two Acts of the Hague Agreement are currently in operation – the 1999 Act and the 1960 Act. In September 2009, it was decided to freeze the application of the 1934 Act of the Hague Agreement, thus simplifying and streamlining overall administration of the international design registration system.

An international design registration may be obtained only by a natural person or legal entity having a connection – through establishment, domicile, nationality or, under the 1999 Act, habitual residence – with a Contracting Party to either of the two Acts.

The Hague Agreement allows applicants to register an industrial design by filing a single application with the International Bureau of WIPO, enabling design owners to protect their designs with minimum formalities in multiple countries or regions. The Hague Agreement also simplifies the management of an industrial design registration, since it is possible to record subsequent changes and to renew the international registration through a single procedural step.

An international application may be governed by the 1999 Act, the 1960 Act or both, depending on the Contracting Party with which the applicant has the connection described above (hereafter referred to as "Contracting Party of origin").

International design applications may be filed with the International Bureau of WIPO, either directly or through the industrial property office of the Contracting Party of origin if the law of that Contracting Party so permits or requires. In practice, however, virtually all international applications are filed directly with the International Bureau, and the majority are filed using the electronic filing interface on WIPO's website.

International applications may include up to 100 designs, provided they all belong to the same class of the International Classification for Industrial Designs (Locarno Classification). Applicants may choose to file an application in English, French or Spanish. International applications must contain one or several reproductions of the industrial design(s) and must designate at least one Contracting Party.

International registrations are published in the *International Designs Bulletin*, issued weekly online. Depending on the Contracting Parties designated, applicants may request that the publication be deferred by a period not exceeding 30 months from the date of the international registration or, if priority is claimed, from the priority date.

Each Contracting Party designated by the applicant may refuse protection within 6 months, or possibly 12 months under the 1999 Act, from the date of publication of the international registration. Refusal of protection can only be based on requirements of the domestic law other than the formalities and administrative acts to be accomplished under the domestic law by the office of the Contracting Party that refuses protection.

If no refusal is notified by a given designated Contracting Party within the prescribed time limit (or if such refusal has subsequently been withdrawn), the international registration has effect as a grant of protection in that Contracting Party, under the law of that Contracting Party.

The term of protection is five years, renewable for at least one five-year period under the 1960 Act, or two such periods under the 1999 Act. If the legislation of a Contracting Party provides for a longer term of protection, protection of the same duration shall, on the basis of the international registration and its renewals, be granted in that Contracting Party to designs that have been the subject of an international registration. To facilitate access to the Hague system for design creators from least developed countries (LDCs), the fees for an international application are, in their case, reduced to 10 per cent of the prescribed amounts.

## The 1934 Act

The application of the 1934 Act was frozen as of January 1, 2010, meaning that no new registration or designation under the 1934 Act could be entered in the International Register as of that date. However, the renewal of existing designations under the 1934 Act and the recording in the International Register of any change affecting such designations will continue to be possible up to the maximum duration of protection under the 1934 Act (15 years).

## General

The WIPO Secretariat publishes a *Guide to the International Registration of Industrial Designs* for users of the Hague system.

The Hague Agreement, concluded in 1925, was revised at London in 1934 and at The Hague in 1960. It was completed by an Additional Act signed at Monaco in 1961 and by a Complementary Act signed at Stockholm in 1967, which was amended in 1979. As noted above, a further Act was adopted at Geneva in 1999.

The Hague Agreement created a Union, which, since 1970, has had an Assembly. Every member of the Union that has adhered to the Complementary Act of Stockholm is a member of the Assembly. Among the most important tasks of the Assembly are the adoption of the biennial program and budget of the Union and the adoption and modification of the implementing regulations, including the fixing of the fees connected with the use of the Hague system.

The 1999 Act of the Agreement is open to any WIPO Member State and to certain intergovernmental organizations. Instruments of ratification or accession must be deposited with the Director General of WIPO.

While the 1960 Act remains open to States party to the Paris Convention for the Protection of Industrial Property (1883), it is the more advantageous 1999 Act that governments of prospective Contracting Parties are encouraged to join.

## MODULE 6

### CONVENTION AND TREATIES RELATING TO OTHER INTELLECTUAL PROPERTY

#### Geographical indications

Geographical indications are,

Geographical Indications of Goods (Registration & Protection) Act, 1999

“Geographical indication” in relation to goods means an indication which identifies such goods as agricultural goods, natural goods or manufactured goods as originating, or manufactured in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of such goods is essentially attributable to its geographical origin and in case where such goods are manufactured goods one of the activities of either the production or of processing or preparation of the goods concerned takes place in such territory, region or locality, as the case may be. It may be noted that any name which is not the name of a country, region or locality of that country shall also be considered as the geographical indication if it relates to a specific geographical area and is used upon or in relation to particular goods originating from that country, region or locality, as the case may be. [Section 2(1)(e)]

Semiconductor Integrated Circuits Layout-Design (SICLD) Act, 2000

The Semiconductor Integrated Circuits Layout-Design Act, 2000 was passed to fulfill India's obligations as a TRIPS signatory. It provides protection for semiconductor Integrated Circuit layout designs. The main purpose of the Act is to provide for routes and mechanism for protection of IPR in Chip Layout Designs created and matters related to it

A Layout design that is:

- Original
- Not commercially exploited anywhere in India or convention/reciprocal country
- Inherently distinctive
- Inherently capable of being capable of being distinguishable from any other



registered layout design

#### Duration of registration

A period of 10 years counted from the date of filing an application for registration or from the date of first commercial exploitation anywhere in India or in any convention country or country specified by Government of India whichever is earlier.

#### Penalties

Infringing the rights of a registered proprietor of a layout-design is considered a criminal offence. The infringer is punishable with imprisonment for a term that may extend to three (3) years or fine which shall not be less than Rs. 50,000/- but which may extend to Rs. 10.0 lakhs or with both.

It is a criminal offence to falsely represent a layout-design as registered. If a person does so, he can be punished with imprisonment for a term that may extend to 6 months or with fine, which may extend to Rs.

50,000/- or with both.

TRADE SECRET

Trade secret remains confidential for indefinite period of time as per the will of the proprietor provided the security and its confidentiality is not breached. There is no specific legislation regulating the protection of trade secrets in India. India follows common law approach of protection and all matters relating to it are generally covered under the Contract Act, 1872. So, if the information constituting trade secret is leaked, legal action can be brought against the parties who have leaked it under the Law of Contracts.

#### The Protection of Plant Varieties and Farmers' Right Act, 2001

According to the Act, the term 'variety' means "a plant grouping except micro organism within a single botanical taxon of the lowest known rank, which can be:-

- (i) defined by the expression of the characteristics resulting from a given genotype of that plant grouping;
- (ii) distinguished from any other plant grouping by expression of at least one of the said characteristics; and
- (iii) considered as a unit with regard to its suitability for being propagated, which remains unchanged after such propagation; and includes propagating material of such variety, extant variety, transgenic variety, farmers' variety and essentially derived variety".

#### Protection under TRIPS Agreement

##### <sup>i</sup>Geographical indications

Geographical indications are defined, for the purposes of the Agreement, as indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin (Article 22.1). Thus, this definition specifies that the quality, reputation or other characteristics of a good can each be a sufficient basis for eligibility as a geographical indication, where they are essentially attributable to the geographical origin of the good.

In respect of all geographical indications, interested parties must have legal means to prevent use of indications which mislead the public as to the geographical origin of the good, and use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (Article 22.2).

The registration of a trademark which uses a geographical indication in a way that misleads the public as to the true place of origin must be refused or invalidated *ex officio* if the legislation so permits or at the request of an interested party (Article 22.3).

Article 23 provides that interested parties must have the legal means to prevent the use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication. This applies even where the public is not being misled, there is no unfair competition and the true origin of the good is indicated or the geographical indication is accompanied by expressions such as “kind”, “type”, “style”, “imitation” or the like. Similar protection must be given to geographical indications identifying spirits when used on spirits.

Protection against registration of a trademark must be provided accordingly.

Article 24 contains a number of exceptions to the protection of geographical indications. These exceptions are of particular relevance in respect of the additional protection for geographical indications for wines and spirits. For example, Members are not obliged to bring a geographical indication under protection, where it has become a generic term for describing the product in question (paragraph 6). Measures to implement these provisions shall not prejudice prior trademark rights that have been acquired in good faith (paragraph 5). Under certain circumstances, continued use of a geographical indication for wines or spirits may be allowed on a scale and nature as before (paragraph 4). Members availing themselves of the use of these exceptions must be willing to enter into negotiations about their continued application to individual geographical indications (paragraph 1). The exceptions cannot be used to diminish the protection of geographical indications that existed prior to the entry into force of the TRIPS Agreement (paragraph 3). The TRIPS Council shall keep under review the application of the provisions on the protection of geographical indications (paragraph 2).

#### Layout-designs of integrated circuits

Article 35 of the TRIPS Agreement requires Member countries to protect the layout-designs of integrated circuits in accordance with the provisions of the IPIC Treaty (the Treaty on Intellectual Property in Respect of Integrated Circuits), negotiated under the auspices of WIPO in 1989. These provisions deal with, *inter alia*, the definitions of “integrated circuit” and “layout- design (topography)”, requirements for protection, exclusive rights, and limitations, as well as exploitation, registration and disclosure. An “integrated circuit” means a product, in its final form or an intermediate form, in which the elements, at least one of which is an active

element, and some or all of the interconnections are integrally formed in and/or on a piece of material and which is intended to perform an electronic function. A “layout-design (topography)” is defined as the three-dimensional disposition, however expressed, of the elements, at least one of which is an active element, and of some or all of the interconnections of an integrated circuit, or such a three-dimensional disposition prepared for an integrated circuit intended for manufacture. The obligation to protect layout-designs applies to such layout-designs that are original in the sense that they are the result of their creators' own intellectual effort and are not commonplace among creators of layout-designs and manufacturers of integrated circuits at the time of their creation.

The exclusive rights include the right of reproduction and the right of importation, sale and other distribution for commercial purposes. Certain limitations to these rights are provided for.

In addition to requiring Member countries to protect the layout-designs of integrated circuits in accordance with the provisions of the IPIC Treaty, the TRIPS Agreement clarifies and/or builds on four points. These points relate to the term of protection (ten years instead of eight, Article 38), the applicability of the protection to articles containing infringing integrated circuits (last sub clause of Article 36) and the treatment of innocent infringers (Article 37.1). The conditions in Article 31 of the TRIPS Agreement apply *mutatis mutandis* to compulsory or non-voluntary licensing of a layout-design or to its use by or for the government without the authorization of the right holder, instead of the provisions of the IPIC Treaty on compulsory licensing (Article 37.2).

#### Protection of undisclosed information

The TRIPS Agreement requires undisclosed information -- trade secrets or know-how -- to benefit from protection. According to Article 39.2, the protection must apply to information that is secret, that has commercial value because it is secret and that has been subject to reasonable steps to keep it secret. The Agreement does not require undisclosed information to be treated as a form of property, but it does require that a person lawfully in control of such information must have the possibility of preventing it from being disclosed to, acquired by, or used by others without his or her consent in a manner contrary to honest commercial practices. “Manner contrary to honest commercial practices” includes breach of contract, breach of confidence and inducement to breach, as well as the acquisition of undisclosed information by third parties who knew, or were grossly negligent in failing to know, that such practices were involved in the acquisition.

The Agreement also contains provisions on undisclosed test data and other data whose submission is required by governments as a condition of approving the marketing of pharmaceutical or agricultural chemical products which use new chemical entities. In such a situation the Member government concerned must protect the data against unfair commercial use. In addition, Members must protect such data against disclosure, except where necessary to protect the public, or unless steps are taken to ensure that the data are protected against unfair commercial use.

#### THE LISBON AGREEMENT FOR THE PROTECTION OF APPELLATIONS OF ORIGIN AND THEIR INTERNATIONAL REGISTRATION (1958)

The aim of the Agreement is to provide for the protection of appellations of origin, that is, the “geographical name of a country, region, or locality, which serves to designate a product originating there-in, the quality and characteristics of which are due exclusively or essentially to the geographic environment, including natural and human factors” (Article 2). Such names are registered by the International Bureau of WIPO in Geneva upon the request of the competent authorities of the interested contracting State. The International Bureau communicates the registration to the other contracting States. A contracting State may declare, within one year, that it cannot ensure the protection of a registered appellation. A registered appellation may not be declared to have become generic in a contracting State as long as it continues to be protected in the country of origin. The Lisbon Agreement created a Union which has an Assembly. Every State member of the Union which has adhered to at least the administrative and final clauses of the Stockholm Act is a member of the Assembly. The Lisbon Agreement, concluded in 1958, was revised in Stockholm in 1967, and was amended in 1979. The Agreement (the full text of which is available at [www.wipo.int/treaties](http://www.wipo.int/treaties)) is open to States party to the Paris Convention for the Protection of Industrial Property (1883) (see the relevant Summary in this series). Instruments of ratification or accession must be deposited with the Director General of WIPO.

## MODULE 7

### Current IP issue

access to genetic resources and benefit sharing

Access and Benefit Sharing: Legislations in India 1. The Biological Diversity Act (BD Act), 2002

.Access Issues

There are three levels by which any application to access resources must pass; the national, the state, and the village level. The Bill states that one level cannot act without others permission; that is, no decision at the national or state level can be taken without consultation at the village level. At the national level, NBA will be the first contact for any party wishing to access PGR. The NBA considers applications on a proposal-by-proposal basis, and ensures that any terms and conditions of these proposals include an acceptable benefit sharing component.

Moreover, before obtaining any PGR from India, the party must go through the NBA. Similarly, at the state level, SBB will be established, and will perform tasks very similar to that of the NBA. However, the role of the SBB is distinct as it operates within the policy environment of the state, which is far from uniform across all states. Finally, the Act establishes BMC, which will be governed by the existing village level political mechanisms. The Act is explicit regarding how parties from India (i.e. Indian nationals) and foreigners are to be treated under the regulations. Specifically, approval is granted to Indian citizens only after 'prior intimation'; approval to foreigners is only granted after prior approval. The distinction is because, while it could be possible to prosecute nationals within the Indian legal system, it would more than likely not be possible for foreigners.

Research activities are also subject to prior approval by NBA; the BDA is not limited to monitoring access to resources alone, but also the results of research. The transfer of research results 'to any person who is not a

citizen of India or a body corporate or organization which is not registered or incorporated in India or which has any non Indian participation in its share capital or management’ cannot be disseminated without approval of the NBA. Similarly, “no person shall apply for any Intellectual Property Right by whatever name called in or outside India for any invention based on any research or information on a biological resource obtained from India without obtaining the previous approval of the NBA before making such application”.

## 1.02.Benefit Sharing Issues

Of particular relevance here is the establishment of a National Biodiversity Fund, (NBF) which will be administered by the NBA, and State Biodiversity Funds, which will be administered by the SBBs. Article 6(2) states that ‘the NBA may, while granting the approval under this section, impose benefit sharing fee or royalty or both or impose conditions including the sharing of financial benefits arising out of the commercial utilization of such rights’. As per the law, the purpose of these funding mechanisms are to channel benefits to the conservers of biological resources and creators and holders of knowledge, the conservation of areas where biological resources are found, and the socio-economic development of such areas in consultation with the local self-government concerned.

A similar mechanism is stated to exist at the village level, composed of transfers from the State Funds and other grants. This Local Biodiversity Fund shall be used ‘for conservation of biodiversity in the areas falling within the jurisdiction of the concerned local body and for the benefit of the community in so far such use is consistent with conservation of biodiversity’.

Nowhere in the text of the Act stated how the fund would be set up, and more importantly, how actual amounts designated for the sharing of benefits will be calculated. It is ultimately up to the SBBs to determine this. In the case of the Kani, the amount decided (50 per cent of revenues earned by TBGRI) were arrived at via consulting standards proposed by the CSIR. Presumably, SBBs would look to similar standards by which to gauge the actual amounts that would apply..

## 2. Protection of Plant Varieties and Farmers’ Rights Act (PPVFRA), 2001

### Access Issues

Under the PPVFRA then, farmers’ varieties of seeds are offered protection under a PBR; moreover, an Essentially Derived Varieties (EDV) can only be granted if explicit permission is granted by the farmers who hold the original genetic material that the EDV is sourced from. The question then is how precisely farmers’ varieties are to be catalogued and thus conferred a PBR. The Act states that a National Register of Plant Varieties ‘shall be kept at the head office of the Registry, wherein shall be entered the names of all the registered plant varieties with the names and addresses of their respective breeders, the right of such breeders in respect of the registered variety, the particulars of the denomination of each registered variety, its seeds or

other propagating material along with specification of salient features thereof and such other matters as may be prescribed.’

India certainly has the right of a sovereign state to formulate their own laws relating to PGR, but the ability to defeat a claim outside India based on the varieties being documented in a CBR may or may not constitute the requirement of novelty with regards to a patent. This is regardless of the fact that it may be novel within the context of a PBR. More concretely however, the PPVFRA states that a PBR cannot be awarded if the application for protection does not provide information on where the genetic material was found, and what the parental lineage is of the variety. This amounts to full geographic disclosure being conditional on accessing a PBR, which is perfectly within the right of India to pursue.

## 02.02. Benefit Sharing Issues

With regards to Benefit Sharing provisions, the PPVFRA, like the BDA, introduces a NGF. The purpose of the fund is to collect funds that are owed to the original holders of the genetic resource that is being accessed, with the value of the amount to be determined by

The extent and nature of the use of genetic material of the claimant in the development of the variety relating to which the benefit sharing has been claimed;

1) The commercial utility and demand in the market of the variety relating to which the benefit sharing has been claimed.:

The rationale for the fund is to act as a source of financial resources that is based on payments made, either via a license or via benefits accrued, by those parties wishing to access genetic resources owned by farmers or other groups in India. The Act states that Fund will contain transfers relating to:

1) The benefit sharing received in the prescribed manner from the breeder of a variety or an EDV registered under this Act

or propagating material of such variety or EDV, as the case may be;

2) The annual fee payable to the authority by way of royalty for resources acquired from a breeder of a variety registered

under the Act;

3) The compensation that may arise in a successful claim is presented arguing that the genetic material was sourced from local communities;

4) The contribution from any national and international organisation and other sources.

The Gene Fund is a distinct and separate entity from the NBF of the BDA, though the aim of each is rather similar. However, the NBA has nothing to do with the administration of the Gene Fund; this fund is administered by ‘the Central Government’



This Fund is likely to be very modest. It should be used mainly for recognizing and rewarding the contributions of tribal and farmwomen and men to the conservation and enhancement of agro-biodiversity. The administration costs relating to this Fund should be borne by the Government of India. Transparent and credible methods of recognizing individual and community contributions will have to be developed. This can be done by a Standing Committee on Farmers' Rights set up by the Authority. Since a majority of primary conservers are women, there must be adequate representation of tribal and farm women on such a Committee. The manner in which the community award should be utilized should be left to the community. In this respect, there could be linkages between the provisions of this Act and the Biodiversity Management Committees proposed to be set at the Panchayat/Local Body Level under the Biodiversity Act now before

Parliament. And it is clear that there are similarities between the PPV and the BDA. However, unlike the BDA, the PPVFRA does not detail how PIC could be accomplished. That is, it does not provide the hierarchical framework that the BDA provides.

### **protection of the indigenous people**

#### The Rights of Indigenous Peoples and Traditional Knowledge

Since 1990s, the UN Human Rights machinery started emphasized the rights of indigenous communities. People from such communities who were jointly entitled to the conferment of such rights/privileges started demanding from the states their right of recognition as well as right to control over their culture, including traditional knowledge relating to biodiversity, medicines, and agriculture. From the Intellectual Property law perspective, much of this knowledge was regarded as being part of the public domain, since it did not meet the established subject matter criteria for protection, or because the indigenous communities who created it did not endorse private ownership rules. By regarding traditional knowledge as effectively un-owned by any single individual or community, the Intellectual Property law made such knowledge vulnerable to an unrestricted exploitation by the outsiders. Many of such outsiders used this knowledge as an upstream input for later downstream innovations that were themselves privatized through Patents, Copyrights, and Plant Breeders' rights. Adding to their pains, the financial and technological benefits of those innovations were rarely shared with the indigenous communities. UN Human Rights bodies sought to cover this hole in the fabric of Intellectual Property law by commissioning a working group and a special rapporteur to create a Draft Declaration on the Rights of Indigenous Peoples, and Principles and Guidelines for the Protection of the Heritage of Indigenous People. These documents adopted a sceptical approach to Intellectual Property protection.

### **Recommended Readings :**

Kamil Idris, Intellectual Property: A Power tool for Economic Growth, WIPO.

Tzen Wong and Graham Dutfield, Intellectual Property and Human Development – Current Trends and Future Scenarios, Cambridge Press.

UNCTAD-ICTSD. (2005). Resource Book on TRIPS and Development. New York: Cambridge University Press.

William Cornish and David Llewelyn, Intellectual Property : Patents, Copyright, Trade

Marks, and Allied Rights. London: Sweet and Maxwell.

Carlos Correa, Implementing TRIPS in developing countries. Third World Network.

Catherine Colston, Principles of Intellectual Property Law. London: Cavendish Publishing Ltd.

Choudhary D. N., Evolution of patent Laws. New Delhi: Capital Law House.

Epstein M A, Epstein on Intellectual Property (Indian Reprint). New Delhi: Wolters Kluwer Law and Business.

Feroz Ali Khader, The Law of Patents - With a special focus on Pharmaceuticals in India, LexisNexis Butterworths Wadhwa, Nagpur.

Ganguli Prabuddha, Intellectual Property Rights - Unleashing the Knowledge Economy. New Delhi: Tata McGrawh-hill Publishing Company Ltd.

Gopalkrishnan N S, and Agitha T G, Principles of Intellectual property. Lucknow: Estern Book Company.  
Gregory Stobbs, Software Patents Worldwide, Wolters Kluwer.

Jayshree Watal, Intellectual Property in WTO and Developing Countries. New Delhi: Oxford University Press.

Michael Blakeney, Trade Related Aspects of Intellectual Property Rights: A concise Guide to the TRIPS Agreement.

Parmeswaran Narayanan, Intellectual Property Law, Eastern Law House.

Rao M B and Guru M, Understanding Trips Managing Knowledge in Developing Countries. New Delhi:  
Response Books

Robert Merges and John Duffy, Patent Law and Policy: Cases and Materials, 2017.