Judicial Academy Jharkhand

READING MATERIAL

for
Principal District Judges/District Judges
in

ONE DAY CONFERENCE ON "INTELLECTUAL PROPERTY RIGHTS (IPR) (COURSE NO.-C-1)

on 16th July, 2017

JUDICIAL ACADEMY JHARKHAND

FOR PRIVATE CIRCULATION ONLY

READING MATERIAL

for

Principal District Judges/District Judges in

ONE DAY CONFERENCE ON "INTELLECTUAL PROPERTY RIGHTS (IPR) (COURSE NO.-C-1)"

Date : 16th July, 2017

Organised by :

Judicial Academy Jharkhand

INDEX

THE UNIVERSALITY OF INTELLECTUAL PROPERTY RIGHTS: ORIGINS AND DEVELOPMENT

by

Dr. Peter Drahos, University of London, Herchel Smith Senior Fellow,
Queen Mary Intellectual Property Research Institute,
Queen Mary and Westfield College
(London, United Kingdom)

1. Definitional Observations

'Intellectual Property' is a generic term that probably came into regular use during the twentieth century.[1] This generic label is used to refer to a group of legal regimes, each of which, to different degrees, confers rights of ownership in a particular subject matter. Copyright, patents, designs, trade marks and protection against unfair competition form the traditional core of intellectual property. The subject matter of these rights is disparate. Inventions, literary works, artistic works, designs and trade marks formed the subject matter of early intellectual property law. One striking feature of intellectual property is that, despite its early historical links to the idea of monopoly and privilege, the scope of its subject matter continues to expand. The twentieth century has seen new or existing subject matter added to present intellectual property systems (for example, the protection of computer software as part of copyright, the patentability of micro-organisms as part of patent law), and new systems created to protect existing or new subject matter (for example, plant variety protection and circuit layouts). The strongly expansionary nature of intellectual property systems shows no sign of changing. Internationally, for example, special legal protection for databases remains part of the work program of the World Intellectual Property Organization (WIPO).

Trying to define the essence of intellectual property is difficult. Most definitions, in fact, simply list examples of intellectual property rights or the subject matter of those rights (often in inclusive form) rather than attempting to identify the essential attributes of intellectual property.[2] One should also note that individual intellectual property statutes provide definitions of the subject matter of their application. So, for example, copyright statutes will typically define terms such as 'literary work', as well as stating that copyright in a work consists of particular exclusive rights. Patent statutes define the term 'patent' in terms of invention and then specify the criteria of patentability. The definitional dimensions of intellectual property are further complicated by the fact that intellectual property regimes are the products of different philosophical and legal

[1] It was customary to refer to industrial and intellectual property rights. The term 'industrial' was used to cover technology-based subject areas like patents, designs and trade marks. 'Intellectual property' was used to refer to copyright. The modern convention is to use 'intellectual property' to refer to both industrial and intellectual property.

[2] An example of this approach is to be found in Article 2 (viii) of the Convention Establishing the World Intellectual Property Organization, signed at Stockholm on July 14, 1967.

traditions. The term 'copyright', for example, refers to those common law systems that characterize the exclusive rights of authors in essentially economic terms (the rights to reproduce the work, to publish it and to adapt it are examples). Within civil law systems, the rights of authors are seen, at base, as being about the protection of the authorial personality (the right to be acknowledged as the author of the work and the right to control alterations to the work are the core rights). These systems are not referred to as copyright but rather as authors' rights.[3]

A definition of intellectual property that moves beyond lists or examples and attempts to deal with the essential attributes of intellectual property has to focus on two elements: the property element and the object to which the property element relates. Intellectual property rights are often described as intangible rights. The idea behind this classification is that the object of the right is intangible. All property rights place the rightholder in a juridical relation with others. The key difference between rights of real property and intellectual property rights is that in the latter case the object of the right is non-physical. One can think of it as an abstract object rather than a physical object. It is possible that one can 'own' the abstract object without owning a particular physical manifestation of the abstract object. A letter sent to a friend, for example, results in the property in the letter passing to the friend, but not the copyright.

For the purposes of this paper, we will say that intellectual property rights are rights of exploitation in information. Information is becoming "the prime resource" in modern economic life.[4] Even in apparently non-information industries like agriculture, the control and ownership of genetic information has become a major factor, shaping the structure of that industry. It is precisely because information has become the primary resource that the exploitation of information through the exercise of intellectual property rights affects interests that are the subject of human rights claims. Property rights by their nature allow the rightholder to exclude others from the use of this prime resource and so they are likely to produce instances of rights conflict. To illustrate the point somewhat tersely: property in expression (copyright) conflicts with freedom of expression.[5]

The next section of the paper will, in a brief span, describe the evolution of intellectual property law. The historical focus is on the emergence of intellectual property as part of the positive legal order of states. All societies have had to devise norms for regulating the ownership and use of different kinds of information. Historically, this has been especially true of religious information. One can thus identify customary equivalents of intellectual property.[6] But the western intellectual property tradition is rooted in the idea that intellectual property rights are positive rights created by the state for the benefit of the commonwealth. Within Thomist political theory the

[3] See Z. Radojokovic, "The historical development of "Moral Right"", (1966) *Copyright*, p. 203.
[4] T. Mandeville, *Understanding Novelty: Information, Technological Change, And The Patent System*, (Ablex Publishing Corporation, Norwood, New Jersey, 1996) p. 3.
[5] For an account of how the conflict might be resolved see Melville B. Nimmer, "Does Copyright Abridge the First Amendment Guarantees of Free Speech and Press?", 17 (1970) *UCLA L. Rev*, p. 1180.
[6] See R.H. Lowie, *Primitive Society* (New York, 1920) pp. 235-243.

validity of positive law was itself to be judged by the axioms of natural law.[7] The norms of positive law had to converge with the divine design which natural law communicated to men. The rules of positive law then met the test of validity, not by being a mirror reflection of some metaphysical counterpart, but rather by whether or not they contributed to the overall divine plan. Conceptually speaking, this allowed someone working within the natural law tradition to recognize the right of a state to modify property rights through the enactment of positive law.

The protection of intellectual property at an international level can roughly be divided into three periods. The first period, the territorial period, is essentially characterized by an absence of international protection. The second, the international period, begins in Europe towards the end of the 19th century with some countries agreeing to the formation of the Paris Convention for the Protection of Industrial Property, 1883 (the Paris Convention) and a similar group agreeing to the Berne Convention for the Protection of Literary and Artistic Works, 1886 (the Berne Convention). The third period, the global period, has its origins in the linkage that the United States of America (the U.S.A) made between trade and intellectual property in the 1980s, a linkage which emerged at a multilateral level in the form of the Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994 (the TRIPS Agreement).[8] The dates of the various conventions do not represent a sharp epochal divide. They do mark a significant change in the evolutionary direction of intellectual property protection.

2. The History of Intellectual Property

(i) The Territorial Period

The different subject areas of intellectual property originate in different places and at different times. Very probably all these laws can be traced back to the system of royal privilege-giving which seems to have operated in most of medieval Europe. The Venetians are credited with the first properly developed patent law in 1474. In England the Statute of Monopolies of 1623 swept away all monopolies except those made by the "true and first inventor" of a "method of manufacture." Revolutionary France recognized the rights of inventors in 1791 and, outside of Europe, the U.S.A. enacted a patent law in 1790. These patent laws were nothing like today's complex systems. They were mercifully short, simply recognizing the rights of the inventor. After these beginnings, patent law spread throughout Europe in the first half of the nineteenth century.[9] Statutory forms of trade mark law only make their appearance late in the second half of the

[7] Q. Skinner, *The Foundations of Modern Political Thought*, Vol 2, (Cambridge University Press, Cambridge, 1978) pp. 148-149.
[8] The TRIPS Agreement is binding on all members of the World Trade Organization. See Article II. 2 of the Agreement Establishing The World Trade Organization (the WTO Agreement). Both the TRIPS Agreement and the WTO Agreement are part of the Final Act Embodying The Results Of The Uruguay Round Of Multilateral Trade Negotiations, Marrakech, April 15, 1994.
[9] F. Machlup and E. Penrose, "The Patent Controversy in the Nineteenth Century", 10 (1950) *Journal of Economic History,* pp. 1, 3.

nineteenth century, even though trade marks had been in use for much longer.[10] The English courts developed protection for trade marks through the action of passing off.[11] For a variety of reasons, this proved unsatisfactory and statutory systems of trade mark registration began to make their appearance in Europe: England 1862 and 1875, France 1857, Germany 1874 and the U.S.A. 1870 and 1876.[12] Copyright follows a similar kind of pattern, modern copyright law beginning in England with the Statute of Anne of 1709.

[10] F. Schechter, "The Rational Basis Of Trademark Protection", 40 (1927) *Harvard Law Review*, pp. 813-833.
[11] S. Ricketson*, The Law of Intellectual Property* (Law Book, Sydney, 1984) p. 599.
[12] S Ladas, *Patents, Trademarks, and Related Rights: National and International Protection*, Vol. 1, (Harvard University Press, Cambridge, 1975) p. 8.

The second part of the nineteenth century saw the proliferation in Europe of national intellectual property regimes. It was a period of somewhat chaotic growth with much borrowing and cross-pollination of intellectual property law between states. The principles of patent law to be found in the English Statute of Monopolies were gradually recognized in other states. The English devised the first law on designs in 1787, but they were influenced by the French design law of 1806 when they reformulated their law in 1839. Outside of Europe, intellectual property grew along colonial pathways. So, for example, the self-governing colonies of Australia enacted copyright and patent statutes that were essentially faithful copies of English models.

The territorial period is dominated by the principle of territoriality, the principle that intellectual property rights do not extend beyond the territory of the sovereign which has granted the rights in the first place. The principle is the product of the intimate connections to be found between sovereignty, property rights and territory. It was a principle which courts recognized in the interests of international comity. [13] A world in which states regularly claimed jurisdiction over the property rights established by other nations would be a world in which the principle of negative comity would have largely vanished. The principle of territoriality meant that an intellectual property law passed by country A did not apply in country B. Intellectual property owners faced a classic free-riding problem, or putting it in another way, some countries were the beneficiaries of positive externalities. Dealing with free-riding and positive externalities led states into the next phase of intellectual property protection: the international period.

(ii) The International Period

During the nineteenth century states began to take a greater and greater interest in the possibility of international co-operation on intellectual property. At first this interest manifested itself in the form of bilateral agreements.[14] In copyright, a French decree of 1852 granting copyright protection to foreign works and foreign authors without the requirement of reciprocity did much to keep bilateral treaty-making in copyright alive.[15] Those states that were worried about the free-riding problem began to negotiate bilateral treaties with other states. Those states that saw themselves as recipients of a positive externality remained isolationist. The United Kingdom (the U.K.) and the U.S.A. provide an example of each response. The U.K. found in the eighteenth century that many of its authors were having their works reproduced abroad without permission and without receiving royalties. Much of the "piracy" was taking place in America, where authors like Dickens were very popular with the American public and therefore American publishers.

[13] *British South Africa Co. v Companhia de Moçambique* [1893] A.C. 602, 622-24.
[14] For the history of these agreements in respect of copyright see S. Ricketson, *The Berne Convention for the Protection of Literary and Artistic Works: 1886-1986* (Center for Commercial Law Studies, Queen Mary College, Kluwer, 1987) pp. 25-38.
[15] H. G. Henn, "The Quest For International Copyright Protection", 39 (1953) *Cornell Law Quarterly,* pp. 43, 45.

The Americans were not the only culprits as the following passage from *Hansard (1837)* makes clear:[16]

> "Every work written by a popular author is almost co-instantaneously reprinted in large numbers both in France, Germany and in America and this is done now with much rapidity, and at little expense . . . All the works of Sir Walter Scott, Lord Byron, Messrs. Robert Southey, Thomas Moore . . . and indeed most popular authors are so reprinted and resold by galignani and bardens at Paris."

The UK response to this problem was to pass in 1838 and 1844 Acts that protected works first published outside of the UK. These Acts grounded a strategy of reciprocity. Foreign works would only gain protection in the UK if the relevant state agreed to protect UK works. The 1844 Act saw a considerable number of bilateral agreements concluded between the UK and other European states.[17] International copyright policy in the U.S.A. took a different turn to that of the UK. The U.S.A. Copyright Act of 1790 only granted copyright protection to citizens and residents of the U.S.A. This form of national protectionism prevailed in US copyright policy for a surprisingly long period: "For over a hundred years, this nation not only denied copyright protection to published works by foreigners, applying the 'nationality-of-the-author' principle, but appeared to encourage the piracy of such works."[18] In fact, it was not until after the Second World War that the U.S.A. began to exercise real leadership in international copyright.[19] It did so with a boldness that few could have foreseen.

Like copyright, the different parts of industrial property also became the subject of bilateral treaty making, mainly between European states. By 1883 there were 69 international agreements in place, most of them dealing with trade marks.[20] They operated on the basis of the national treatment principle, this principle itself being the outcome of reciprocal adjustment between states. States had come to accept that if they did not discriminate between nationals and foreigners when it came to the regulation of intellectual property rights, neither would other states. In this way states could secure protection for the works of their authors in foreign jurisdictions.

Bilateralism in intellectual property in the nineteenth century was important in that it contributed to the recognition that an international framework for the regulation of intellectual property had to be devised, and it suggested a content in terms of principles for that framework. But this bilateralism was more by way of prelude. The protection it gave authors was never satisfactory.[21] The main movement towards serious international co-operation on intellectual property arrived in the form of two multilateral pillars: the Paris Convention of 1883 and the Berne Convention of 1886. The Paris Convention

---

[16] Cited in B. Sherman, "Remembering and Forgetting: The Birth of Modern Copyright Law", 10 (1995) *Intellectual Property Journal,* pp. 1, 7.
[17] *Ibid*. pp. 1, 10.
[18] Henn, *op. cit*. pp. 43, 52.
[19] B. Ringer, "The Role Of The United States In International Copyright - Past, Present, And Future", 56 (1968) *Georgetown Law Journal*, pp. 1050-1079.
[20] Ladas, *op. cit*. pp. 43, 54-55.
[21] Ricketson, *op. cit*. p. 39.

formed a Union for the protection of industrial property and the Berne Convention formed a Union for the protection of literary and artistic works.

The Paris Convention had its beginnings in some US disgruntlement with a world fair for inventions which was being planned for Vienna in 1873. These world fairs, like the trade fairs of medieval Europe, were important meeting places. The U.S.A., echoing the fears of other countries, suggested that many inventions at the fair would end up benefiting the Austrian public without foreign inventors seeing any returns. The idea of a unified international patent system had been an idea circulating for some time, Prince Albert having raised the possibility of a harmonized patent system at the London World Exposition in 1851.[22] It was a German engineer, Karl Pieper, who managed to persuade the Austrians to hold in 1873 a Congress for Patent Reform. After another Congress in 1880, the Paris Convention of 1883 was opened for signature. Within 25 years most major trading nations had joined the Convention.

The Berne Convention was also a product of meeting places in Europe.[23] The bilateral copyright treaties that states had signed were more often than not just a paper reality. They also produced great complexity. An author wanting to know the extent of his protection in other countries would have had to consult a series of treaties and domestic laws. Influential authors like Victor Hugo, whose reputations and works crossed boundaries, formed the International Literary Association in Paris in 1878.[24] This Association began to hold regular meetings in Europe. At its 1883 meeting in Berne it produced a draft text of an international copyright agreement. The Swiss government was persuaded to organize an international conference using this draft text as a starting point for a multilateral convention on copyright. Berne became the site of intergovernmental conferences in 1884, 1885 and 1886, the year in which the Berne Convention was completed and opened for signature and ratification to the world at large. Like the Paris Convention, the Berne Convention had as its axis the principle of national treatment and a set of minimum rights which states had to recognize.

The Paris and Berne Conventions ushered in the multilateral era of international co-operation in intellectual property. The twentieth century saw the proliferation of international intellectual property regimes. Examples of areas that became the subject of international agreements include trade marks (Madrid Agreement (Marks), 1891 and Madrid Agreement (Indication of Source), 1891), designs (Hague Agreement, 1925), performance (Rome Convention, 1961), plant varieties (International Convention for the Protection of New Varieties of Plants, Acts of 1961 and 1991), patents (Patent Co-operation Treaty, 1970), semiconductor chips (Treaty on Intellectual Property in Respect of Integrated Circuits, 1989). The Paris and Berne Conventions also underwent numerous revisions.

---

[22] F-K Beier, "One hundred years of international co-operation - the role of the Paris Convention in the past, present and future", 15 (1984) *International Review of Industrial Property and Copyright Law*, pp. 1, 2.

[23] In the case of copyright the first crucial international meeting was the Congress on Literary and Artistic Property held in Brussels in 1858. See Ricketson, *op. cit*. pp. 41-46.

[24] M. Kampelman, "The United States and International Copyright", 41 (1947) *American Journal of International Law*, pp. 406, 410-411.

Treaty-making in intellectual property was accompanied by the rise of international organizational forms. The Paris and Berne Conventions saw the creation of international bureaus (secretariats) which were merged in 1893 to form the United International Bureaux for the Protection of Intellectual Property (known by the French acronym of BIRPI).[25] BIRPI was superseded by a new organization, WIPO, which was established by treaty in 1967. WIPO became a specialized agency of the United Nations in 1974.

The international world of intellectual property over which BIRPI and then WIPO presided was a world in which sovereign states had agreed to certain foundational principles, the most important being the principle of national treatment. But by no means was it a world in which there was a harmonization of technical rules. States retained enormous sovereign discretion over intellectual property standard setting. The U.S.A. continued with its 'first to invent' patent system while other countries operated with a 'first to file' system. Civil code countries recognized the doctrine of moral rights for authors while common law countries did not. Developing countries (and for a long time many developed countries) did not recognize the patenting of chemical compounds. Standards of trade mark registration varied dramatically, even between countries from the same legal family. The law of unfair competition was a projection of local instinct even though the Paris Convention required all member states to protect against it.

Despite the fact that WIPO in 1992 administered 24 multilateral treaties, it presided over an intellectual property world of enormous rule diversity. By 1992 the organization also sensed, perhaps more strongly than anyone, the sea change that was about to take place in the regulation of intellectual property. The General Agreement on Tariffs and Trade (the GATT), across the road from WIPO in Geneva, was about to see to that. WIPO stood by as trade lawyers forced the world of intellectual property into the global era.

(iii) The Global Period

During the international period the harmonization of intellectual property was a painstakingly slow affair. After the Second World War more and more developing countries joined the Paris and Berne Conventions. These conventions ceased to be Western clubs and under the principle of one-vote-one-state, Western states could be outvoted by a coalition of developing countries. Developing countries were not simply content to play the role of a veto coalition. They wanted an international system that catered to their stage of economic development and so, in the eyes of the West at least, they began to throw their weight around. In copyright, led by India, developing countries succeeded in obtaining the adoption of the Stockholm Protocol of 1967. The aim of the Protocol was to give developing countries greater access to copyright materials. Its adoption provoked something of a crisis in international copyright. [26] The Paris

[25] A. Bogsch, *Brief History of the First 25 Years of the World Intellectual Property Organization* (World Intellectual Property Organization, Geneva, 1992) pp. 7-8.
[26] H. Sacks, "Crisis in International Copyright: The Protocol Regarding Developing Countries" (1969) *Journal of Business Law*, p. 26.

Convention also became the subject of Diplomatic Conferences of Revision in 1980, 1981, 1982 and 1984 with developing countries pushing for more liberal provisions on compulsory licensing.

During the 1960s, India had experienced some of the highest drug prices in the world. Its response was to design its patent law to help to bring about lower drug prices. Under Indian law, patents were granted for processes relating to the production of pharmaceuticals, but not for chemical compounds themselves. When it came to reforming the Paris Convention, countries like India pushed for provisions that would give developing countries more and more access to technology that had been locked up by means of patents. For India this was rational social policy for the educational and health care needs of its citizens. For the U.S.A., it was a case of free-riding. The U.S.A. in particular found itself more and more isolated at meetings relating to the Paris Convention.[27]

The international period was a world in which a lot of free-riding was tolerated. The only enforcement mechanism under the various intellectual property treaties were appeals to the International Court of Justice and most states took reservations on such clauses. No state was in a position to cast the first stone when it came to free-riding. The U.S.A. was not a member of the Berne Convention, but U.S. publishers took advantage of its higher standards of protection 'through the back door' method of arranging simultaneous publication in a Berne country like Canada.[28]

Not everybody in the U.S.A. was happy with this *laissez faire* attitude towards the enforcement of intellectual property rights. For the U.S. film and pharmaceutical industries in particular, intellectual property (copyright for the former, patents for the latter) represented the backbone of their industries. For pharmaceutical companies like Pfizer, intellectual property was an investment issue. They wanted to be able to locate production anywhere in the world safe in the knowledge that their intellectual property would be protected. Within the lobbying networks that had been organized by these global business entities, an idea began to be bounced around between a small group of consultants, lobbyists and lawyers who traveled these networks - that of linking intellectual property to trade.[29] There were two obvious advantages of such a move. First, if a set of intellectual property standards could be made part of a multilateral trade agreement it would give those standards a more or less global coverage. Second, use could be made of the enforcement mechanisms that states had developed for settling trade disputes.

During the 1980s, the U.S.A. reshaped its trade law to give it a series of bilateral enforcement strategies against countries it considered had inadequate levels of intellectual property enforcement or which were weak on the enforcement of such

[27] S. K. Sell, "Intellectual Property as a Trade Issue: From the Paris Convention to GATT", XIII (1989) *Legal Studies Forum*, pp. 407-422.
[28] Henn, *op. cit*. p. 65.
[29] For the history of this see P. Drahos, "Global property rights in information: the story of TRIPS at the GATT", 13 (1995) *Prometheus*, pp. 6-19.

rights.[30] In 1984, the U.S.A. amended its Trade Act of 1974 to include intellectual property in the 'section 301' trade process. The 1984 amendment had a sequel in the form of the Omnibus Trade and Competitiveness Act of 1988. This latter Act strengthened the 301 process by adding more processes called 'Regular 301', 'Special 301' and 'Super 301.'[31] Essentially these provisions required the Office of the United States Trade Representative to identify problem countries, assess the level of abuse of US intellectual property interests and to enter into negotiations with those countries to remedy the problems. Ultimately, if this proved futile, the U.S.A. could impose trade sanctions. Countries caught up in the 301 process came to learn a simple truth. If they failed to act on intellectual property they would, sooner or later, face retaliatory action from the U.S.A.

At the Ministerial Meeting at Punta del Este in September of 1986, the meeting which launched the Uruguay Round of trade talks, intellectual property was included as a negotiating issue. The U.S.A. had the support of Europe, Canada and Japan for the inclusion of intellectual property in the Round but it was basically a U.S. initiative. It was the U.S.A., more specifically the U.S. business community, which had made all the running on the matter of intellectual property.

On 15 April 1994, the Uruguay Round concluded in Marrakech with the signing of the Final Act Embodying The Results Of The Uruguay Round Of Multilateral Trade Negotiations. More than 100 countries signed the Final Act. It contained a number of agreements including the Agreement Establishing the World Trade Organization and the TRIPS Agreement. The TRIPS Agreement was made binding on all members of the World Trade Organization (WTO). There was no way for a state that wished to become or remain a member of the multilateral trading regime to side-step the TRIPS Agreement.

(iv) Post-TRIPS

The TRIPS Agreement marks the beginnings of the global property epoch. The TRIPS Agreement is built on the edifice of the principles of territoriality and national treatment. But it also represents the beginnings of property globalization. Via the trade linkage, the TRIPS Agreement reaches all those states that are members of the multilateral trading system or which, like China, wish to become members. The regional commercial unions that have developed in the last few years have as one of their key objectives the implementation of the TRIPS Agreement.[32] More generally, intellectual property has come to feature strongly in regional arrangements of the 1990s, particularly trade arrangements.[33] The North American Free Trade Agreement (NAFTA) contains

[30] See M. Blakeney, *Trade Related Aspects of Intellectual Property Rights* (Sweet & Maxwell, London, 1996) Ch.1.
[31] M. Getlan, "TRIPS and Future of Section 301: A Comparative Study in Trade Dispute Resolution", 34 (1995) *Columbia Journal of Transnational Law,* pp. 173, 179.
[32] M. Blakeney, "The Role of Intellectual Property Law in Regional Commercial Unions in Europe and Asia", 16 (1998) *Prometheus*, pp. 341, 349.
[33] An early example of regionalism in intellectual property are the Montevideo Conventions of 1889 which dealt with patents and trademarks, involving Argentina, Bolivia, Brazil, Chile, Paraguay, Peru, and

extensive provisions on intellectual property. Those provisions in fact served as something of a model for what might be achieved in respect of intellectual property at the multilateral level during the Uruguay Round of negotiations. In a recent survey of the role of intellectual property in regional commercial unions, Blakeney has identified different forms of co-operation and convergence on intellectual property law taking place amongst the states of the Central European Free Trade Agreement, the Association of South East Asian Nations, the Mekong River Basin Countries and the Asia Pacific Economic Co-operation Forum.[34]

In the past states have been able to steer their way through the international intellectual property framework by taking reservations on clauses in treaties or by not ratifying certain protocols or conventions. All of the TRIPS Agreement is binding on all members of the WTO. The TRIPS Agreement incorporates various other intellectual property conventions by reference. States, therefore, have to implement a common and enlarged set of intellectual property standards, standards that become common to more states by virtue of their participation in regional and multilateral trade regimes. More and more standards are becoming mandatory rather than permissive for states. States, for example, have less discretion to determine what can be patentable and what cannot.

The post-TRIPS era has been a period in which countries have had to engage in the task of national implementation of their obligations under the TRIPS Agreement. Least-developed countries have the advantage of a ten year transitional period under the agreement, but they have been under pressure from developed countries to move sooner rather than later on its implementation. The TRIPS Agreement operates under an institutional arrangement designed to promote compliance. The WTO Agreement establishes a Council for TRIPS, which is required to monitor members' compliance with their obligations under the agreement. The practice which seems to be developing is that states like the U.S.A. and Europe are asking other states to explain their intellectual property laws and whether they comply with the TRIPS Agreement. The monitoring by the Council for TRIPS, the active interest of the U.S.A. and Europe in the enforcement of intellectual property obligations, and the fact that disputes under the TRIPS Agreement can be made the subject of proceedings under the dispute resolution mechanism of the Final Act, mean that obligations of the TRIPS Agreement will over time become a living legal reality for states rather than suffering the fate of so many conventions, that of remaining paper rules.

The post-TRIPS period has also seen multilateral treaty-making in intellectual property continue. On December 20, 1996, under the auspices of WIPO, the WIPO Performances and Phonograms Treaty and the WIPO Copyright Treaty were concluded. The U.S.A. was one of the main agitators for a new international instrument to deal with the entry of copyright into the digital age. As part of its National Information Infrastructure Initiative in 1993, the U.S.A. had established a working group on

---

Uruguay. The Treaty of Rome (1957), the treaty that constituted the European Common Market, provided for conditional protection of national intellectual property rights in Article 36.

[34] Blakeney, "The Role of Intellectual Property Law in Regional Commercial Unions in Europe and Asia", *op. cit*. pp. 341-349.

intellectual property rights. This working group recommended in a report in 1995 that the distribution right of copyright owners be clarified to include transmission, and that the law prohibit the circumvention of copyright protection systems.[35] The U.S.A. sought to globalize this copyright owner's agenda by pushing for the inclusion of some new form of communication right in an international instrument. The negotiating history of these two treaties is significant in that copyright owners met with organized resistance from copyright users. The U.S.A. consumer movement, for instance, was particularly active in successful opposition to the proposed database treaty. Copyright owners had both wins and losses at these negotiations. The Copyright Treaty grants copyright owners a right of communication to the public, but recognizes the right of states to determine the extent of the copyright owner's right of distribution.

All this suggests that future multilateral treaty-making in intellectual property will be a complex game fought out between user and owner groups, groups whose membership transcends national boundaries. Library groups, educational institutions, internet service providers and developers of software applications are likely to unite to oppose large software companies and publishers on matters of copyright reform. Indigenous peoples non-governmental organizations (NGO's), and environmental NGO's are likely to unite to fight the extension of the patent system to higher order life forms. Intellectual property policy has become a highly politicized arena in which state and non-state actors will continue to contest not just the rules of intellectual property, but also the roles of markets and government. Triumphs of the scale of the TRIPS Agreement may in the future be much harder to secure.

The TRIPS Agreement is but one part of a much deeper phenomenon in which intellectual property is playing a crucial role - the regulatory globalization of the norms of contract and property. Property law constitutes the objects of property; contract enables the exchange of those objects. Through contract the objects of property become tradeable capital. Together these norms constitute markets. This is a phenomenon we shall come back to in the last section of the paper.

An illustration of this phenomenon is the link between intellectual property and investment. The international regulation of investment for most of its history has occurred bilaterally. States over the years have created a web of bilateral investment treaties. Intellectual property, like any other asset, can be made the subject of a treaty. One aspiration in the Uruguay Trade Round, held mainly by international business, was that the Round would deliver a comprehensive multilateral agreement on investment that would free business from the restrictions on investment that were to be found in bilateral treaties. The ink eventually dried on a far more modest investment agreement - the Agreement On Trade-Related Investment Measures (the TRIMS Agreement). This agreement applies only to trade in goods. Since the TRIMS Agreement, negotiations at the Organization for Economic Cooperation and Development (the OECD) have seen the emergence of a draft text for a Multilateral Agreement on Investment (the MAI). The

[35] The Report of The Working Group on Intellectual Property Rights, *Intellectual Property and the National Information Infrastructure* (Information Infrastructure Taskforce, United States of America, September 1995).

MAI negotiating text has gone through a number of changes, but all versions have defined investment to include every kind of asset including intellectual property rights.[36]

Intellectual property norms are also becoming a part of the emerging *lex cybertoria* - the trade norms of cyberspace. The International Chamber of Commerce (the ICC) in a recent discussion paper stated that "[i]n cyberspace, all assets are intangible and can be classified as intellectual property."[37] More generally, governments and business non-governmental organizations (NGO's) have agreed that the intellectual property issues raised by electronic commerce have to be clearly settled. So far norm-setting on the intellectual property issues has proceeded largely by way of model laws that have been generated by international organizations of states (for example, the UNCITRAL Model Law on Electronic Commerce), national law reform bodies (for example, the work of National Conference of Commissioners on Uniform State Laws on Article 2B (dealing with the licensing of intellectual property rights)) or business NGO's (for example, the ICC).

3. Human Rights, the Right of Property and Intellectual Property

The previous section showed that intellectual property rights are part of a complex regime of bilateral, regional and multilateral treaties that has been evolving since the nineteenth century. This section looks briefly at the extent to which intellectual property rights have been recognized in the human rights regime. The following two sections then explore the relationship between intellectual property rights and human rights.

The international document, which can perhaps be said to constitutionalize the human rights regime, is the Universal Declaration of Human Rights, 1948 (the UDHR). The UDHR does not expressly refer to intellectual property rights, but Article 27.2 states that "Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author." At the same time Article 27.1 states that everyone has "the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits." Article 27 thus carries with it a tension familiar to intellectual property law - the tension between rules that protect the creators of information and those that ensure the use and diffusion of information. The recognition of the interests of authors in the UDHR is complemented by the proclamation in Article 17.1 of a general right of property. This Article states that "[e]veryone has the right to own property" and 17.2

[36] The text of the MAI is available at http://www.oecd.org/daf/cmis/mai/maitext.pdf. The MAI negotiation like the Uruguay Trade Round is proving to be a protracted affair. The application of the MAI to intellectual property raises some as yet unresolved conceptual problems. Amongst other things, the regulation of intellectual property rights by governments (for example, compulsory licensing) might constitute expropriation for the purposes of the investment regime. Moreover, since, on one view, intellectual property rights are monopoly rights they might be argued to stand in the way of investment flows just as much as they facilitate them. Clearly some clever drafting will be required to overcome these kinds of potential problems.

[37] International Chamber of Commerce, "E-commerce roles, rules and responsibilities: A roadmap", June 4, 1998, p. 11.

states that "[n]o one shall be arbitrarily deprived of his property." The implication of Article 17.2 is that states do have a right to regulate the property rights of individuals, but that they must do so according to the rule of law.

The rights of the UDHR are further developed in the International Covenant on Civil and Political Rights (the ICCPR), 1966 and the International Covenant on Economic, Social and Cultural Rights (the ICESCR), 1966. In the atmosphere of the cold war, led by the former Soviet Union, newly emergent sovereign African and Asian states shaped the drafting of the two covenants with a view to emphasizing the rights of self-determination, national sovereignty over resources and freedom from racial discrimination.[38] The general right of property with its impeccable liberal pedigree stretching back to the Declaration of the French Revolution and the Bill of Rights of the U.S.A. did not make it into the two Covenants. Article 15.1 (c) of the ICESCR recognizes the right of an author to "benefit from the protection of the moral and material interests resulting from any scientific, literary or artistic production" produced by the author. By implication the article assumes that authors are entitled to the protection of their interests. The right recognized in Article 15. 1(c) is itself one element of a general right, the other two elements being essentially rights of access to cultural life and to the benefits of scientific progress. Together the two Covenants place a discernible emphasis on the interests that humans have in the diffusion of knowledge.[39]

The two Covenants along with the Declaration form the edifice upon which the international law of human rights rests, the International Bill of Rights as they are generally called.[40] Some international human right instruments do recognize a general right of property or something close to it. The African Charter on Human and Peoples' Rights, 1981[41] in Article 14, guarantees the right to property, although it then goes on to recognize that that right may be encroached upon in the "interest of public need or in the general interest of the community". The American Convention on Human Rights, 1969, in Article 21.1, recognizes a right of property, a right which no one is to be deprived of "except upon payment of just compensation" (see Article 21.2). A right to property was not included in the European Convention of Human Rights and Fundamental Freedoms, 1950 because of controversy over its drafting, but a right to peaceful enjoyment of one's possessions was included in Article 1 of Protocol 1.[42] That Article then goes on to recognize the right of a "State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest."

---

[38] J. W. Nickel, *Making Sense of Human Rights* (University of California Press, Berkeley, 1987) pp. 66-67.
[39] See, for example Article 11 of the ICESCR (promoting the dissemination of knowledge in the context of freedom from hunger), Article 15.2 (stating that the right in article 15.1 requires states to take steps to diffuse science and culture), Article 15.3 (requiring respect for freedom of scientific research) and Article 19.2 of the ICCPR (linking freedom of expression to the flow of information).
[40] H.J. Steiner and P. Alston, *International Human Rights In Context* (Clarendon Press, Oxford, 1996) p. 121.
[41] 21 ILM (1982) 59-68.
[42] For a discussion, see F. G. Jacobs and R. C. A. White, *The European Convention On Human Rights*, 2nd. ed. (Clarendon Press, Oxford, 1996) pp. 246-247.

The status of the right of property in international law raises some complex issues. It does seem uncontroversial to suggest that the right of property forms part of the norms of international law. States through practices and treaties routinely recognize the property rights of their citizens as well as those of other states and their nationals. Without that recognition travel, diplomacy, investment and international commerce would be impossible. The difficult issues relate to the nature and scope of the right. Is it a negative right (the right not to have possessions interfered with) or does it include positive elements (the right to acquire property)? The right of property can, using a variety of legal taxonomies, be disaggregated into a number of different types (real, personal, equitable, tangible, intangible, documentary, non-documentary and so on). Does the recognition of a right of property in international law apply with equal force to all the different types of property that can be identified? Do all, some or any of these different kinds of property rights qualify as fundamental human rights?

In an interesting discussion of these issues, Schermers concludes that most property rights cannot be included in the category of fundamental human right.[43] His argument assumes that human rights and property rights can be broken up into categories. Fundamental human rights, he suggests, are "human rights of such importance that their international protection includes the right, perhaps even the obligation, of international enforcement."[44] Most property rights, he suggests, do not fit into this category. Certainly it is hard to see how intellectual property rights do. He suggests that the only possible exceptions to this are those needs-based personal property rights, without which the exercise of other rights like the right to life would be meaningless. Moreover, the absence of the general right of property from the ICCPR weakens the claim that it is part of customary international law.[45] Attempting to put property rights into the category of fundamental human rights also encounters a conceptual problem. Both private international and public international law recognize the right of sovereign states to regulate property rights, to adjust them to economic and social circumstances.[46] Yet this is precisely not the way in which we think about fundamental human rights norms that prohibit genocide, torture and slavery, norms that at least some scholars argue are part of customary international law.[47] States cannot adjust these norms to suit their convenience. In the case of property, however, not only is it convenient for states to adjust property norms, but it seems vital to the development of their economies that they have the power to do so. It is for this kind of reason that the European Commission of Human Rights concluded that the grant under Dutch law of a compulsory licence in a patented drug was not an interference in the patent holder's rights under Article 1 of Protocol 1 of the

[43] H. G. Schermers, "The international protection of the right of property", in F. Matscher and H. Petzold (eds.), *Protecting Human Rights: The European Dimension* (Carl Heymanns Verlag KG, Köln, 1988) pp. 565-580.

[44] *Ibid*. pp. 565, 579.

[45] R. B. Lillich, "Global Protection of Human Rights" in Theodor Meron (Ed.), *Human Rights In International Law: Legal And Policy Issues* (Clarendon Press, Oxford, 1984, 1992 reprint) pp. 115-170, 157.

[46] During the drafting of article 17 of the Universal Declaration it was agreed that ownership of property was subject to national laws, but that there was no need to state this in the Declaration. See Lillich, *ibid*. pp. 115-170, 157, fn. 29.

[47] For an argument to this effect see A. D' Amato, *International Law: Process and Prospect* (Transnational Publishers, Dobbs Ferry, New York, 1987) Ch.6.

European Convention of Human Rights. The "compulsory licence was lawful and pursued a legitimate aim of encouraging technological and economic development."[48]

Thinking about the right of property in the context of human rights reveals nicely the 'paradox of property.' At one level it is inconceivable that the development of human personality and the protection of individual interests within a group can take place in the absence of property rules that guarantee the stability of individual possession. Yet within the context of the social group no other rules require the continuous adjustments that the rules of property do.[49] Modern governments continuously change the rules relating to the use of land, personal chattels, tax, welfare and so on. In modern societies property rights are in a constant state of adjustment. They are the means by which governments solve externality problems. It is for this reason we find that, when a general right of property is recognized in a human rights instrument, it is made subject to some sweeping public interest qualification.

Within information societies, societies where more and more individuals make their living through the production, processing and transfer of information, the paradox of property intensifies. One reason is that information in various complex ways becomes implicated in the exercise of fundamental human rights. So, to take an example, freedom of expression in a preliterate, pre-industrial world is a classical negative right. In the global digital village, however, the right of freedom of expression becomes a means by which to protect other more complex activities than simply the right not to be interfered with when one stands on a soapbox in the park. Citizen groups begin to demand access to the media so that their interests *qua* citizens are recognized. Freedom of communication is appealed to in this process, not as a classical negative right, but rather as a right of access, a positive right. Expression itself takes on many more forms. The complex jurisprudence that has arisen in the U.S.A. around freedom of speech is testimony to the way in which changing technological contexts force us to reconceptualize rights.[50]

Another reason that the paradox of property continues to deepen in our world is that the human rights regime continues to expand, so much so that some scholars have called for quality control on the origination of such rights.[51] The result of this expansion is that many more interests become the subject of rights claims, claims that involve use of information. Human rights scholars talk of three generations of human rights: classical rights (first generation), welfare rights (second generation) and peoples' rights or solidarity rights (third generation). These third generation rights are the subject of

---

[48] Application 12633/87 *Smith Kline and French Laboratories Ltd v The Netherlands*, 4 October 1990, (1990) 66 European Commission of Human Rights, *Decisions and Reports*, 70, 80.

[49] The right of governments to regulate the ownership of property through positive law was recognized by natural rights theorists like Locke. See P. Drahos, *A Philosophy of Intellectual Property* (Dartmouth, Aldershot, 1996) pp. 48-53.

[50] See T. Campbell and W. Sadurski, (Eds.) *Freedom of Communication* (Aldershot, 1994); F Schauer, *Free Speech: a philosophical enquiry (*Cambridge University Press, Cambridge, 1982). On copyright, internet and freedom of speech see S. Fraser, "The Conflict Between the First Amendment and Copyright Law and its Impact on the Internet", 16 (1998) *Cardozo Arts & Entertainment Law Journal*, pp. 1-52.

[51] P. Alston, "Conjuring up new human rights: a proposal for quality control", (1984) 78 *AJIL, p.* 607.

continuing debate at the levels of conceptual coherence, identification, and status in international law.[52]

For our purposes it is important to note that the identification and recognition of such rights in international law offer more potential points of conflict or tension with intellectual property rights. It is tension and conflict that is involved rather than breach. Human rights instruments tend to be drafted at the level of principle and in open textured ways. The precise content of these rights is difficult to formulate. Moreover, many of these instruments exist in that twilight zone of normativity known to international lawyers as soft law. These instruments are often recommendatory for member states or represent the views of NGO's. The Declaration of Principles of Indigenous Rights, 1984, for example, is a declaration of the Fourth Assembly of the World Council of Indigenous Peoples. The Convention on Biological Diversity, 1992[53] does recognize the concept of indigenous intellectual property, but it does so in language that requires a specification of content through protocols and other instruments.[54] By sharp contrast, most of the norms of international intellectual property law derive from treaty law.[55]

One candidate for a peoples' right is the right to development. The content of this right is, naturally enough, the subject of debate.[56] The Declaration on the Right to Development, 1986[57] is vague about the positive obligations of assistance that the right places on those against whom the right is being asserted.[58] Bedjaoui, in his discussion of the right, maintains that it involves the right of a people to choose its own model of development (by implication a negative right) as well as the right to receive a share of resources that under the principle of the common heritage of mankind belong to all states (by implication a positive right).[59] Clearly, there is considerable tension between intellectual property rights and the right to development. Patent systems, for example,

---

[52] For a discussion of the issues, see J. Crawford (Ed.), *The Rights of Peoples* (Clarendon Press, Oxford, 1988).

[53] 31 ILM (1992) 818.

[54] On the issue of 'softness' of norms in the environmental context see J. Ayling, "Serving Many Voices: Progressing Calls For An International Environmental Organization", 9 (1997) *Journal of Environmental Law*, pp. 243, 255-258.

[55] There are examples of where the concept of indigenous intellectual property gains some recognition in treaty law. The most obvious example is the Convention on Biological Diversity. Article 8(j) of that Convention requires states to respect, preserve, maintain and promote indigenous knowledge and lifestyles relevant for the conservation and sustainable use of biodiversity. Article 16.2 of that same Convention provides that any technology which is the subject of intellectual property rights and which is transferred pursuant to the objectives of the Convention must be transferred "on terms which recognize and are consistent with the adequate and effective protection of intellectual property rights". Article 18.1 of the Convention to Combat Desertification, 1994 also makes it clear that the process of technology transfer must take account of the need to protect intellectual property rights.

[56] For a history of the right in the North-South context, see P. Alston, "Revitalizing United Nations Work on Human Rights and Development", (1991) 18 *Melbourne University Law Review*, p. 216.

[57] United Nations General Assembly Resolution 41/28.

[58] Article 4.1 provides that States have the duty to take steps, individually and collectively, to formulate international development policies with a view to facilitating the full realization of the right to development.

[59] See M. Bedjaoui, "The Right to Development" in M. Bedjaoui (Ed.), *International Law: Achievements and Prospects* (UNESCO, Martinus Nijhoff Publishers, Paris and The Netherlands) pp. 1177-1193.

restrict access to life-saving drugs, by raising the price of those drugs. Raising drug prices globally will, all else being equal, generally adversely affect the health of the populations of poorer states.[60] The preventable death of large numbers of a state's population lowers its stock of human capital thereby interfering in its development prospects. The argument has a particular bite in the context of information, since information once in existence can be made available at zero or little cost. The recognition of a right to development might be the basis on which to argue that states should co-operate in lowering levels of intellectual property protection in some areas, or at least not advance those levels. However, it is important to note that there is no necessary conflict between the right of development and intellectual property. If it turns out to be empirically true that intellectual property rights contribute to economic development, there is no conflict.[61]

The precise content of cultural rights are amongst the most difficult to formulate of all peoples' rights. Nevertheless in those instruments that deal with cultural rights in the context of peoples' rights one can discern two broad principles, the thrust of which run counter to the policies of western intellectual property regimes. The first is a proprietarian principle in which the right of a people to claim its entire culture is recognized. An example is Article 14 of the Universal Declaration of the Rights of

[60] Within India, for example, the National Working Group on Patent Laws has pointed out that the implementation of the TRIPS Agreement will cause drug prices to rise dramatically. The drug Zantac retails in India for 18.53 rupees, in the UK at the equivalent of 484.42, and in the USA at the equivalent of 1050.70. Under the TRIPS Agreement, India is obliged to introduce product patents for medicines. Pakistan has introduced product patents. Zantac now retails in Pakistan at the equivalent of 260.40 rupees i.e. 11.27 times its price in India. See B.K. Keayla, *New Patent Regime: Implications for Domestic Industry, Research & Development and Consumers* (National Working Group on Patent Laws, New Delhi, January 1996) p. 20.

[61] This, of course, is the million dollar question. Most of the empirical evidence that exists on this question has been gathered in patents field. Much of the evidence here suggests that developing countries in particular are better off without the patent system or at least lower levels of protection. For early important work, see F. Machlup, "An Economic Review of the Patent System" (Study No. 15 of the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, U. S. Senate, 85th Congress, Washington D.C., 1958); E.T. Penrose, "International Patenting and the Less-Developed Countries", 83 (1973) *Economic Journal,* p. 766; R. Väyrynen, "International Patenting as a Means of Technological Dominance", 20 (1978) *International Social Science Journal*, p. 315. For a synthesis of much of the literature see A.S. Oddi, "The International Patent System and Third World Development: Reality or Myth?", (1987) *Duke Law Journal*, p. 831; J. Nogués, "Patents and Pharmaceutical Drugs: Understanding the Pressures on Developing Countries", 24 (1990) *Journal of World Trade,* p. 81. For a discussion of patents in the context of trade and technology policy, see B. Lyons, "International Trade and Technology Policy" in P. Dasgupta and P. Stoneman (Eds.) *Economic Policy and Technological* P*erformance* (Cambridge University Press, Cambridge, 1987) pp. 169-205; A. Subramanian, "The International Economics of Intellectual Property Right Protection: A Welfare-Theoretic Trade Policy Analysis", 19 (1991) *World Development* pp. 945-956. For an example of literature that deals with the impact of the patent system on a medium sized country see *The Economic Implications Of Patents In Australia* (Australian Patent Office, Canberra, 1981); Industrial Property Advisory Committee, *Patents, Innovation And Competition In Australia* (Australia, 1984). For a recent critical discussion of intellectual property and conventional economics see D. Lamberton, "Innovation and Intellectual Property" in M. Dodgson and R. Rothwell (Eds.), *The Handbook of Industrial Innovation* (Elgar, Aldershot, 1994) pp. 301-309.

Peoples, 1976[62] which simply states that "every people has the right to its artistic, historical and cultural wealth." Similarly, the Declaration of San José, which elaborates and condemns the concept of 'ethnocide', claims that Indian peoples have natural and inalienable rights of access, use, dissemination and transmission in the cultural heritage of their territories.[63] A proprietary claim to an entire cultural heritage is not a right that is presently recognized by western intellectual property systems. The second principle evident in peoples' cultural rights is, somewhat paradoxically, a principle of cultural diffusion, based on the idea that cultures are part of a global intellectual commons to which all humans have some rights of access. The UNESCO Declaration of the Principles of International Cultural Co-operation, 1966, for example, in Article VII.1 states that "[b]road dissemination of ideas and knowledge, based on the freest exchange and discussion, is essential to creative activity, the pursuit of truth and development of the personality." At the abstract level, a principle of cultural diffusion is not necessarily inconsistent with western intellectual property regimes, since most of those regimes allow their subject matter to fall back into the commons under certain conditions. But as was noted at the beginning of this paper, intellectual property systems are expanding in scope and strength of protection. At the concrete level it is hard to see how a principle of cultural diffusion is to work, if the practical effect of increasingly stronger intellectual property regimes is to raise the cost of educational, cultural and scientific information. Putting a price on or increasing the price of information necessarily inhibits its diffusion.

More generally, peoples' rights are increasingly being used in campaigns by indigenous groups all over the world to reclaim or protect their traditional lands and resources. These include traditional resource management techniques, biological resources, and specific knowledge about the practical uses of those biological resources.[64] Protecting these informational resources within the context of the existing intellectual property regime raises some well-known problems. The present international intellectual property regime, as we have seen, is a western positive law regime that has been shaped by liberal political traditions. National intellectual property systems around the world link the origination of rights to individual persons and maximize the capacity of individual owners to trade in these rights. The sharp divisions, for example, that western lawyers draw between real and personal property rights do not resonate in indigenous cultures where the connections between land, knowledge and art form part of an organic whole. The practical outcome for indigenous groups is that many of their traditional informational resources fail to obtain protection.[65] Often this means that they can be freely appropriated.

---

[62] Its status is described by Crawford as an '[u]nofficial declaration of scholars and publicists; basis for activities of Permanent Peoples' Tribunal, a private foundation.' See J. Crawford (Ed.), *The Rights of Peoples* (Clarendon Press, Oxford, 1988) p. 187.

[63] See Articles 7 and 8 of UNESCO Latin-American Conference, Declaration of San José, 11 December 1981, UNESCO Doc FS 82/WF.32 (1982), extracted in Crawford *op.cit*. pp. 202-203.

[64] For a comprehensive discussion of the recent history see J. Sutherland, "Representation of indigenous peoples' knowledge and practice in modern international law and politics", 2(1) (1995) *Australian Journal of Human Rights*, pp. 39-57; J. Sutherland, "TRIPS, Cultural Politics and Law Reform", 16 (1998), *Prometheus*, pp. 291-303.

[65] See M. Blakeney, "Protection of traditional medical knowledge of indigenous peoples", (1997) 6 *EIPR*, p. 446; J. Tunney, "E.U., I.P., Indigenous People and the Digital Age: Intersecting Circles", (1998) 20 *EIPR,* pp. 335-346.

The response of indigenous peoples, as well as western NGO groups,[66] has been to begin a political struggle to change the existing intellectual property regime. During the course of this struggle, intellectual property has become linked to much bigger issues including the sovereignty and self-determination of indigenous peoples, the protection of culture, food security, biodiversity, sustainable development, health policy and biotechnology.[67] In these contests, for activists, peoples' rights have become the language of emancipation, western intellectual property regimes the medium of oppression. Indigenous groups have generated numerous declarations condemning prevailing intellectual property systems as, in the words of the COICA statement, 'colonialist', 'racist' and 'usurpatory'.[68]

One important point about these declarations is that they do not, however, abandon the concept of intellectual property altogether. Instead they assert and call for the recognition of indigenous intellectual property rights.[69] Indigenous peoples, it seems are seeking to make intellectual property serve a function beyond that of appropriation of value. They want property to function in a way that allows them to control the use of cultural information which in some deep sense is part of them, to which they are attached, cultural information they do not necessarily want to become the subject of global processes of commodification and appropriation. For them, intellectual property should first and foremost function to preserve their way of life.

4. Intellectual Property Rights: Universally Recognized or Universal Rights?

It is an empirical fact, as the historical survey in section 2 has shown, that intellectual property rights are universally recognized. Does it follow from their universal recognition that they are universal norms (in other words, human rights)? If we define universal norms as those that are universally recognized, the answer is obviously yes. This definitional solution would probably be unsatisfactory to someone within the human rights tradition, especially for those theorists who defend human rights within a framework of moral realism.[70] For moral realists, the existence of universal rights is not contingent upon the test of recognition. If universal moral rights exist, they do so outside the framework of positive law. Even for non-moral realists, a simple recognitional test seems an unsatisfactory way of deciding whether or not something has the status of a

[66] The Rural Advancement Foundation International (RAFI) is a western NGO that has been particularly active and successful in the cause of farmers' rights and the recognition of sustainable use of biodiversity.
[67] The links between biodiversity, sustainable development and indigenous knowledge are recognized in the Convention on Biological Diversity. See Articles 8(j), 10(c) and 18(4). See also Principle 22 of the Declaration of the UN Conference on Environment and Development (1992) and Chapter 26 of Agenda 21.
[68] The COICA Statement, 1994, Statement by the Coordinating Body of Indigenous Organizations of the Amazon Basin, on intellectual property rights and biodiversity.
[69] Two Australian examples of this are the *Julayinbul Statement on Indigenous Intellectual Property Rights* and the *Mataatua Declaration on Cultural and Intellectual Property Rights of Indigenous Peoples*. See H. Fourmille, "Protecting Indigenous Property Rights in Biodiversity", (March 1996) *Current Affairs Bulletin*, pp. 36-41.
[70] Moral realists defend the proposition that moral values are objective. For moral realists moral truth exists.

human right. The norms of etiquette that govern the interaction of travelers at international airports around the world are examples of widely recognized norms. Does it follow that the right to queue, for instance, has the same universal status as the rights of life and liberty? There seems to be 'something more' involved in the idea of a universal human rights norm whether or not one is a moral realist.[71]

One means by which to derive this 'something more' for intellectual property norms would be to argue that intellectual property rights are a species of natural right. One argument for justifying the existence of intellectual property rights is to claim that they are natural rights. Presenting intellectual property as a human right using the conceptual apparatus of natural right theory faces a number of difficulties. The first is that, even if one can justify the right of private property as a natural right, one is left with the question of whether intellectual property rights are natural property rights. A possible reply here is that intellectual property rights must be property rights because legislatures around the world declare them to be personal property rights. This begs the question. The existence of a natural right by definition cannot depend on a legislative declaration.

There are other problems. Intellectual property rights exist for a limited period of time, or their continued existence is subject to requirements of registration. The strongest candidates for natural rights must surely be the right to life and liberty. We do not think of those rights as having a limited tenure in the life of the rightholder. We also think of human rights as rights that belong to all humans (see Article 2 of the UDHR). Can we plausibly say that all states should enact a petty patent system, and those that do not breach a human right? Nor does the conceptual apparatus of natural rights theory lead neatly from the exercise of labor to a natural right of property.[72] Within natural rights theorizing about property it was accepted that property rights had about them a conventional character and could be circumscribed by the state.

A second conceptual path to the conclusion that intellectual property rights are fundamental human rights would be to suggest that rights that protect the connection between a creator of an information product and the information product belong in the category of human rights because they protect the personality of the creator. A personality based approach to justification already serves to underpin the civil law systems of author's right. One issue is whether a personality based theory could plausibly underpin all intellectual property rights.[73] It might turn out that very few intellectual property rights make it into the category of human rights. Even if we accept that there is a personality right that belongs in the category of human rights, it does not

[71] Nickel, for instance, in describing the conception of human rights to be found in the Universal Declaration, states that "human rights are held to *exist independently* of recognition or implementation in the customs or legal systems of particular countries" (his emphasis). See J. W. Nickel, *Making Sense of Human Rights* (University of California Press, Berkeley, 1987) p. 3. See also M.J. Perry, "Are Human Rights Universal? The Relativist Challenge and Related Matters", 19 (1997) *Human Rights Quarterly,* pp. 461-509.

[72] See Drahos, *A Philosophy of Intellectual Property*, *op. cit*. Ch.3.

[73] For a discussion see J. Hughes, "The Personality Interest of Artists and Inventors in Intellectual Property", 16 (1998) *Cardozo Arts & Entertainment Law Journal*, p. 81.

follow that all intellectual property rights protect the personality interest of originators of intellectual property.

A third line of argument might be to simply defend the recognitional test of human rights and say that, because intellectual property rights are widespread in international law, they are human rights. This leads us back to the problem we began with. Is it the case that the universal recognition of a norm turns it into a human rights norm? It is important also to note that this line of argument would have to deal with the kind of problems (described earlier) that Shermers mounts for the view that the right of property is a fundamental human right.

The upshot of this short discussion is that the view that all intellectual property rights are human rights by virtue of their universal recognition is problematic.[74] This should cause no great surprise. Having one's artwork copied is not the same as being stripped of one's bedding, food, medicines or other personal possessions that form the essentials of a daily existence. This still leaves the issue of how we might conceptualize the relationship between intellectual property norms and human rights. The next section suggests how this might be done.

5. Intellectual Property and Human Rights: An Instrumental View

It is now accepted in rights theory that the existence and exercise of some rights presupposes the existence of other rights.[75] Philosophers now agree or concede that the classical negative rights of traditional liberalism require for their exercise other kinds of rights. Rights of freedom need to be accompanied by welfare rights. Rights, as it were, come in clusters. It is also clear that important complementarities obtain between rights. So, for instance, the right to education, on the face of it, aids the meaningful exercise of a right of freedom of speech.

Some rights, then, are instrumental in securing the feasibility of claiming other types of rights. The central claim of this section is that the rights created through the enactment of intellectual property laws are instrumental rights. Ideally, under conditions of democratic sovereignty, such rights should serve the interests and needs that citizens identify through the language of human rights as being fundamental. On this view, human rights would guide the development of intellectual property rights; intellectual property rights would be pressed into service on behalf of human rights.

Of course, the history of intellectual property does not square with this ideal. It has as much to do with powerful elites using such privileges to obtain economic rents for themselves as it has to do with parliaments working on behalf of citizens to design rights

[74] One might note in passing here that human rights activists could easily claim that intellectual property rights are indirectly implicated in human rights abuses. So, for example, the argument would run that the global protection of intellectual property rights forms part of the structure that allows multinationals to locate in those poor countries where labor standards are low or non-existent.

[75] See, for example, H. Shue, *Basic Rights* (Princeton University Press, Princeton, 1980).

that maximize social welfare. This should not surprise us. The economic theory of legislation, the theory of public choice, argues that legislation is essentially a market process in which legislators and interest groups transact business in a way that sees the public interest subordinated to private interest.[76]

Yet the ugly truths that public choice scholars reveal about this or that bit of legislation should not blind us to a broader historical truth concerning the way in which property rights have in the long sweep of the history of western states come to serve humanist values. Moving across a history that begins roughly in the fifteenth century we can advance three generalizations.[77] States have made increasing use of property rules, both civil and criminal, for a variety of purposes. Property rights have become progressively more secure and progressively more immune from arbitrary confiscation by the ruling power. The evolution of the law of contract has made it more possible to negotiate transfers of property with certainty of effect.

These trends towards the expansion, security and negotiability of property have been more or less universal. States which did not guarantee property and contract did not flourish economically compared to states that did. Those states that failed to pursue the goal of efficient property rights paid the price in terms of reduced growth and loss of hegemony.[78] Property and contract law have indeed been foundational to enabling capitalism to take off. While some states were slow to learn this, today there is no national regime on the globe that has not accepted it as a lesson of history. (Although it should be said that, while the formal law of every state stands behind secure property rights and the enforcement of contracts by courts that are independent of the state, in many parts of the world the independence of the judiciary is a fiction.)

The emergence of well defined, secure property rights was a part of a much broader historical process in which absolute monarchies and their legitimating political philosophies lost their institutional dominance to be replaced by the institution of the modern state and secular political philosophies that recognized the rights of individuals within and against the state.[79] Peasants, serfs and vassals became citizens and citizens came to hold property rights created by the sovereign of the state. Women stopped being property of their husbands and became property owners. In all this the creation of secure, well defined property rights that citizens could trade gave expression to a deeper philosophy of the equality and freedom of man. The idea of a natural right of property was one crucial premise in John Locke's rejection of the absolute authority of Kings. Redefining, rethinking, redistributing property has always been one way, perhaps the most important way, in which political ideas and philosophies have made themselves concrete in the world.

---

[76] For an introduction to the economic literature see I. Mclean, *Public Choice* (OUP, Oxford, 1991); D.A Farber, and P.P Frickey, *Law and Public Choice* (University of Chicago Press, Chicago, 1991).
[77] For a further discussion see J. Braithwaite and P. Drahos, *Global Business Regulation* (forthcoming 1999), Ch. 2.
[78] D. C. North, *Institutions, Institutional Change And Economic Performance* (Cambridge University Press, Cambridge, 1990) p. 139.
[79] The change in ideological thinking that accompanied these processes is traced by Skinner, *op. cit.*

We now live in an era when capitalist economies, led by the U.S.A., have progressively become information economies. Intellectual property regimes have moved to the center stage of trade regulation and global markets. The old capitalism was a capitalism of goods, factories and labor. These days, factories and labor, even skilled labor, are in abundant supply. The new capitalism is at its core about the control of information and knowledge. It is for this reason that issues concerning the design of intellectual property rights and contract have become so important and pressing.

The institutional design issues raised by intellectual property (and contract) are not simply issues of legal technicality or even economic ones. Property, as this section has argued, is an instrument on which the deeper notes of our political philosophies are to be sounded. Property regimes should serve those values, those needs and interests we identify as fundamental through our moral and political philosophies.[80] The problem we face in the present time is that the institution of intellectual property has globalized without some set of shared understandings concerning the role that that institution is to play in the employment, health, education and culture of citizens around the world. Linking intellectual property to human rights discourse is a crucial step in the project of articulating theories and policies that will guide us in the adjustment of existing intellectual property rights and the creation of new ones. Human rights in its present state of development offers us at least a common vocabulary with which to begin this project, even if, for the time being, not a common language.

Generally speaking, those thinkers whom we regard as having an important role in the formation of modern political thought said nothing or very little about intellectual property. To illustrate: John Locke's discussion of property in Chapter V of the *Second Treatise* has inspired discussions of Lockean theories of intellectual property,[81] but there is not one mention of intellectual property in that chapter. Hegel in his *Philosophy of Right* makes some brief passing observations concerning property and products of the mind.[82] Kant, despite being given the credit for inspiring the system of authors' rights, wrote about authors and the nature of genius rather than intellectual property law.[83] The truth is that, at best, intellectual property has been little more than a side-show in our broader intellectual traditions. Even within economics the role of information has, until comparatively recently, been largely ignored.[84]

---

[80] See J. Waldron, "Nonsense upon stilts? - a reply" in J. Waldron (Ed.), *'Nonsense Upon Stilts': Bentham,, Burke and Marx on the Rights of Man* (Methuen, London and New York) p. 174.

[81] See, for example, J. Hughes, "The Philosophy of Intellectual Property", 77 (1998) *Georgetown Law Journal*, pp. 287-366; H. M. Spector, "An Outline of a Theory Justifying Intellectual and Industrial Property Rights", (1989) 8 *EIPR*, pp. 270-273; W. J. Gordon, "A Property Right in Self-Expression: Equality and Individualism in the Natural Law of Intellectual Property", 102 (1993) *Yale Law Journal*, p. 1533.

[82] G.W.F. Hegel, *Philosophy of Right*, T.M. Knox, tr., (Clarendon Press, Oxford 1952, 1st ed., 1967) p. 68.

[83] S. Strömholm, "Droit Moral - The International and Comparative Scene from a Scandinavian Viewpoint", 14 (1983) *International Review of Industrial Property and Copyright Law* 1, p. 11.

[84] For the history of the economics of information see D. M. Lamberton, "The Economics of Information and Organization", in M. E. Williams (Ed.), *Annual Review of Information Science and Technology,* Vol. 19, (American Society for Information Science and Technology, White Plains, NY, 1984) pp. 3-30.

One factor which helps to explain this neglect is the fact that the development of intellectual property policy and law has been dominated by an epistemic community comprised largely of technically minded lawyers. In their hands intellectual property has grown into highly differentiated and complex systems of rules. The development of these systems has been influenced in important ways by the narrow and often unarticulated professional values of this particular group. For policy makers around the world, the challenge of the coming bio-digital millennium will be to define efficient property rights in information. The precise nature and scope of these property rights will affect not only the workings of the intellectual property regime, but the trade and competition regimes.[85] No legislature, no policy-maker can, in the quest for efficient property rights, afford to rely on a narrowly constituted epistemic community. The stakes are too high.

Ideally the human rights community and the intellectual property community should begin a dialogue. The two communities have a great deal to learn from each other. Viewing intellectual property through the prism of human rights discourse will encourage us to think about ways in which the property mechanism might be reshaped to include interests and needs that it currently does not. Intellectual property experts can bring to the aspiration of human rights discourse regulatory specificity. At some point the diffuse principles that ground human rights claims to new forms of intellectual property will have to be made concrete in the world through models of regulation. These models will have to operate in a world of great cultural diversity. Moreover, the politics of culture is deeply factional, globally, regionally and locally. It is in this world that the practical issues of ownership, use, access, exploitation and duration of new intellectual property forms will have to be decided. It is here that intellectual property experts can make a contribution.

[85] See C. Arup, "Competition over Competition Policy for International Trade and Intellectual Property"; W. A. Rothnie, "Trade, Competition and Intellectual Property"; J. Walker, "The Interface between Intellectual Property Rights and Competition Law and Policy: An Australian Perspective", all contained in P. Drahos (Ed.) Special Issue of Vol. 16 (1998) of *Prometheus* on Trade and Intellectual Property, pp. 351-393.

BIBLIOGRAPHY

BOOKS AND ARTICLES

Alston, P., "Conjuring up new human rights: a proposal for quality control", (1984) 78 *AJIL,* p. 607.

Alston, P., "Revitalizing United Nations Work on Human Rights and Development", (1991) 18 *Melbourne University Law Review*, p. 216.

Arup, C., "Competition over Competition Policy for International Trade and Intellectual Property", 16 (1998) *Prometheus*, p. 367.

Ayling J., "Serving Many Voices: Progressing Calls For An International Environmental Organization", 9 (1997) *Journal of Environmental Law*, p. 243.

Bedjaoui, M., "The Right to Development" in M. Bedjaoui (Ed.), *International Law: Achievements and Prospects* (UNESCO, Martinus Nijhoff Publishers, Paris and The Netherlands) pp. 1177-1193

Beier, F.K., "One hundred years of international cooperation - the role of the Paris Convention in the past, present and future", 15 (1984) *International Review of Industrial Property and Copyright Law*, p. 1.

Blakeney, M., *Trade Related Aspects of Intellectual Property Rights* (Sweet & Maxwell, London, 1996.)

Blakeney, M., "Protection of traditional medical knowledge of indigenous peoples", (1997) 6 *EIPR*, p. 446.

Blakeney, M., "The Role of Intellectual Property Law in Regional Commercial Unions in Europe and Asia", 16 (1998) *Prometheus*, p. 341.

Bogsch, A., *Brief History of the First 25 Years of the World Intellectual Property Organization* (World Intellectual Property Organization, Geneva, 1992.)

Braithwaite J. and Drahos, P., *Global Business Regulation* (forthcoming 1999.)

Campbell T. and Sadurski, W., (Eds.) *Freedom of Communication* (Aldershot, 1994.)

Crawford, J., (Ed.), *The Rights of Peoples* (Clarendon Press, Oxford, 1988.)

D'Amato, A., *International Law: Process and Prospect* (Transnational Publishers, Dobbs Ferry, New York, 1987.)

Drahos, P., "Global property rights in information: the story of TRIPS at the GATT", 13 (1995) *Prometheus*, p. 6.

Drahos, P., *A Philosophy of Intellectual Property* (Dartmouth, Aldershot, 1996.)

Drahos, P., (Ed.) Special Issue 16 (1998) *Prometheus* on Trade and Intellectual Property, pp. 351-393.

Farber, D.D. and Frickey, P.P., *Law and Public Choice* (Chicago, University of Chicago Press, 1991.)

Fraser, S., "The Conflict Between the First Amendment and Copyright Law and its Impact on the Internet", 16 (1998) *Cardozo Arts & Entertainment Law Journal*, p. 1.

Fourmille, H., "Protecting Indigenous Property Rights in Biodiversity", March 1996, *Current Affairs Bulletin*, p. 36.

Getlan, M., "TRIPS and Future of Section 301: A Comparative Study in Trade Dispute Resolution", 34 (1995) *Columbia Journal Of Transnational Law,* p. 173.

Gordon, W.J., "A Property Right in Self-Expression: Equality and Individualism in the Natural Law of Intellectual Property", 102 (1993) *Yale Law Journal*, p. 1533.

Hegel, G.W.F., *Philosophy of Right*, T.M. Knox, tr., (Clarendon Press, Oxford, 1952, 1st ed., 1967.)

Henn, H.G. "The Quest For International Copyright Protection", 39 (1953) *Cornell Law Quarterly,* p. 43.

Hughes, J., "The Philosophy of Intellectual Property", 77 (1988) *Georgetown Law Journal*, p. 287.

Hughes, J., "The Personality Interest of Artists and Inventors in Intellectual Property", 16 (1998) *Cardozo Arts & Entertainment Law Journal*, p. 81.

International Chamber of Commerce, "E-commerce roles, rules and responsibilities: A roadmap", June 4, 1998.

Jacobs F.G. and White, R.C.A., *The European Convention On Human Rights*, 2nd. ed., (Clarendon Press, Oxford, 1996.)

Kampelman, M., "The United States and International Copyright", 41 (1947) *American Journal of International Law*, p. 406.

Keayla, B.K., *New Patent Regime: Implications for Domestic Industry, Research & Development and Consumers* (National Working Group on Patent Laws, New Delhi, January 1996.)

Ladas, S., *Patents, Trademarks, and Related Rights: National and International Protection*, Vol. 1, (Harvard University Press, Cambridge, 1975.)

Lamberton ,D.M., "The Economics of Information and Organization", in M. E. Williams (Ed.), *Annual Review of Information Science and Technology,* Vol. 19, (American Society for Information Science and Technology, White Plains, NY, 1984) p. 3.

Lamberton, D., "Innovation and Intellectual Property" in M. Dodgson and R. Rothwell (Eds.), *The Handbook of Industrial Innovation* (Elgar, Aldershot, 1994) p. 301.

Lillich, R.B., "Global Protection of Human Rights" in T. Meron (Ed.), *Human Rights In International Law: Legal And Policy Issues* (Clarendon Press, Oxford, 1984, 1992 reprint) p. 115.

Lowie, R.H., *Primitive Society* (New York, 1920.)

Lyons, B., "International Trade and Technology Policy" in P. Dasgupta and P. Stoneman (Eds.) *Economic policy and technological performance* (Cambridge University Press, Cambridge, 1987) p. 169.

Machlup F., and Penrose, E., "The Patent Controversy in the Nineteenth Century", 10 (1950) *Journal of Economic History*, p. 1.

Mandeville, T., *Understanding Novelty: Information, Technological Change, And The Patent System* (Ablex Publishing Corporation, Norwood, New Jersey, 1996.)

Mclean, I., *Public Choice* (Oxford, OUP, 1991.)

Nickel, J.W., *Making Sense of Human Rights* (University of California Press, Berkeley, 1987.)

Nimmer, M.B., "Does Copyright Abridge the First Amendment Guarantees of Free Speech and Press?", 17 (1970) *UCLA L. Rev*, p. 1180.

Nogués, J., "Patents and Pharmaceutical Drugs: Understanding the Pressures on Developing Countries", 24 (1990) *Journal of World Trade,* p. 81.

North, D.C., *Institutions, Institutional Change And Economic Performance* (Cambridge University Press, Cambridge, 1990.)

Oddi, A.S., "The International Patent System and Third World Development: Reality or Myth?", 1987 *Duke Law Journal*, p. 831.

Penrose, E.T., "International Patenting and the Less-Developed Countries", 83 (1973) *Economic Journal,* p. 766.

Perry, M.J., "Are Human Rights Universal? The Relativist Challenge and Related Matters", 19 (1997) *Human Rights Quarterly*, p. 461.

Radojokovic, Z., "The historical development of "Moral Right"", (1966) *Copyright*, p. 203.

Ricketson, S., *The Law of Intellectual Property* (Law Book, Sydney, 1984.)

Ricketson, S., *The Berne Convention for the Protection of Literary and Artistic Works: 1886-1986* (Center for Commercial Law Studies, Queen Mary College, Kluwer, 1987.)

Ringer, B., "The Role Of The United States In International Copyright - Past, Present, And Future", 56 (1968) *Georgetown Law Journal*, p. 1050.

Rothnie, W.A., "Trade, Competition and Intellectual Property", 16 (1998) *Prometheus*, p. 351.

Sacks, H., "Crisis in International Copyright: The Protocol Regarding Developing Countries", (1969) *Journal of Business Law,* p. 26.

Schauer, F., *Free Speech: A Philosophical Enquiry* (Cambridge, University Press, Cambridge, 1982.)

Schechter, F., "The Rational Basis Of Trademark Protection", 40 (1927) *Harvard Law Review*, pp. 813-833.

Schermers, H.G., "The international protection of the right of property" in F. Matscher and H. Petzold (Eds.), *Protecting Human Rights: The European Dimension* (Carl Heymanns Verlag KG, Köln, 1988) p. 565.

Sell, S.K., "Intellectual Property as a Trade Issue: From the Paris Convention to GATT", XIII (1989) *Legal Studies Forum*, p. 407.

Sherman, B., "Remembering and Forgetting: The Birth of Modern Copyright Law", 10 (1995) *Intellectual Property Journal,* p. 1.

Shue, H., *Basic Rights* (Princeton University Press, Princeton University Press, 1980.)

Skinner, Q., *The Foundations of Modern Political Thought*, Vols. 1 and 2, (Cambridge University Press, Cambridge, 1978.)

Spector, H.M., "An Outline of a Theory Justifying Intellectual and Industrial Property Rights", (1989) 8 *EIPR*, p. 270.

Steiner, H.J., and Alston, P., *International Human Rights In Context* (Clarendon Press, Oxford, 1996.)

Strömholm, S., "Droit Moral - The International and Comparative Scene from a Scandinavian Viewpoint", 14 (1983) *International Review of Industrial Property and Copyright Law, p.* 1.

Subramanian, A., "The International Economics of Intellectual Property Right Protection: A Welfare - Theoretic Trade Policy Analysis", 19 (1991) *World Development,* p. 945.

Sutherland, J., "Representation of indigenous peoples' knowledge and practice in modern international law and politics", 2(1) (1995) *Australian Journal of Human Rights*, p. 39.

Sutherland, J., "TRIPS, Cultural Politics and Law Reform", 16 (1998), *Prometheus*, p. 291.

Tunney, J., "E.U., I.P., Indigenous People and the Digital Age: Intersecting Circles", (1998) 20 *EIPR,* p. 335.

Väyrynen, R., "International patenting as a means of technological dominance", 20 (1978) *International Social Science Journal*, p. 315.

Waldron, "Nonsense upon stilts? - a reply" in J. Waldron (Ed.), *'Nonsense Upon Stilts': Bentham,, Burke and Marx on the Rights of Man* (Methuen, London and New York.)

Walker, J., "The Interface between Intellectual Property Rights and Competition Law and Policy: An Australian Perspective", 16 (1998) *Prometheus*, p. 383.

REPORTS

The Economic Implications Of Patents In Australia, Australian Patent Office, Canberra, 1981.

Industrial Property Advisory Committee, *Patents, Innovation And Competition In Australia*, Australia, 1984.

Machlup, F., "An Economic Review of the Patent System" (Study No. 15 of the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, U.S. Senate, 85th Congress, Washington D.C., 1958.)

The Report of The Working Group on Intellectual Property Rights, *Intellectual Property and the National Information Infrastructure* (Information Infrastructure Taskforce, U.S.A., September 1995.)

CASES

British South Africa Co. v Companhia de Moçambique [1893] A.C. 602.

Application 12633/87 *Smith Kline and French Laboratories Ltd v The Netherlands*, October 4, 1990, (1990) 66 European Commission of Human Rights, *Decisions and Reports*, 70.

INTERNATIONAL INSTRUMENTS

African Charter on Human and Peoples' Rights, 1981.

Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994.

Agreement On Trade-Related Investment Measures,1994.

American Convention on Human Rights, 1969.

Agreement Establishing The World Trade Organization, 1994.

Berne Convention for the Protection of Literary and Artistic Works,1886.

COICA Statement, 1994, Statement by the Coordinating Body of Indigenous Organizations of the Amazon Basin, on intellectual property rights and biodiversity.

Convention Establishing the World Intellectual Property Organization, 1967.

Convention on Biological Diversity, 1992.

Convention to Combat Desertification, 1994.

Declaration of Principles of Indigenous Rights, 1984.

Declaration of the UN Conference on Environment and Development, 1992.

Declaration on the Right to Development, 1986.

European Convention of Human Rights and Fundamental Freedoms, 1950.

Final Act Embodying The Results Of The Uruguay Round Of Multilateral Trade Negotiations, 1994.

Hague Agreement Concerning the International Deposit of Industrial Designs, 1925.

International Covenant on Civil and Political Rights, 1966.

International Covenant on Economic, Social and Cultural Rights, 1966.

International Convention for the Protection of New Varieties of Plants, Act of 1961.

Julayinbul Statement on Indigenous Intellectual Property Rights, 1993.

Madrid Agreement (Indications of Source), 1891.

Madrid Agreement (Marks), 1891.

Mataatua Declaration on Cultural and Intellectual Property Rights of Indigenous Peoples, 1993.

North American Free Trade Agreement, 1993.

Paris Convention for the Protection Of Industrial Property, 1883.

Patent Cooperation Treaty, 1970.

Rome Convention for the Protection of Producers and Phonograms, Broadcasting Organizations and Performers, 1961.

Treaty on Intellectual Property in Respect of Integrated Circuits, 1989.

UNESCO Declaration of the Principles of International Cultural Cooperation, 1966.

UNESCO Latin-American Conference, Declaration of San José, 1981.

Universal Declaration of Human Rights, 1948.

Universal Declaration of the Rights of Peoples, 1976.

WIPO Copyright Treaty, 1996.

WIPO Performances And Phonograms Treaty, 1996.

Contents

1. Introduction

- India has a well-established legislative, administrative and judicial framework to safeguard Intellectual Property Rights, which meets its international obligations while utilizing the flexibilities provided in the international regime to address its developmental concerns. India has a Trade Related Aspects of Intellectual Property Rights (TRIPS) compliant, robust, equitable and dynamic IPR regime.
- The Indian IP system maintains a fine balance between private rights through IPRs on one hand, and rights of the society as public interest on the other hand.
- TRIPS Agreement has allowed policy space to countries to evolve a regime that best suits its condition. This policy space is a sine qua non for sustainable development of the country.
- India is a party to Doha Declaration on the TRIPS Agreement and Public Health which clarifies that TRIPS agreement does not and should not prevent members from taking measures to protect public health.

2. Recent initiatives taken by the Government to strengthen the IPR regime in India

- **National IPR Policy**

  A comprehensive National IPR policy has been approved that will not only stimulate innovation and creativity across sectors, but also provide a clear vision regarding IPR issues. The Policy document is available on the website of the DIPP http://dipp.nic.in.

  - **Objectives**
    - IPR Awareness: Outreach and Promotion - To create public awareness about the economic, social and cultural benefits of IPRs among all sections of society.
    - Generation of IPRs - To stimulate the generation of IPRs.
    - Legal and Legislative Framework - To have strong and effective IPR laws, which balance the interests of rights owners with larger public interest.
    - Administration and Management - To modernize and strengthen service-oriented IPR administration.
    - Commercialization of IPRs - Get value for IPRs through commercialization.
    - Enforcement and Adjudication - To strengthen the enforcement and adjudicatory mechanisms for combating IPR infringements.

- Human Capital Development - To strengthen and expand human resources, institutions and capacities for teaching, training, research and skill building in IPRs.

- **Vision**

  An India where creativity and innovation are stimulated by Intellectual Property for the benefit of all; an India where intellectual property promotes advancement in science and technology, arts and culture, traditional knowledge and biodiversity resources; an India where knowledge is the main driver of development, and knowledge owned is transformed into knowledge shared.

- **Mission**

  Stimulate a dynamic, vibrant and balanced intellectual property rights system in India to:

  - foster creativity and innovation and thereby, promote entrepreneurship and enhance socio-economic and cultural development, and
  - focus on enhancing access to healthcare, food security and environmental protection, among other sectors of vital social, economic and technological importance.

- **Implementation and Monitoring**

  The objectives are sought to be achieved through actionable points, each of which will have defined and quantifiable milestones. Since the implementation of the policy requires collaboration at inter-departmental level as also with various stakeholders, an IPR dashboard has been created where nodal Departments/ Ministries can upload the status report to monitor the progress on a real time basis.

- **Cell for IPR Promotion and Management (CIPAM)**
  - Created to address the 7 identified objectives of the policy.
  - A professional body under the aegis of DIPP to ensure focused action on issues related to IPRs.
  - Assist in simplifying and streamlining of IP processes, apart from undertaking steps for furthering IPR awareness, commercialization and enforcement.
- **IPR Awareness Programmes**
  - The Cell for IPR Promotion and Management (CIPAM) in partnership with industry associations has conducted 19 IPR awareness roadshows in 18 states.

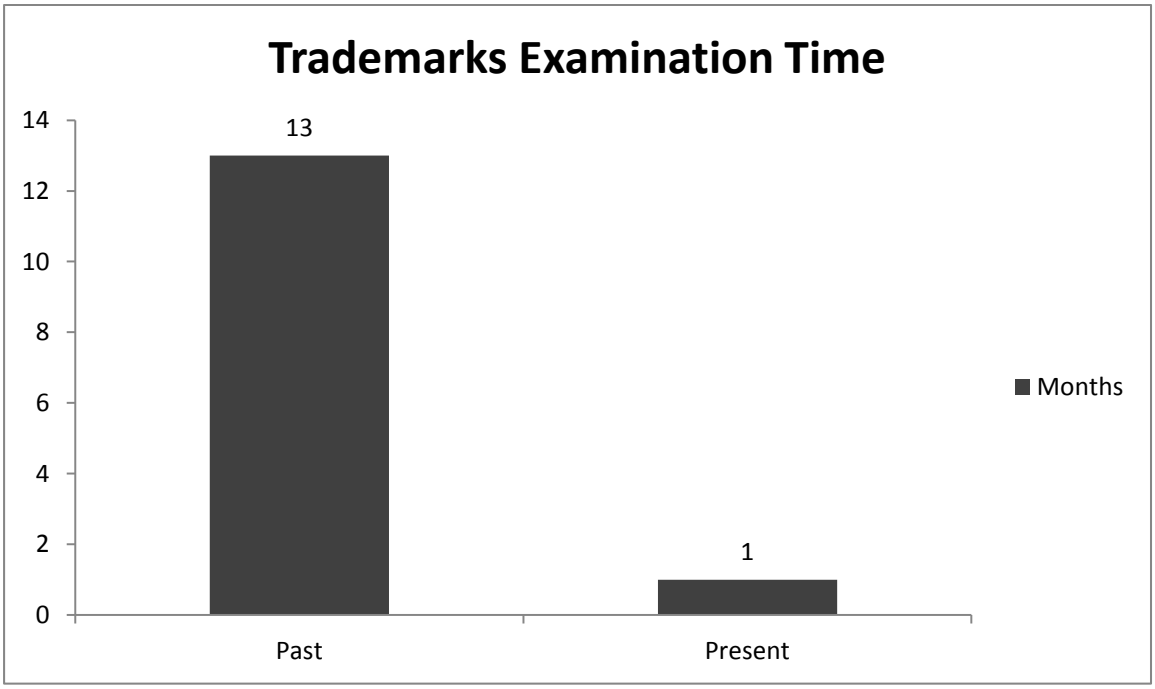
- These roadshows have received a very positive feedback from the audiences. The audiences comprised of business owners, students, academicians etc. Demands were made at various locations for conducting more awareness programmes.
- Awareness programmes focused on sensitizing inventers in Tier-2 and Tier-3 cities and making them aware about the IP rights. Similar programmes for Schools, Colleges and Universities as also industry are planned.
- CIPAM is collaborating with the International Trademark Association (INTA) to launch an IPR Awareness campaign for schoolchildren. Campaign will be through the use of presentations and creatively illustrated posters and pamphlets which cover the basics on IPRs and the need to protect IPRs.

- **IPR Enforcement**
  - CIPAM in association with Andhra Pradesh Police has organized 7 batches of Training of Police Officials on Enforcement of IPRs at PTC Anantapur.
  - CIPAM in association with Uttar Pradesh Police organized three day Training of 150 Police Officials and APOs at Dr. Bhim Rao Ambedkar Police Academy, Moradabad.
  - CIPAM in association with National Judicial Academy India has included Intellectual Property Rights in Colloquium on Commercial Laws for High Court Justices scheduled on 28– 29 January, 2017.
  - Training of Enforcement agencies in other states will be started soon.
  - CIPAM in association with FICCI has made an IPR Enforcement Toolkit for Police. Toolkit was launched by Commerce and Industry Minister on 04th January, 2017. Toolkit will aid police officials in dealing with IP Crimes, in particular trade mark counterfeiting and copyright piracy
- **Transparency**
  - Transparency has been ushered in by providing for dissemination of information through dynamic web-based innovative utilities. This can be freely accessed by the public.
  - The queuing system has been strictly enforced for taking up applications for examination and disposal. A common queue is now being maintained across all patent offices, ensuring efficient use of available resources and manpower.
  - Grievances are addressed through the Government of India portal (CPGRAMS) as also Twitter Seva etc. Social media outreach also allows for instantaneous feedback and interaction with stakeholders.

- **Facilitation of Intellectual Property Rights of Start-Ups; Provisions for MSMEs**
    - A scheme has been launched for facilitating Start-Ups Intellectual Property Protection (SIPP) to encourage innovation and creativity in Start-Ups – the Government shall bear the entire costs of the facilitators for any number of patents, trademarks or designs by start-ups.
    - 50% fee concession is provided for MSMEs vis-à-vis large entities.
- **International obligations**
    - Operationalization of Madrid Protocol: India has operationalized the Madrid Protocol for registration of Trademarks internationally through a single application.
    - Recognition and functioning of Indian Patent Office as the 17th International Search Authority and International Preliminary Examining Authority in the world: this provides high quality reports at lowest cost in the international arena within fixed time frame.
- **Augmentation of Human Resources**
    - The Government of India is serious on the augmentation of manpower in Indian Patent Offices. 459 new technically competent Patent Examiners in various fields of technology have been appointed on regular basis in addition to the existing 130. Already the first batch of 286 has started examination work after training. This exponential increase will bring the pendency down drastically.
    - Manpower has also been augmented manifold on the trademark front with 100 Trademark Examiners are added on contractual basis; 62 regular appointments are in pipeline through UPSC.
- **Amendments in Patent Rules and Trademark Rules**
    - The Patent Rules, 2003 have been amended to streamline processes and make them more user friendly.
    - Provisions have been included for condonation of delay due to war/ natural calamities.
    - For the first time, refund of fees in certain cases has been permitted, as also withdrawal of application being permitted without any fees.
    - Timelines have been imposed to ensure speedy disposal, the number of admissible adjournments have been limited.
    - Applications can be transferred electronically from any of the Patent Office branches to another, utilizing specialized technical manpower more efficiently.

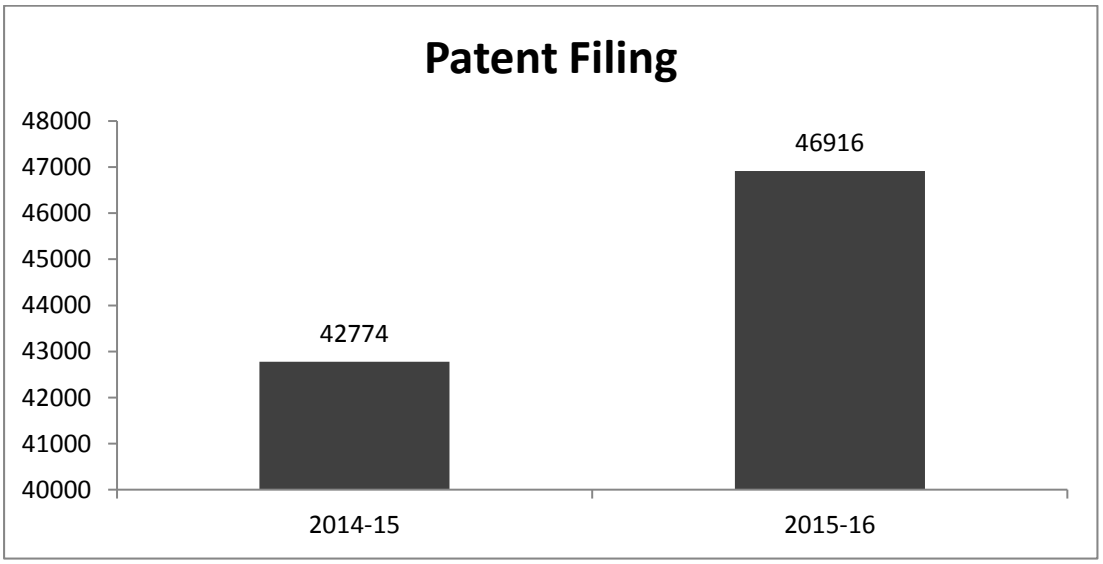
- Expedited Examination is now permitted on certain grounds.
- Hearing through video conferencing.
- Special provisions have been made for start-ups whereby they will get 80% rebate in fees vis-à-vis other companies as also expedite their application. So far, 61 Start Ups have availed benefit of fee rebate.

- The Trademark Rules, 2002 are being amended and revamped to simplify procedures, after extensive stakeholder consultation; it is proposed to reduce the number of forms from 74 to just 8.
- These amendments will greatly streamline processes and improve functioning.
- **Clearing Backlog/ Reducing Pendency**
  - Pendency in Patent examination is targeted to be brought down from the present 5 to 7 years to 18 months of workload by March 2018.
  - Pendency in Trademark examination has already been brought down from the erstwhile 13 months to just 1 month already, much earlier than the target date of March 2017.

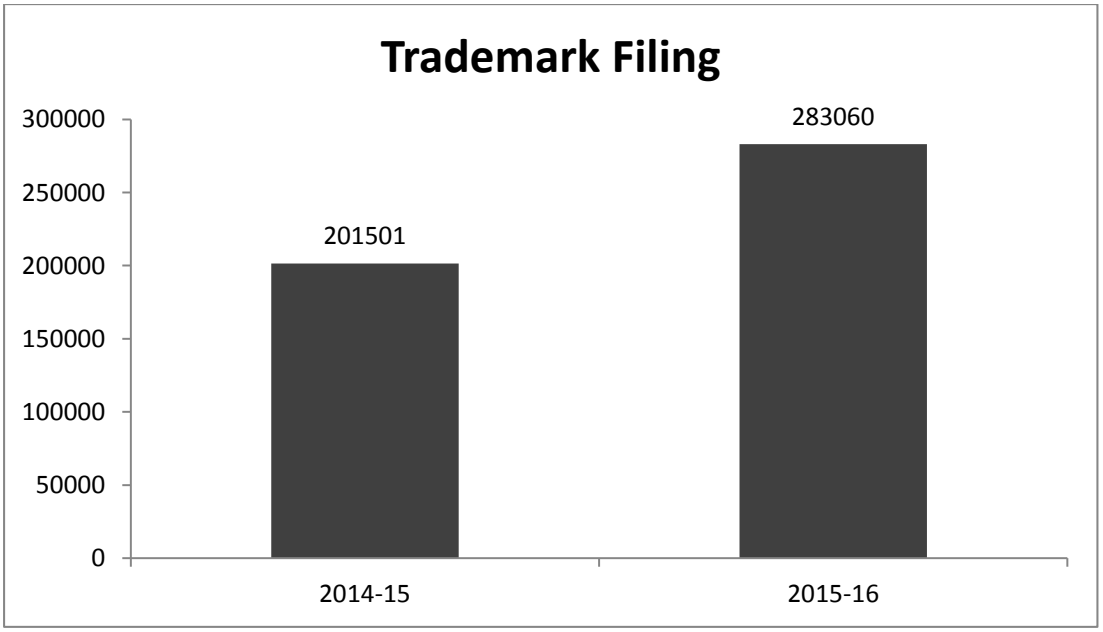


- **Increase in Filings**

  - Patent filings increased by 10% in 2015-16 vis-à-vis 2014-15

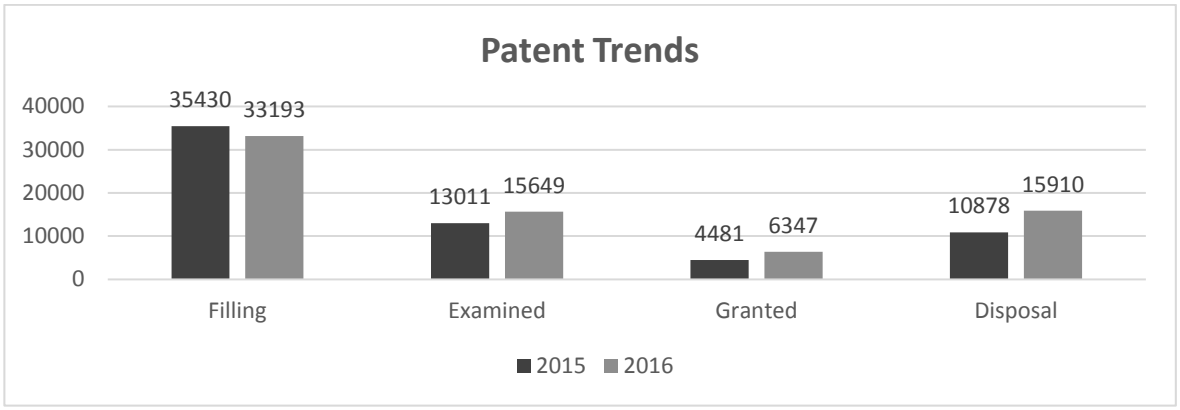


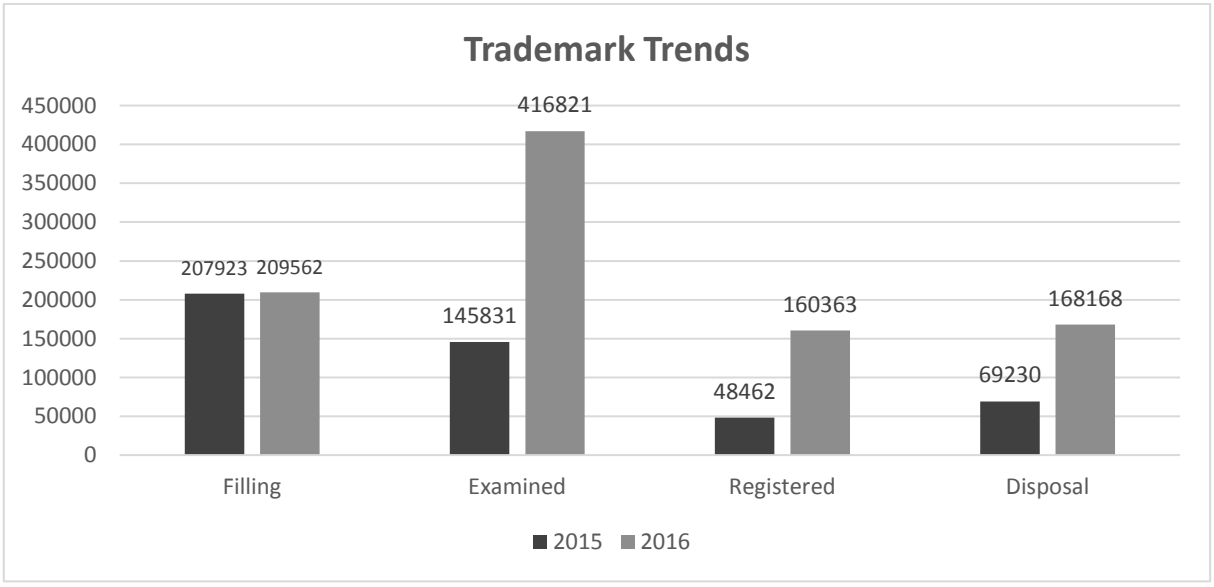
  - Trademark filings shot up by 35% in 2015-16 compared to 2014-15; reflecting the buoyancy in the Indian economy.

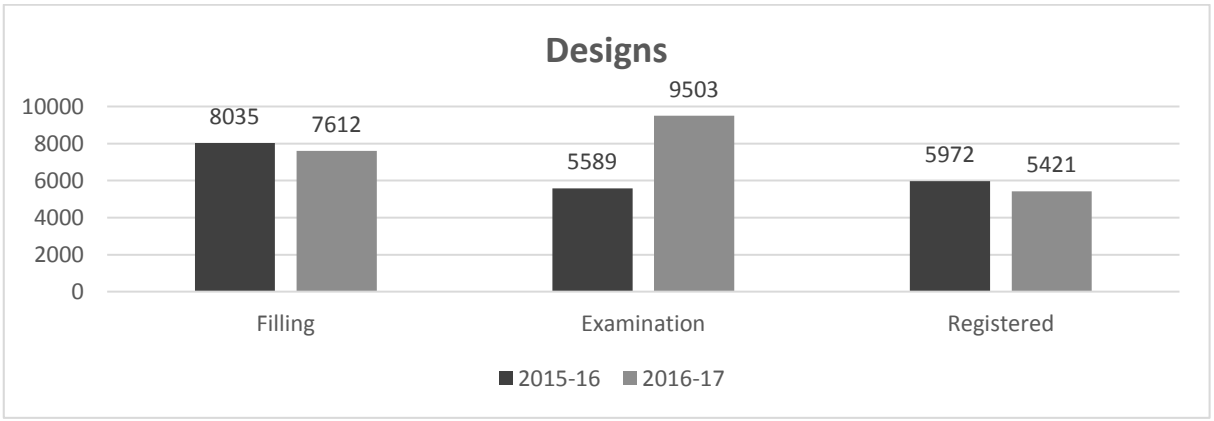


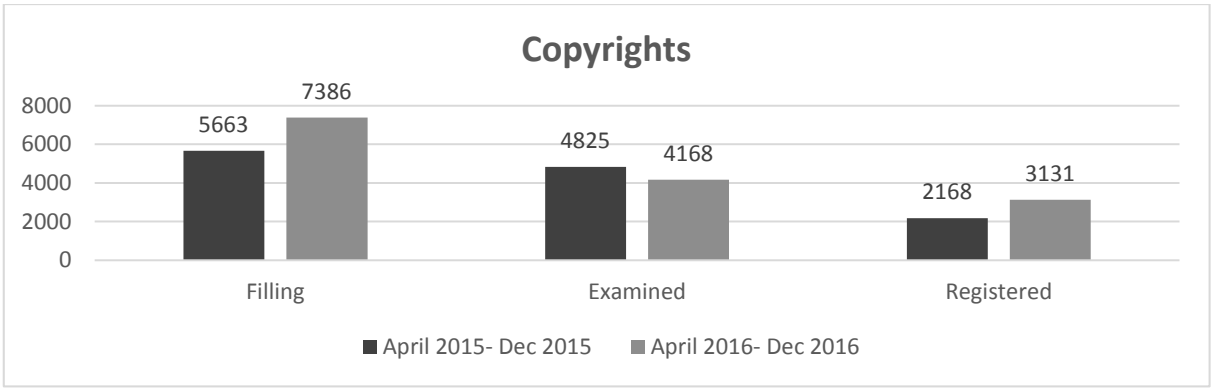
  - There has been a stratospheric increase in Trademarks examinations, with 185% more examination this financial year (F.Y.) 2016-17 till December as compared to same period in 2015-16.

IPR Trends (F.Y. 2016-17 till December vis-à-vis same period last F.Y. 2015-16)

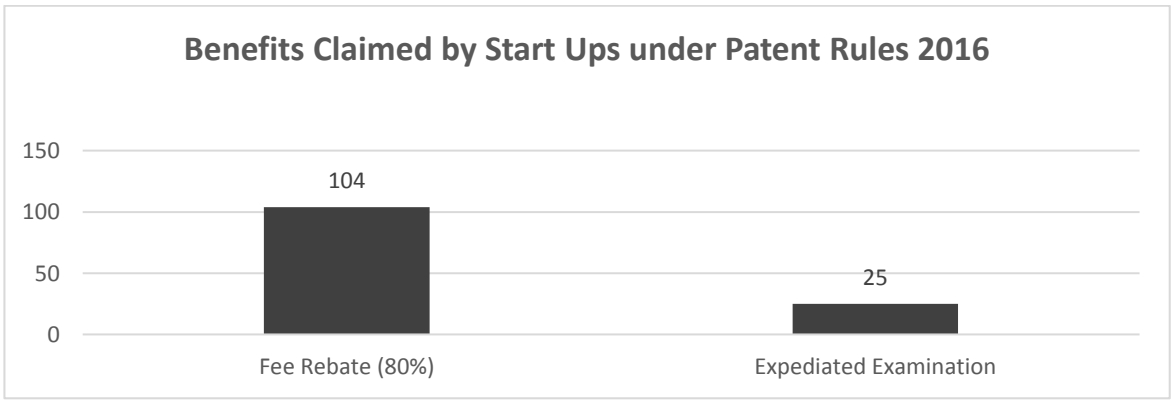


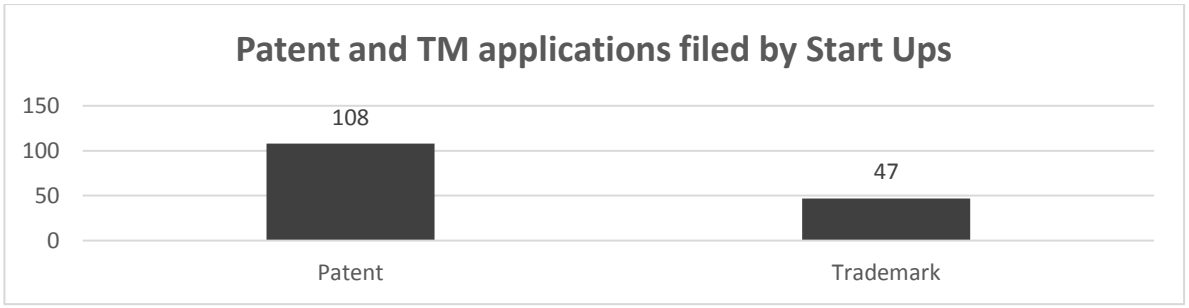


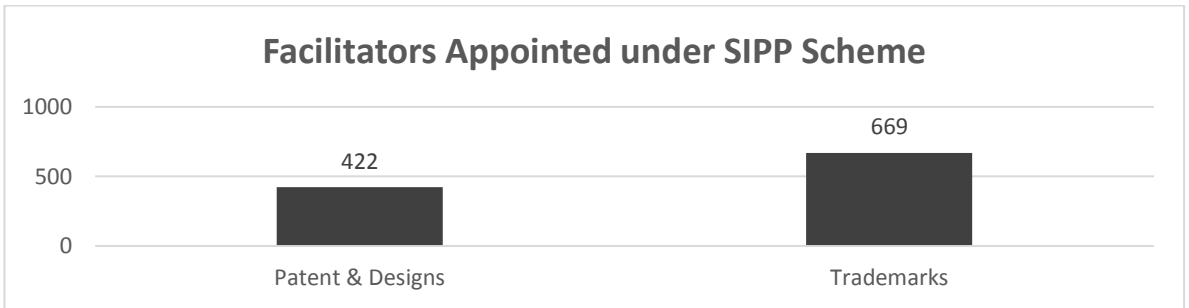




- **Startups & IPRs** (F.Y. 2016-17 till December)







- **Synergy between IP offices**
  - The administration of Copyright Act, 1957 and Semiconductor Integrated Circuits Layout-Design Act, 2000 has been transferred to the DIPP. This shall enable an integrated approach and synergy between different IP offices and Acts.

- **Global Innovation Index (GII), 2016**
  - In recently released GII-2016 report, India has moved up by 15 places. India has reversed the declining trend to rank 66th globally.
  - India has retained top rank in Information and Communication Technology Service Export for last three year.
  - India is ranked second in quality innovations among Middle Income Economies.
  - India moved up by 2 ranks to 6th position in Lower Middle Income Economies.
  - Report mentions that "India is a good example of how policy is improving the innovation environment".
  - A Task Force on Innovation has been constituted with industry experts to take suggestions through crowdsourcing, and thereafter suggest ways to strengthen the innovative eco-system in the country, as also improve the GII ranking.

3. Dynamic Utility Facilities available on Website of o/o CGPDTM

- The Controller General of Patents Designs and Trademarks in 2014 launched various features to provide online search services for patents and trademarks in order to make the process easier, and to provide transparent and accurate results. The website of o/o CGPDTM is now updated to provide more user friendly interface.

- The features include innovative tools such as "Stock and Flow"- a utility which existed for trademarks, has now been extended to patents also. Reports suggest that the Indian Patent Office is the first in the world to achieve such transparency. The stock and flow facility has made work happening in the Patent Office public and, shows stock and flow at different locations on a real time basis on the official website.

- **Dynamic Utility Facility under Patents**
  - **Expired/ Ceased Patents-** This is a tool to provide access to the Patents that have ceased to be in effect under section 53 (2) of the Patents Act, 1970. The status of the patent is updated dynamically and the user has access to the complete Patent Document and E-register.
  - **Disposal of Patent Applications-** This is a tool to provide disposal reports for patents granted, refused and applications abandoned under section 21(1). The reports are

available location-wise and group-wise based on a particular month of a year or between a particular set of dates.

- **Request for Examination status of issued FERs (First Examination Reports) -** This is a tool to display information about month and year of 'Request for Examination' (RQ) being examined and 'First Examination Reports' (FERs) being issued. Again this information is available location wise and group wise on real-time basis. The user can intimate the office if the RQ has not been examined yet by clicking on a button for the purpose.

- **Dynamic FER view-** This is a tool to display the 'First Examination Report (FER)' dynamically. Reports can be accessed for particular year and month, location wise, group-wise. You can also access all the FERs issued for a particular month and a particular group in that year.

- **Dynamic status of Patent Application (As per field of invention) -** This tool provides information on 'Working of Patents' (under section 146) and access to the information received from Patentee regarding working of Patented Invention. It can be accessed location-wise and year-wise based on various parameters.

- **Stock and Flow based Dynamic Patent Utility–** This tool provides the applicant with a facility to view the patents under different stocks and the flow of patent applications pending at various stages of the functioning of the patent.

- **Dynamic utility facility in Trademarks**
  - Various tools have been introduced to make it convenient for the public to track status of various functions performed by the Trademarks registry on real time basis.
  - One can access the Examinations of Trademark applications, Show cause hearings, publications in the Trademark Journal, Registrations of Trademarks, Otherwise disposal of applications (i.e. by way of abandonment, refusal etc.) done, Notices issued (month wise or date wise), International registrations designating India etc. using the tools made in this regard.

  - **Stock and Flow based Dynamic Trademark Utility-** This tool provides applicants with a facility to view a particular trademark under different stocks and the flow of trademark applications pending at various stages of the functioning of the Registry. The reports may be obtained in the following categories: New application received

for registration of Trademarks, awaiting examination, under examination, post examination, under show-cause hearing, published and awaiting oppositions etc.

4. Brief background on international Intellectual Property Law

4.1. Trade Related Aspects of Intellectual Property Rights (TRIPS)

- The TRIPS Agreement which came into effect on 1 January 1995 is till date the most comprehensive multilateral agreement on intellectual property.
- The areas of intellectual property that the agreement covers are copyright and related rights (which includes rights of performers, producers of sound recordings and broadcasting organizations); trademarks; industrial designs; patents, including the protection of new varieties of plants; geographical indications and undisclosed information including trade secrets.
- The TRIPs Agreement is a minimum standards agreement, which enables members to provide a more extensive protection of intellectual property if they wish to do so.
- Members are free to determine the appropriate methods of implementing the provisions of the Agreement within the ambit of their own legal system and practices.

4.2. Doha Declaration

- The Round was officially launched at the WTO's Fourth Ministerial Conference in Doha, Qatar, in November 2001. The Doha Ministerial Declaration provided the mandate for the negotiations, including on agriculture, services and an intellectual property topic, which began earlier.
- The Doha Round's aim was to achieve major reform of the international trading system through the introduction of lower trade barriers and revised trade rules.
- The work programme covers about 20 areas of trade. The Round is also known semi-officially as the Doha Development Agenda as a fundamental objective is to improve the trading prospects of developing countries.

5. India and Multilateral Treaties

- **Berne Convention for the Protection of Literary and Artistic Works**
  The Convention was adopted on September 9, 1886 at Berne and entered into force on December 4, 1887. This Convention relates to Copyrights and rests on three basic principles namely, national treatment, automatic protection and independence of

protection. The Convention also contains a series of provisions determining the minimum protection to be granted and came into force in India on April 1, 1928.

- **Convention Establishing the World Intellectual Property Organization (WIPO)**
  The Convention was adopted on July 14, 1967 at Stockholm and entered into force on April 26, 1970. The Organization under this Convention was organized with two main objectives - to promote the protection of intellectual property worldwide and to ensure administrative cooperation among the intellectual property Unions established by the treaties that WIPO administers. India became a member on May 1, 1975.

- **Agreement establishing the World Trade Organization (WTO)**
  The Agreement was adopted on April 15, 1994 at Marrakesh and entered into force on January 1, 1995. The World Trade Organization was established to provide the common institutional framework for the conduct of trade relations among its Members in matters related to the agreements and associated legal instruments. India became a member to this agreement on January 1, 1995.

- **World Trade Organization (WTO) agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement)**
  The Agreement was adopted on April 15, 1994 at Marrakesh and entered into force on January 1, 1995. The agreement popularly known as TRIPS covers various types of intellectual property and provides guidelines for minimum standards for protection, procedures and remedies for enforcement of Intellectual Property Rights and for issues relating to dispute settlement. India became a member on January 1, 1995.

- **Paris Convention for the Protection of Industrial Property**
  The convention was adopted on March 20, 1883 at Paris and entered into force on July 7, 1884. The Convention provides basic guidelines for the protection of industrial property relating to patents, industrial designs, trademarks, trade names, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition) and has substantive provisions for national treatment, right of priority and common rules. This treaty came into force in India from December 7, 1998.

- **Patent Cooperation Treaty (PCT)**
  The Treaty was adopted on June 19, 1970 at Washington D.C. and entered into force on January 24, 1978. The Treaty facilitates patent protection for an invention simultaneously in its member countries. The same came into force in India from December 7, 1998.

- **Budapest Treaty on the International Recognition of the Deposit of Micro-organisms for the Purposes of Patent Procedure**
  The Treaty was adopted on April 28, 1977 at Budapest and entered into force on August 19, 1980. The Treaty provides guidelines for the deposition of micro-organisms with any "international depositary authority" for the purpose of patent procedures. This treaty came into force in India from December 17, 2001.

- **Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks:**
  Adopted on June 27, 1989 at Madrid and entered into force on December 1, 1995. The Madrid Agreement facilitates the registration of trademarks outside India; it came into force in India from July 8, 2013.

- **The Convention on Biological Diversity**
  The Convention on Biological Diversity (CBD), one of the key agreements adopted during the Earth Summit held in Rio de Janeiro in 1992, is the first comprehensive global agreement which addresses all aspects relating to biodiversity. India ratified the CBD on 18.02.1994. The Biological Diversity Act, 2002 under Ministry of Forests and Environment was enacted to meet the obligations of CBD and provides mechanism for equitable sharing of benefits arising out of the use of traditional biological resources and knowledge.

- **The Nagoya Protocol on Access and Benefit Sharing (ABS)**
  The Nagoya Protocol is a supplementary agreement to the Convention on Biological Diversity. The Protocol was adopted on 29 October 2010 in Nagoya, Japan, and entered into force on 12 October 2014. ABS's aim is the implementation of one of the three objectives of the CBD, the same being: the fair and equitable sharing of benefits arising out of the utilization of genetic resources, thereby contributing to the conservation and sustainable use of biodiversity. India ratified ABS on 12.10.2014.

- **Marrakesh Treaty to Facilitate Access to Published Works by Visually Impaired Persons and Persons with Print Disabilities**
  The Marrakesh Treaty is a treaty on copyright adopted in Marrakesh, Morocco, on 28 June 2013. The treaty allows for copyright exceptions to facilitate the creation of accessible versions of books and other copyrighted works for visually impaired persons. The treaty sets a norm for countries ratifying the treaty to have a domestic copyright exception covering these activities, and allowing for the import and export of such

materials. India was the first country to ratify the Marrakesh Treaty, which has come into force from September 30th 2016

5.1. Madrid Protocol

- India became the Madrid Protocol's 90th member when it joined the System in July 2013.
- The Madrid system enables registration of trademarks in multiple jurisdictions worldwide that are a part of Madrid Union's member countries by filing one single trade mark application in the Applicant's national Trademark Office or the regional Trademark Office.
- The Trade Marks Act, 1999 was amended in 2010 to include Chapter IV (containing sections 36A to 36G) in light of India's accession into the Madrid Protocol. The amended chapter specifically focuses on the "Special Provisions relating to Protection of Trademarks through international registration under the Madrid Protocol."
- Prior to India acceding to the Madrid Protocol in July 2013, the Trade Marks Registry initiated training programs for its officials and staff to gear up for the anticipated influx of applications, as the same would have Indian and foreign companies.
- India's accession to the Madrid Protocol has offered the unique benefit to all domestic companies and entrepreneurs to protect their trademark portfolios in various jurisdictions across the world. The option of choosing India as a designated country has eased the economics of filing trademark applications for many international parties.
- The 1.25 millionth International Registration Number was conferred on an Indian company in 2015.

5.2. Patent Cooperation Treaty (PCT)

- The PCT facilitates the obtaining of protection for inventions where such protection is sought in any or all of the PCT contracting states.
- The PCT helps the patent Offices with their patent granting decisions and facilitates public access to a wealth of technical information relating to those inventions.
- By filing one international patent application under the PCT, an applicant has the privilege to seek protection for an invention in all or any of the 151 contracting states.
- An Application under the PCT may be filed by a national or resident of one of the Contracting States.
- PCT Application may be filed with the National Patent Office of the IB Office of WIPO. Both the Offices serve as PCT "receiving offices".
- An international Application may be filed in any language which the "Receiving Office" accepts. If the Application has to be filed in India, then the same may be filed in Hindi

and the said Application would have to be accompanied by a duly verified English translation.

5.3. International Search of PCT Applications

- There are certain countries which have been appointed by the contracting states as International Searching Authorities (ISAs), the same being the national patent offices of various countries/regions viz. : Austria, Australia, Brazil, Canada, Chile, People's Republic of China, Egypt, European Union, Spain, Finland, Israel, India, Japan, South Korea, Russian Federation, Sweden, Singapore, Ukraine, United States of America etc.
- A PCT International Search is conducted by qualified staff and by a uniform search method of ISAs as per the standards that are prescribed by the PCT.
- The ISA consists mainly of a listing of references to published patent and technical journal articles which may affect the patentability of international applications.
- The search includes relevant patent documents and technical literature which leads to an international search report along with a non-binding written opinion of the ISA on the potential patentability of the invention.
- The Indian Patent Office as an ISA develops high-quality reports at the lowest possible cost among all ISA's in the international arena within a stipulated time frame.
- The Indian Patent Office is recognized as ISA/IPEA for the nationals of Iran.

6. Patents

6.1. Patentability Criteria

- The TRIPS agreement and Doha declaration has provided policy space to the member countries to exclude certain subject matter from being granted patents. Thus, under Section 3 of the Patents Act, 1970, inventions based on traditional knowledge, patenting of animals, plants, plant variety and seeds etc. are not allowed.
- Section 3 (d) of the Patents Act, 1970
    - In order to prevent ‘evergreening’ (extension of the life of a patent over products that are about to expire on account of minor and incremental improvements in the invention) of patents, section 3 (d) of the Act provides that:
    - A mere discovery of a new form/ use/ property/ process etc. of a known substance which does not result in enhanced efficacy is not patentable.
    - Salts, esters, ethers, polymorphs, etc. of known substance are to be considered to be the same substance until these differ significantly in properties with regard to efficacy.

- Mere use of a known process, machine or apparatus is not patentable unless such known process results in a new product or employs at least one new reactant.
- Pharma multinational companies and other pressure groups including developed countries have been actively pursuing lowering the standard for grant of patents by diluting Section 3(d) by way of amendments. Section 3(d) places a threshold for inventive step, thereby preventing ever greening of inventions with just slight modification of a known substance.

6.1.1. Similar Provisions in Other Countries

In some countries, the features of patent legislation are similar to India's Section 3(d). Countries in the Asia-pacific regions are also planning to adapt similar provision of Section 3(d) to patent those drugs only which are breakthrough inventions.

Philippines: To toughen the criteria of patentability, Philippines have proposed to amend its law on identical lines.

Brazil: Brazil Patent Office drafted guidelines to restrict the patentability of new forms of compounds (polymorphs) or new property or new use of a known process unless this known process resulted in new product.

Argentina : The guidelines for patentability in Argentina for pharmaceutical and chemical inventions also exclude subject matter of polymorphs, hydrates and solvates as it is considered to be the intrinsic property of the substance so not an invention but a mere discovery. Further, in Argentina new form, new use, and new formulations are not patentable. The description of the product in accordance with the pre-existing formulation is not eligible for patent protection. The patent office of Argentina also provides definition for new form, new use, and new formulation in their Patents Act.

Japan: Japan's patent legislation mentions the subject matter as the new use of a drug can be patented if the usage is absolutely novel over the original and its use must be clearly differentiated.

Mexico: Mexico IP law in Article 19 (Mexican Industrial Property Law, 1991) mentions that ''Juxtaposition of known inventions or mixtures of known products, or alteration of the use, form, dimensions or materials thereof, except where in reality they are so combined or merged that they cannot function separately or where their particular qualities or functions have been so modified as to produce an industrial result or use not obvious to a person skilled in the art''

European Patent Office had also given guidelines regarding patentability of polymorphs. For polymorphs to be considered as inventive it must produce extraordinary

technical effect compared to already known.

6.2. Data Exclusivity

- It is clarified that Article 39.3 of the TRIPS relates to the 'data protection' when data pertinent for seeking approval of the authority is shared with the marketing regulator. The text of this Article does not specifically state that member countries would need to comply with the requirement of 'data exclusivity'. It only states that the regulator will need to protect it from unfair commercial use. Therefore, no additional obligations such as 'data exclusivity' which are not present in text can be interpreted. The obligation on the authorities is to keep the test data secret and not allow it to be accessed by third parties through unfair means. Data exclusivity includes both non-disclosure of data by the market regulator and non-reliance of the regulator on this data submitted for according marketing approvals to another applicant, which would be a TRIPS plus provision.
- A large proportion of the Indian Pharmaceutical industry is producing generic drugs. Extending data exclusivity at this stage would have a considerable impact on the Indian industry especially in the short run. More importantly data exclusivity provisions will impact access to medicines which is a major social/ human cost for a country which still has a large population living below the poverty line.

6.3. Patent Linkage

- Patent Linkage is a TRIPS-Plus measure and is undesirable for the impact it will have by delaying introduction of generics. There is no express provision under the TRIPS Agreement providing an obligation on the member countries to provide for protection akin to Patent Linkage. In the case of Article 39.3 of TRIPS, the obligation is restricted to protection of the confidential information provided to the regulatory authority and does not extend to determining the conditions under which the regulatory authority may grant approval.
- A review of the Doha Declaration on the TRIPS Agreement and Public Health adopted on November 14, 2001 clarifies any further doubts in this regard. Paragraph 4 of Doha Declaration has expressly noted that the TRIPS Agreement does not and should not prevent members from taking measures to protect public health. Accordingly, the Agreement should be interpreted and implemented in a manner supportive of WTO members' right to protect public health and, in particular, to promote access to medicines for all.
- Indian Patents Act does not contain any provision to link the patent rights to marketing approvals for a product. Moreover, the Drugs and Cosmetics Act does not require the

Drug Controller General of India (DGCI) to see whether a patent exists on a drug on which an application for marketing approval has been received nor is he empowered to do so. The office of DGCI is not technically qualified to take a view on the existence and scope of a patent before granting market approvals. Any such attempt by the Drug Controller would be substantively ultra vires of the delegated powers to him.

- Patent rights are private rights and enforcement of these by interested parties is available through the civil courts. A private right cannot be enforced *suo-moto* by a public authority.

6.4. Compulsory License

- The provisions relating to Compulsory Licences under the Patents Act are fully compliant with Article 31 of the TRIPS agreement and Article 15 of the Paris Convention.
- There has been only 1 CL issued in India; this was for a drug **'Nexavar'**, a life-extending drug in the treatment of liver and kidney cancer**,** an order upheld till the Apex Court. Comparatively, there have been several cases of CL in the world, including developed nations; US has statutory provisions for Authorization which are akin to CL.
- **Use of Compulsory Licensing: Nexavar (BAYER)**
  - Compulsory Licensing (CL) is a system whereby the Government allows third parties (other than the patent holder) to produce and market a patented product or process without the consent of the patent owner.
  - **Only 1 compulsory license has been granted in India**.
  - CL is TRIPS compliant (as per Articles 30 and 31), and is in lines with the Paris Convention, 1883. CL is granted in other nations also.
  - **Royalty** fixed by Controller of Patents at 6% of net sales (the maximum as per UNDP recommendations); enhanced to 7% by IPAB.

- **Legal position**
  - CL is TRIPS compliant (Articles 30 and 31), and also in line with the International Paris Convention, 1883.
  - **Section 84** of the Patents Act,1970 empowers the Controller of Patents to grant a CL to any interested person on application after 3 years of grant of patent, on any of the following grounds:
    - That the reasonable requirements of the public with respect to the patented invention have not been satisfied, or

- That the patented invention is not available to the public at a reasonably affordable price, or
- That the patented invention is not worked in the territory of India.

6.4.1. Compulsory Licenses issued in other Jurisdictions

- **United States of America**
  - In 2001, ExxonMobil and the National Petrochemical & Refiners Association asked the US Federal Trade Commission (FTC) to force Unocal, another oil company, to grant licenses to patents on reformulated gasoline. The patents were necessary to be in compliance with clean air regulations in California. In 2005, the FTC obtained a zero royalty compulsory license on a portfolio of patents, as a condition of Chevron acquiring Unocal.
  - In June 2006, a US court granted Microsoft a compulsory license to use two patents owned by z4 Technologies that relate to Digital Rights Management systems used by Microsoft for its Windows and MS Office software programs.
  - In July 2006, a court granted Direct TV a compulsory license to use the Finisar patent on integrated receiver decoders (satellite set top boxes), for a royalty of $1.60 per device.
  - In August 2006, a court granted Toyota a compulsory license on three Paice patents for hybrid transmissions, for a royalty of $25 per automobile.
  - In September 2006, a court granted Johnson and Johnson a compulsory license to use three of Dr. Jan Voda's patents on guiding-catheters medical devices for performing angioplasty.
  - In 2008, the FTC obtained an open compulsory license to patents held by Negotiated Data Solutions LLC (NData), for use in Ethernet technologies.

- **Germany**

  Following an oral hearing held on 30 and 31 August 2016, the German Federal Patent Court ('Bundespatentgericht') has decided in preliminary injunction proceedings to grant Merck a compulsory licence for the distribution of its HIV medicament, "Isentress".

- **Canada**

  On May 7, 2004, Torpham successfully appealed a rejection of a compulsory license application involving Merck patents for the manufacture and sale of

Lisinopril. Torphan had sought a license to the use the patents for purposes of manufacturing and exporting to the United States.

- **Italy**
  On 23 February 2005, the Autorità garante della concorrenza e del mercato (the AGCM) opened an investigation into abuses of a dominant position by refusals to license rights to active pharmaceutical products by two large pharmaceutical companies -- GlaxoSmithKline and Merck & Co Inc (Cases A363 and A364). On 21 June 2005, the AGCM ordered a compulsory license for Merck patents on antibiotics that use the active ingredients Imipenem Cilastatina.
- **Indonesia**
  On October 5, 2004, Indonesia issued a government use compulsory license to manufacture generic versions of two HIV-AIDS drugs, lamivudine and nevirapine, until the end of the patent term in 2011 and 2012 respectively.

6.5. Guidelines on Computer Related Inventions

- The office of the Controller General of Patents Designs and Trademarks (CGPDTM) in August, 2015 issued guidelines for the examination of patent applications in the field of CRIs with an aim to foster unanimity and consistency in the examination of such applications. However, after proponents of open source software expressed concerns to these guidelines, they were stayed and fresh guidelines issued in February, 2016.
- DIPP has received representations from several quarters, including law firms, in this regard. A committee has been constituted to re-examine these guidelines after taking into consideration views of stakeholders. The committee has submitted its report, which is under examination.

6.6. Standard Essential Patents

- What is Standard?
  - In simple terms, a standard can be defined as a set of technical specifications that seeks to provide a common design for a product or process. Standards are different from Technical regulations in the sense that standards are voluntary whereas technical regulations are imposed by law. Standards are developed by Standard Setting Organization.
- What is Standard Essential Patent?

  Standard Essential Patent is a patent that claims an invention that must be used to comply with a standard or in other words, a patent is essential to a standard if use of the standard requires infringement of that patent.

- Need for Standards
  - Standards form the fundamental building blocks for product development by establishing consistent protocols that can be universally understood and adopted. It not only helps in compatibility and interoperability among the products.
  - A product compatible with a standard get an advantage in market over other products which are not compatible.

6.6.1. Standard Essential Patents and Fair, Reasonable and Non-Discriminatory (FRAND) terms

- The relevant standards set out by Standard Setting Organizations (SSOs) give birth to a body inclusive of essential features that must be fulfilled by any device to be in conformity with a particular standard.
- Many SSOs require their members to undertake that they will grant binding licenses to companies that wish to use the standard in question.
- To promote application of the standard and to avoid any competition concerns, such licenses must be made available under Fair, Reasonable and Non-Discriminatory (FRAND) terms.

6.6.2. Discussion Paper on Standard Essential Patents

- India is currently the world's second-largest telecommunications market and has registered strong growth in the past decade. In recent past, various issues pertaining to Standard Essential Patents (SEPs) have come up, most of which relates to licensing of SEPs on Fair, Reasonable and Non-Discriminatory (FRAND) terms. DIPP had issued a Discussion paper as a step towards creating awareness and resolving such issues. While the discussion paper deliberates upon all relevant aspects related to Standard Essential Patents in detail, it merely collates information received from various sources and does not reflect the views of the Department. The Paper was placed on the website for inviting comments and suggestions.

  Comments were received from 69 domestic and international stakeholders, including the US Government.

6.6.3. Points for consideration - Remedies for infringement of SEPs under FRAND terms and basis for royalty rates

- Given that SEPs by the very definition allow for infringement of the Patent, the appropriate course of action for patent right-holders may be to claim damages and royalty on FRAND terms, rather than seek injunctions.

- While royalty rates of SEPs are to be decided mutually between the contracting parties, it may be appropriate to base these royalty rates on the Smallest Saleable Patent Practicing Component.

6.7. Foreign Filing Permission

- According to section 39 of the Act, residents cannot apply for patents outside India without prior permission. As per the provisions, any person resident in India intends to file or make any filing application outside India is required to take following action:
    - File an application in India and wait for six weeks before filing such application outside India;
    - In case he is not interested to file application in India before filing outside India, then he is required to take prior permission by filing form 25 with the prescribed fees.
- Prior foreign filing permission is intended to prohibit publication of the information relating to such inventions which are relevant for defense or atomic energy purpose.
- On receiving the request for foreign filing on form 25, the Patent Office scrutinizes the invention disclose in the application/ document submitted with form 25 as to whether they are relevant for Defence or atomic energy purpose before granting permission and only relevant applications are forwarded to Ministry of Defence and Department of Atomic Energy for decision.
- However, in all other cases the Foreign Filing permission is expeditiously given by the Patent Office. Although the time period prescribed for such permissions is 21 days under Rule 71, however the same are being disposed by the Office within a period of one week, and definitely not more than two weeks. It may be noted that such permissions are processed on priority basis. In most of the cases, the time required now has been reduced to 3 to 5 working days.
- Delhi High Court in *Puneet Kaushik vs. Union of India (2013)* has held that the applicant should either file the application in India before filing outside India to take priority of Indian application or else take permission from the office.

7. Copyrights

- The approval of the National IPR Policy and the transfer of administration of the Copyright Act, 1957 to the DIPP is expected to give a fillip to reform in the area of copyrights; their registration, enforcement and overall strengthening of the system. With IPRs being dealt with under a single umbrella, it is expected that there will be a convergence of approaches and creation of synergies.

- The creation of an institutional mechanism for implementation and coordination of the various areas of the IPR Policy, especially on enforcement, with the various agencies will go a long way in addressing the problem in the times to come.

7.1. The Copyright Board

The Copyright Board which is a quasi-judicial body under the Copyright Act, 1957 has one Chairman and two other Members with supporting staff below. Consequent to enactment of the Copyright (Amendment) Act, 2012, the Board is required to be reconstituted. It is expected that the reconstituted Copyright Board shall be functional by next year.

7.2. Civil and Criminal Enforcement under the Copyright Act, 1957

- The Copyright Act provides for both civil and criminal remedies for infringement. Section 55 provides that "The owner of the copyright shall be entitled to all such remedies by way of injunction, damages, and accounts and otherwise as are or may be conferred by law for the infringement of a right."
- Chapter XIII (Sections 63-70) provides for a range of criminal penalties for infringing copyrights which are punishable with terms of imprisonment that may extend up to three years along with a fine which may extend to Rs. Two Lakhs.

7.3. John Doe Orders against Infringing Websites

- Online copyright piracy is assuming gigantic proportions across the globe, and no country is immune to this menace. A possible and substantially effective solution to this problem lies in the civil remedy of website blocking orders or John Joe orders.
- The judicial orders, “John Doe orders” in effect as they are issued against persons, whose identity is unknown, are targeted at specific websites, so-called “pirate” or “rogue websites”, as the overwhelming majority of the content hosted on such sites infringes copyright. Notices, even if ineffective, are still issued to the ISP and, if identifiable, to the owner of the domain and/or website in accordance with the statutory provisions. Plaintiffs are then able to obtain court injunctions ordering specific named websites to cease the infringement of their copyright.
- ISPs providing Internet bandwidth connectivity are directed to enforce the injunction by blocking the access of Indian subscribers to the websites subject of the order. The concerned Government Departments are directed by the court to require ISPs act as per court orders, in accordance with terms and conditions of the license agreement they have with the Department of Telecommunication for the provision of internet services.

- Recent past has seen rising trend in Indian Film Industry to obtain "John Doe" orders prior to release for blocking access to any website which might be deemed to host links to pirated content.

7.4. Anton Piller orders

- Other than the extensive police powers under the Copyright Act, plaintiffs have various civil powers to enforce their right. Copyright owners and associations can employ civil procedure to search the defendant's premises as seize the pirated copies.
- This is done via 'Anton Piller' orders obtained from civil courts which permit court-appointed officers, accompanied by representatives of the plaintiffs, to search premises and seize evidence without prior warning to the defendant.
- Similar to John Doe Orders, these orders can be obtained unilaterally (ex-parte).

8. Trademarks

- The Trademarks Act, 1999 provides for registration and better protection of trademarks for goods and services and for the prevention of the use of fraudulent marks.
- A Trade Mark is a sign, design or expression, a source identifier denoting a certain company/ persons/ products and distinguishing it from the products of others.
- The Trademarks Act, 1999 provides for both Civil and Criminal remedies in case of infringement.
- The Trademark Rules, 2002 are being amended after extensive stakeholder consultation to allow for accelerated examination of applications and simplification of procedures.
- These amendments will greatly streamline processes and improve functioning.

9. Designs

- Industrial Design recognizes the creation of new and original features of shape, configuration, surface pattern, ornamentations and compositions of lines or colours applied to articles which in the finished state appeal to and are judged solely by the eye.
- The registration and protection of industrial designs in India is administered by the Designs Act, 2000 and corresponding Designs Rules, 2001.

10. Semiconductor Integrated Circuits Layout Design

- Protection of original Layout-Designs of Semiconductor Integrated Circuits is governed by the provisions of the Semiconductor Integrated Circuits Layout Design Act 2000. The Act promotes protection of Intellectual Property of Semiconductor Integrated Circuits Layout Designs.
- Act provides exclusive rights to the creator of layout design for 10 years. Exclusive right enables the owner to commercially exploit the creation and in case of infringement, get reliefs permitted under the Act.
- Act also provides for establishment of Semiconductor Integrated Circuits Layout-Design Registry (SICLDR) which examines the layout-designs of the Integrated Circuits and issues the Registration Certificate to the original layout-designs of the Semiconductor Integrated Circuits.

11. Geographical Indications

- The Geographical Indications of Goods (Registration and Protection) Act, 1999 provides for registration and protection of Geographical Indications related to Goods. Goods refer to any agricultural, natural, manufactured goods, goods of handicraft or of industry and include food stuff.
- Definition of GIs under the Act is wider as compared to the definition in TRIPS which only covers Agricultural Products, Food Products and Wines & Spirits.
- The objectives of the Act are:
    - Confer legal protection of Intellectual Property inherent in Geographical Indications;
    - Economic prosperity to producers of Geographical Indications by exclusion of unauthorized persons from misusing Geographical Indications and protect consumers from deception.
- The GI Registry has received 573 GI Applications as on date, of which 282 have been registered (270 GI are of Indian origin & 12 are of foreign origin).

12. Plant Varieties (Ministry of Agriculture)

- In order to provide for the establishment of an effective system for protection of plant varieties, the rights of farmers and plant breeders and to encourage the development of

new varieties of plants, the Protection of Plant Varieties and Farmers' Rights Act, 2001 has been enacted.

- A unique aspect of the PPV&FR Act is that it confers three concurrent rights- to breeders, farmers and researchers.
- The Act recognizes the farmer as cultivator, conserver and breeder. The Act establishes nine rights for farmers, of which the most important are the right to seed and the right to compensation for crop failure.

- Protection of Plant Varieties and Farmer's Rights Authority is established as per the Act. The Authority has the mandate to promote the development of new varieties of plants and to protect the rights of the farmers and breeders.

13. Genetic Resources (Ministry of Environment, Forest and Climate Change)

- Pursuant to the Convention on Biological Diversity, India enacted the Biological Diversity Act in 2002 which covers conservation, use of biological resources and associated knowledge occurring in India for commercial or research purposes, or for the purposes of bio-survey and bio-utilization. It provides a framework for access to biological resources and sharing the benefits arising out of such access and use.
- The Act provides for establishment of the National Biodiversity Authority (NBA). Prior approval of the NBA is required if anybody seeks any kind of Intellectual Property Rights on research based on biological resources or knowledge obtained from India. The NBA may also impose benefit sharing conditions.
- The NBA is empowered to take measures to oppose the grant of any Intellectual Property Rights in any country outside India on any biological resource obtained from India or knowledge associated with such a biological resource.

14. Traditional Knowledge and Traditional Knowledge Digital Libraries

14.1. Traditional Knowledge (TK)

- Traditional knowledge (TK) is integral to the identity of most local communities.
- Traditional Knowledge is a key constituent of a community's social and physical environment and, as such, its preservation is of paramount importance.
- Objective - protect the ancient and traditional knowledge of the country from exploitation through bio-piracy and unethical patents.

- The rich endowment of Traditional Knowledge and biodiversity plays a critical role in health care, culture, food security, identity, religion, environment, trade and development.

14.2. Traditional Knowledge Digital Library

- The Traditional Knowledge Digital Library (TKDL) was established in the year 2001.
- The Traditional Knowledge Digital Library (TKDL) is a collaborative project between the Council of Scientific and Industrial Research (CSIR) and the Department of AYUSH. The same is a home-grown effort to ensure patent offices around the world do not grant patents for applications founded on India's wealth of age-old Traditional Knowledge.
- Digitalization of the traditional medicinal knowledge which is available in public domain in the form of existing literature is related to codified systems of Ayurveda, Unani, Siddha and Yoga.
- The TKDL is a unique, proprietary database that integrates diverse knowledge systems and languages. It is based on 148 books of prior art relating to Indian systems of medicine, available at a cost of around US$1,000.
- Access to around **3,30,044** Traditional Medicinal Formulations is available in patent compatible format in five international languages under TKDL Access Agreement to 10 Patent Offices, namely EPO, USPTO, JPO, CIPO, UKPTO, IP Australia, IPO, DPMA-German, Chile and Malaysia.
- The idea to establish a TKDL came into the picture amid India's efforts to revoke the patent granted by the United States Patent and Trademark Office (USPTO) on the wound healing properties of turmeric and the patent granted by the European Patent Office (EPO) on the antifungal properties of neem.
- By using the information technology tools and the Traditional Knowledge Resource Classification System (TKRC), the library has been successful in converting and structuring ancient texts into 34 million A4-sized pages along the lines of a patent application.
- The TDKL is an effective mechanism for defensive protection, facilitating the prior art search and bridging the language barrier.
- The ancient texts have been translated into various languages *viz.* English, French, German, Japanese and Spanish.

14.2.1. Traditional Knowledge Resource Classification

- Traditional Knowledge Resource Classification (TKRC) is modeled on WIPO's International Patent Classification (IPC).
- It consists of some 27,000 subgroups for Ayurveda, Unani, Siddha and Yoga and, like the IPC, is indispensable for the retrieval of relevant information.

15. Statements/ Comments/ Views favoring India's stance on access to Health Care

15.1. The United Nations Secretary-General's High-Level Panel on Access to Medicines Report

- The United Nations Secretary-General Ban Ki-Moon constituted a **High-Level Panel on Access to Medicines** in November 2015, with the proposed objective "to review and assess proposals and recommend solutions for remedying the policy incoherence between the justifiable rights of inventors, international human rights law, trade rules and public health in the context of health technologies."
- The Report issued in September 2016 has been structured in 4 chapters including a) Health Technology Innovation and Access, b) Intellectual Property Laws and Access to Health Technologies, c) New Incentives for Research and Development of Health Technologies, d) Governance, Accountability and Transparency.
- In summary, the main recommendations of the report are as follows:
    - WTO members must make full use of the TRIPS flexibilities as confirmed by Doha Declaration to promote access to health technologies when necessary.
    - WTO members should make full use of the policy space available in Article 27 of TRIPS agreement by adopting and applying rigorous definitions of invention and patentability that are in the interests of public health of the country and its inhabitants. This includes amending laws to curtail the evergreening of patents and awarding patents only when genuine innovation has occurred.
    - Multilateral organizations such as UNCTAD and WTO should strengthen the capacity of patent examiners to apply rigorous public health-sensitive standards of patentability taking into account public health needs.
    - Governments should adopt and implement legislation that facilitates the issuance of compulsory licenses. The use of CL should be based on the provisions found in the Doha Declaration and the grounds for the issuance left to the discretion of the governments.
    - WTO members should revise the paragraph 6 decision in order to find a solution that enables a swift and expedient export of pharmaceutical products produced under compulsory license.
    - Governments and the private sector must refrain from explicit or implicit threats, tactics or strategies that undermine the right of WTO Members to use TRIPS flexibilities.

- Governments engaged in bilateral and regional trade and investment treaties should ensure that these agreements do not include provisions that interfere with their obligations to fulfill the rights to health.

- The report also elucidates those aspects which have been considered TRIPS Plus provisions; these reiterate India's steadfast stand against such provisions.
  - **Patents for new uses for methods of using a known product-** Governments must provide patent protection for new uses or methods of using known products. (Section 3(d)) of Patents Act, 1970)
  - **Prohibition on pre-grant opposition-** Prohibition on challenges to the validity of a patent prior to issuance (Section 25(1) of Patents Act, 1970).
  - **Test data exclusivity periods-** Drug regulatory authorities cannot use or rely on clinical studies and data developed by the originator company, to register the generic equivalent of a medicine for a given period of time following registration.
  - **Patent term extensions for unreasonable regulatory or marketing delays-** Patent terms are extended in case of unreasonable delay caused by drug regulatory authorities or patent offices in granting regulatory or marketing approval.
  - **Patent linkage as an example of TRIPS-plus provisions-** Drug regulatory authorities cannot approve a generic version of a medicine that is under patent without the consent of the patent holder, thereby obliging public authorities to 'enforce' private intellectual property rights.
  - **Limits on compulsory licensing grounds-** The use of compulsory licenses is confined to specific circumstances, for example, remedying anti-competitive practices.
  - **Limits on parallel imports-** The importance of pharmaceutical products from other markets under the principle of international or regional exhaustion is restricted or entirely prohibited.
  - **Enforcement of Intellectual Property Rights-** Enhanced obligations regarding border measures, civil and administrative procedures, remedial provisions and the criminalization of certain violations beyond what is required by the TRIPS Agreement.

15.2. Joseph Stiglitz, Nobel Prize for Economics (2001)

Source: Stronger IPR is about Big Pharma profits, not health. Economic Times, March 01, 2015

- "If patent rights are too strong and maintained for too long, they prevent access to knowledge, the most important input in the innovation process. In the US, there is growing recognition that the balance has been too far tilted towards patent protection in general (not just in medicine)."
- "Greater IP protection for medicines would, we fear, limit access to life-saving drugs and seriously undermine the very capable indigenous generics industry that has been critical for people's well-being in not only India but other developing countries as well".

15.3. Bernie Sanders, Senior U.S. Senator

- "Access to health care is a human right, and that includes access to safe and affordable prescription drugs. It is time to enact prescription drug policies that work for everyone, not just the CEOs of the pharmaceutical industry. Americans pay, by far, the highest prices for prescription drugs in the entire world.[1]"
- "Health care must be recognized as a right, not a privilege. Every man, woman and child in our country should be able to access the health care they need regardless of their income.[2]"
- "We pay, by far, the highest prices in the world for prescription drugs. One out of five Americans can't even afford the prescriptions their doctors are writing…..in my view healthcare is a right of all people, not a privilege, and I will fight for that"[3].

15.4. World Health Organization

- Source: Report of the Commission on Intellectual Property Rights, Innovation and Public Health, 2006 Page: 132-133
- "Countries can adopt legislation and examination guidelines requiring a level of inventiveness that would prevent evergreening patents from being granted. The TRIPS agreement gives freedom to WTO Members to determine the hurdle required for the inventive step".
- "The intention here is to rule out from patentability variations on a known drug, by treating them all as the same substance, except where it can be demonstrated that a drug has superior efficacy. In that sense, the legislation is trying to make a distinction in law between evergreening (where there are no additional therapeutic benefits) and incremental innovations (where there are)".

[1] Source: IP Watchdog Blog. Available at: http://www.ipwatchdog.com/people/bernie-sanders/
[2] Source: https://berniesanders.com/medicareforall/
[3] Source: http://www.ontheissues.org/2016/Bernie_Sanders_Health_Care.htm

15.5. Parliamentary Debate (Relevant Comments)

- Reference: Date: 18th December, 2004, Bill to further amend the Patents Act, 1970
- Comments of one of the members from the Opposition[4]:
- "India has benefited from the low cost generic industry to dominate 30 per cent of the low cost drugs in the world….
- Secondly, it (the bill) is vague about the evergreening effect in which companies extend their patent rights by switching from capsules to tablets, for instance. This extends monopolies. Parliament must make sure that it protects the rights of India to make these generic drugs. We should remove the provision that allows this evergreening. What should and what should not be patentable has also been left open to interpretation. Earlier, the new use for a substance could not be patented. Now this has been qualified to allow it by putting "mere new use" instead of "new use".
- Comments of the minister who had sponsored the Bill with regard to section 3(d)[5]
    - "There are so many provisions here. In regard to evergreening, I just want to read out section 3(d) which says that a mere discovery of a new property or a new use for a known substance or the mere use of known process in a new product – these are exceptions, these will not be granted any patent – and substances obtained by a mere ad-mixture resulting only in aggregation of properties of the components thereof or, processes of producing such substances will not be given patents."

[4] Para 80, Novartis A.G v. Union of India (CIVIL APPEAL Nos. 2706-2716 OF 2013) Supreme Court of India. (2013)
[5] Para 84, Novartis A.G v. Union of India (CIVIL APPEAL Nos. 2706-2716 OF 2013) Supreme Court of India. (2013)

Role Of Judiciary In IPR Development And Adjudication

ROLE OF JUDICIARY IN IPR DEVELOPMENT AND ADJUDICATION+
By Justice R.C. Lahoti*
Cite as : (2004) 8 SCC (J) 1

In my capacity as President of the Governing Council of this National Judicial Academy, I have the privilege of welcoming the judges of the High Courts in India and from SAARC countries (Maldives and Nepal) to this Round Table on "Role of Judiciary in IPR Development and Adjudication". I take this opportunity for introducing you to the National Judicial Academy and its activities, as also for emphasising the role of judiciary in global intellectual property rights regime.

The problems that hurt the justice system in India today are many and varied. Many of them are to be addressed by the governments, the legislatures and the society and require large resources and a strong political will. However, there are some challenges which need the attention of the judges, as they can be resolved to some extent within the resources that the judiciary now commands. Among them are problems which call for enhanced professional competence, improved methods of court management and higher levels of integrity and accountability. These are matters which the newly-established National Judicial Academy is attempting to address by way of continuing education for judges, upgradation of training curricula, methods and materials, research and dissemination of information on better methods of judicial administration and promotion of institutional capacity building for judicial reform in enlarging access to justice.

A few of the activities which have already been completed by the Academy so far are:

(i) A project on gender-justice sensitisation training for District Judges;

(ii) Advanced course on criminal justice administration;

(iii) National consultation on standardising curriculum for induction training of civil judges (junior division);

(iv) National consultation on training in gender issues for equal justice to women;

(v) Course on constitutional adjudication for Senior District Judges.

The Academy proposes to publish occasional papersâ€”four of which have already been publishedâ€”which are on: (a) judicial accountability; (b) contempt of court; (c) gender and judiciary; (d) risk management in judicial proceedings.

Apart from the twelve training courses during the coming year beginning with the High Court Judges' Round Table on IPR Adjudication from tomorrow, the Academy is embarking on a major research project on "Access to Justice" in seven different High Court jurisdictions. The idea is to identify the barriers or difficulties that vulnerable sections of society experience while seeking justice through courts in order to see what the courts can do to mitigate them and to enlarge their access wherever possible. The study may throw light on judicial reforms from within the judicial establishment and provide information on the functioning of the system vis-...-vis seekers of justice, in particular those who on account of ignorance and poverty or similar factors feel handicapped in having access to justice.

Yet another initiative in the service of the judiciary which NJA (National Judicial Academy) has undertaken is the setting up of Research Support Services Unit to respond to requests from members of the judiciary. When it is fully operational, any judge sitting anywhere in the country can fax or e-mail propositions or questions for legal research and reporting to the unit. The research team in NJA under the supervision of a retired judge will do the necessary research with the help of library resources including internet, draft appropriate memoranda and fax or e-mail it back to the judge within 48 hours. The idea is to give the most modern research services to every member of the subordinate judiciary particularly those located in remote places where library/internet services are not adequately available. The services will be absolutely free for judges.

The Academy is to publish an annual journal to be called Indian Jurist devoted to key issues in administration of justice. The first issue to be released on Law Day, 2004 would be devoted to judicial reform in all its aspects. It will be a reference volume on the subject for judges, lawyers, court administrators, policy-planners and others.

The Academy has plans to compile a State of Justice Report providing information on the court system and what the judiciary is doing to address the problems of delay, pendency and access. It is to be a document conveying to the nation the status of administration of justice and what needs to be done to strengthen it to perform better. The preparation of such a document requires the full cooperation of the High Courts and the Supreme Court. Depending on the response, the Academy would like to make it an annual activity.

Yet another activity of the Academy is arranging conferences and seminars for judicial officers and court administrators on issues of common concern.

All that the National Judicial Academy does, is in association with the State Judicial Academies and with a view to supplement their work. As such, a training and information network is being developed between SJAs and NJA which will be upgraded in course of time with electronic linkages and technological products. For example, the High Court Judges' Round Table on IPR is proposed to be filmed and copies supplied to all SJAs for their use. To give another example of this partnership, the Access to Justice Research Project is a joint venture with State Judicial Academies of the High Courts concerned where the research is organised. Frequent consultation meetings on common concerns and "training the trainers" workshop at NJA are other instances illustrative of this partnership.

This was just an overview of the various activitiesâ€"current and incomingâ€"of NJA. Now a little bit about this Round Table.

Intellectual Property Rights

Francis Bacon has said:

"The works of founders of States, law-givers, tyrant destroyers and heroes cover but narrow spaces, and endure but for little time, while the work of the inventor though of less pomp is felt everywhere and lasts forever."1

It is this work of the inventor which the laws relating to intellectual property seek to protect.

Intellectual property refers to property that has been created by one's intellect. It is the creation of the mind. Today, the expression "intellectual property" is used even more broadly, to refer to all creations of the human mind. There are several intellectual properties that are commercially very valuable and they are protected by different intellectual property rights.

What is worth copying is prima facie worth protecting. This is the genesis for the intellectual property rights. No person shall like to invest his time and resources into creating something unless he is assured of the use of it and in cases where monetary gains are involved he is assured that he shall have the exclusive right to make such gains.

Changes in IPR laws

We are spectators to a phenomenal change in how a sovereign exercises its legislative powers and reacts to international demands and obligations. The law-makers while introducing new laws and amending old ones are no more governed only by the need of our nation, especially in areas which have acquired an international colour. The law-makers today are influenced by the need to bring the laws in shape with the international conventions and agreements to which India is a party. The opening up of the domestic economy to the world is followed by a profound impact on our domestic laws.

Our legislatures are called upon to amend our laws in conformity with the international treaties. Under the World Trade Organisation obligations, each member-State is required to provide for a minimum level of protection of IPR embodied in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs). The recent changes in IPR laws reflect India's compliance with the obligation under the TRIPs Agreement. For example, the Copyright Act, 1957 has been amended to include computer program as literary work as required by Article 10 of the TRIPs Agreement. The Trade and Merchandise Marks Act, 1958 has been replaced with the Trade Marks Act, 1999 which includes protection of well-known marks, certification marks and collective marks. It now provides for registration of trade mark for services as well. This is in compliance with Article 16 of the TRIPs Agreement. Other recent legislations include the Geographical Indications of Goods (Registration and Protection) Act, 1999, the Designs Act, 2000 and the Protection of Plant Varieties and Farmers' Rights Act, 2001. The preceding five years have seen many new IPR enactments. With globalisation, liberalisation and privatisation, the ambit of IPR has grown multifold and its importance has amplified, having a profound impact on commercial interests.

Economic importance of IPR

Intellectual property is important for a common businessman. The country's economy is opening up. Industries of our country are going far and away into different countries to open up business. Foreign entrepreneurs are fast entering into domestic economy. We need to protect our businessmen. In recent times, one of the most valued asset a person has is the intellectual property. For example, for a businessman, it is his trade mark; for an author, copyright over his work; for a fabric manufacturer, his design; for our inventors, the patent; for our industrialists, their trade secrets. In every nook and corner of commercial world, big or small it might be, intellectual property has grown multifariously.

Duty of the courts

It is now the duty of the courts to march hand-in-hand with our law-makers. We, as members of the Indian judiciary, are to keep abreast of the laws and help the industry leap into the 21st century with the confidence that their intellectual property is secured. We, as Judges, are required to interpret the IPR laws and adjudicate upon the disputes between the

parties on IPR issues. The more important and long-term issue is the one concerning interpretation of the new statutes. It is desirable that the interpretation of the IPR laws is uniform across the country. It is essential for the High Courts across the country to have due regard to the interpretation given by any other High Court as regard the same IPR of the same person, be it trade mark or patent or copyright. Consistency in the growth of judge-made law is too precious in the field of IPRs. An IPR judge cannot afford to be oblivious of developments elsewhere. While innovation is the privilege of any judge, too much of innovation by an uninformed judge may prove misadventure and a price too heavy to be paid by the development of IPRs.

Due regard to international law

The members of the Indian judiciary need to gear up with the changing phenomenon of the IPR world. They are to keep themselves abreast with the developing IPR international law and keep a positive bent of mind while interpreting the provisions of the amended IPR laws in India to bring them in harmony with the international conventions and most importantly, be able to contribute to the international community by their positivist approach and succinct interpretation.

We cannot contend ourselves with the knowledge of the national IPR laws alone but have also got to learn about the international conventions and agreements upon which the national laws are based and further, fairly acquaint ourselves with the interpretations given by different jurisdictions around the world with a view to reach a consensual interpretation.

Need for a balanced approach

Though in a case concerning an international convention, it is obviously desirable that decisions in different jurisdictions should, so far as possible, be kept in line with each other, yet, today many of us might find ourselves at a crossroad. There is the need of interpreting our laws in tune with the contemporary international law. At the same time, we cannot do away with the notion of protecting our economy and commercial world. We cannot, by our decisions, torch the fundamental commercial interests and rights of our citizens. In this context, one is reminded of the ringing words of Lord Steyn who, while interpreting Article 11 of the Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters (1968), stated:

"The primary search must be for an objective and independent interpretation capable of accommodating the needs of a diversity of national legal systems." (Baltic Insurance Group v. Jordan Grand Prix Ltd.2, All ER p. 294 g-h.)

India has its own elaborate educational infrastructure and a reservoir of knowledgeable talent. Over the decades especially in 1970's and 80's which was named as the "Brain Drain" has today the potential of becoming the "Brain Gain". The achievements and the exploitation of knowledgeable talent during information technology revolution has resulted in substantial economic gains. IP laws now form the backbone and are driving force in the protection and exploitation of this reservoir of new knowledge and ideas. Humanity constantly progresses in culture and the impact of judicial pronouncements in shaping the course of any nation's life cannot be denied.

The judiciary interprets IP statutes while adjudicating upon IP disputes. It is through the process of pronouncement and the interpretation of the laws involved therein that the judiciary leaves its imprint on the march of trade and commerce and consequently the nation's progress. A country having agreed to be a party to the TRIPs and to WTO regime is bound to legislate in harmony with the international agreements phasing out the pre-existing IP legislations. These new laws not only call for the change in the existing IP laws but also in many cases take up the need for setting up new and modernised institutions. Many IP laws are at times just rushed through without giving due weightage to the long-term implications of the new provisions. The judiciary would have an important role to play in interpreting these laws and in case of conflict striking a judicious balance between the interest of the nation and the demands of global justice.

One of the best examples highlighting the importance of interpretation of IP statutes is the case of Diamond v. Chakraborty3 decided in 1980 by the US Supreme Court. The Chakraborty case3 is still a leading case that divides many nations of the world over the interpretation of "Novelty" in respect of patents. In brief, the international test for the registration of patents is that of "Novelty or newness", "Useful" and "Non-obvious". However, the key lies in understanding what exactly is "New". The question before the US Supreme Court was, whether a discovery of an article that existed in nature but was yet unknown to mankind, would constitute to be something new? The matter came up as Dr. Chakraborty, an Indian scientist resident in the US and an employee of GE Inc. had developed a bacteria that could make crude oil soluble in water. This had great implications as it meant that whenever there was an oil spill in the ocean, the same could be prevented from causing harm/damage to the ecology of the ocean where the accident might have taken place. The bacteria was a living matter, developed from a natural source, and modified to perform a certain function. While adjudicating on the said matter, the US Supreme Court passed a judgment stating that patentability included anything under the sun that is made by man and live human-made micro-organism is patentable as it constitutes "manufacture" or "composition of matter" and so could be seen as "human-made inventions". Thus, Chief Justice Burger by a majority of 5:4 allowed the registration of patent and held that while laws of nature, physical phenomena and abstract ideas are not patentable, Dr. Chakraborty's claim was not to a hitherto unknown natural phenomenon but to a non-naturally occurring manufacture or composition of matterâ€”a product of human ingenuity "having a distinctive name, character (and) use".

The implications of this decision would mean that today if any person extracts the herbal ingredient from the tulsi plant, that may have any feature attributable to human ingenuity and seeks to patent the same, it may be permissible. It may seem strange, but it is a true feature that needs to be realised no later than now.

There are four stages in the life cycle of any intellectual property: (i) creation, (ii) protection, (iii) utilisation, and (iv) enforcement.

Article 300-A of the Constitution of India guarantees that no person shall be deprived of property save by authority of law. This provision in reference to IP ensures the right of the inventor/author over his or her invention/work. The enforcement of contractual obligations under contracts dealing with IP tantamounts to creating the intellectual property. There are different forms of IP protection available in India:

1. Patent

2. Designs

3. Trade mark and service mark

4. Copyright

5. Plant varieties and plant breeder's rights (under consideration of Parliament)

6. Trade secrets (along with data protection)

7. Geographical indications

The judiciary will be called upon to protect the right once created. The exploiting of intellectual property may involve licensing and cross-licensing arrangements, assignments, transfer of property and so on. Legal implications arise out of such instances. Provisions of statutes like the Indian Contract Act, the Indian Stamp Act, the Transfer of Property Act and now the Securitisation Act are attracted in their applicability to the licensing arrangements. The provision of compulsory licensing has its own peculiarities. The judiciary would be faced with the challenge of striking a judicious balance between monopoly rights guaranteed under a patent and the social needs and commercial advancements. Enforcing the intellectual property is an important stage in the lifeline of an intellectual property. This stage prevents others from unauthorised use and exploitation of protected intellectual property during the period of the protection. Misappropriation and infringement of intellectual property is a crime and the statutes governing IP list out as to what constitutes an infringement. However, there is a serious need for sensitivity in handling such matters because there is a dearth of judicial precedents and lawyers may often have to cite foreign cases to explain, advance and support their respective submissions. This inflicts a huge amount of pressure on the court to consider the true context in which a foreign jurisdiction had passed its order and also to try and evaluate the appropriate extent of the action in respect of India.

The pressure on the judiciary is not only because of the lack of judicial precedents, but also because of the urgency that is shown by the parties in seeking relief. Corporations, individuals and the like come to the court seeking immediate remedy, while the court does have to look not only into the validity of the claim but also into the aspects like jurisdiction, international registrations of IP, market reports, etc. An IP case in court on account of high stakes and commercial sensitivity may be made to seem like a high-profile matter, but the need for careful adjudication is at its highest form and the court is not to be overtaken by what is being made to appear except the need for expeditious decision. Patent law assumes notable and immediate significance, akin to a threat before the judiciary in a sense, as the gestation time given to India with regards to compliance with patent terms under the TRIPs, expires on 31st December, 2004. After January 2005, patent law will allow the processing of product patents and many more other forms of inventions such as micro-organisms, genetic materials, etc. A case relating to such subject-matter will be having high stakes, a big dose of technical sciences and it is possible that twisted precedents from various countries are also pressed into service.

Piracy is developing in the business society as an evil and so is counterfeiting. Laws are there; the need is for a proactive and tactful judiciary to handle such issues with competence, promptness and firmness. The judiciary needs to have a wider vision which can comprehend the impact on the global economy vis-...-vis national economy. The issue has a singular significance in the context of India. India has found an ironical benefactor in its population. Over the years, the second most populous country of the world has considered its huge population as one of the impeding features in its growth. But today India is one of the youngest nations in the world. The average age of an Indian national is between 30-45 years. Almost 70% of Indian population is in its working age. With the demand for a global work force increasing day by day, India is also the largest supplier of knowledgeable workforce. The direct implication of this is that these very eligible people shall be the minds that will be used in the creation of the technology of tomorrow. Without the proper system to promote and protect creativity, this window of opportunity may soon close for India. IP provides jobs. It is a large contributor to the economy as well. The onus will come on the judiciary to uphold the effectiveness of any IP system and ensure that creation of IP along with enforcement IPRs is maintained effectively. Any slackness is likely to

have an adverse effect on the culture associated with investment; job-creation opportunities and GDP growth. These are the few reasons why the National Initiative Against Piracy and Counterfeiting (NIAPC) under the umbrella of FICCI have felt concerned and taken the initiative in organising such a Round Table.

It is said that the road to achievement is always under construction. We have to keep working. I hope this Round Table would prove to be a milestone on the road to achievements for the judiciary. The Indian judiciary has to rise to the occasion as it has always done, and play the role that is expected from it.

+ Inaugural Address delivered by Hon'ble Shri R.C. Lahoti, Chief Justice of India on 30th June, 2004 at 7.30 p.m. at Round Table organised by National Judicial Academy, Bhopal in association with FICCI, NIAPC. Return to Text
* The Hon'ble the Chief Justice of India. Return to Text
1 Quoted in Mainly on Patents, Felix Liebesny, Ed. (1972) at p. 1 Return to Text
2 (1999) 2 AC 127 : (1999) 1 All ER 289 (HL) Return to Text
3 447 US 303 : 65 L Ed 2d 144 : (1980) 100 S. Ct. 2204 : 206 USPQ (BNA) 193 48 SUPREME COURT CASES (2004) 8 SCC (J)

Role of Judiciary in the Effective Protection of Intellectual Property Right

By Justice R.K. Abichandani

I. General :

The importance of Judiciary in a democratic set up for protection of personal and proprietary rights can hardly be overestimated. The principal function of Judiciary is to provide legal remedies against infringement of personal and property rights of persons.

The intellectual property rights for their effectiveness depend upon the speed with which they can be enforced by the courts. The statutory provisions provide only a modicum of direction as regards the nature of remedies and the procedure for safeguarding them, leaving a large extent of freeplay within the province of judges.

Infringement of intellectual property rights is a tortuous invasion of property. The common law developed several heads of liability constituting the economic torts. "Their general characteristics are that the defendant must be acting intentionally or recklessly; that the plaintiff must suffer or be about to suffer damage; and that they will not apply if some ground of justification is open to the defendant" (Intellectual Property : Patents, Copyright, Trade Marks and Allied Rights, (Second Edition) page 28 by

W.R.Cornish). Before statutory provisions in respect of these rights were enacted the remedy was award of damages by the common law courts, and, remedy by way of injunction was developed by the equity courts.

Intellectual property is inchoate property when manifested in a legally recognizable way. Property right was, till the deletion of Article 19(1)(f) of the Constitution of India, a fundamental right for citizens, but now under Article 300-A it is separately notified as a Constitutional right ensuring that no person can be deprived of his property save by the authority of law.

II. Equality – A Constitutional Promise :

Even though certain important fundamental rights including right to carry on any trade or business are guaranteed only to citizens, all persons including non-citizens can claim equality before the law and equal protection of the laws (Article 14). Therefore any arbitrary discrimination against a person who is a non-citizen qua his claim to be treated equally as others before the law, can be challenged before the Courts.

Recourse to Court by law is a well recognized concept world over and firmly entrenched in the Constitutional and other laws of India. Therefore, any person can claim a statutorily or customarily recognized right to property. In case of infringement of a legally recognized right recourse to

law cannot be denied and the rule of law enshrined in Article 14 of the Constitution will enable any person including a non citizen to approach the legal forum of the country for redressal of his grievances. In India, as provided by Section 83 of the Code of Civil Procedure alien friends may sue in any Court otherwise competent to try the suit, as if they were citizens of India. The alien enemies whether residing in India or in a foreign Country shall not sue in any such Court without the permission of the Central Government.

Ordinarily, violation of Intellectual Property Rights has a private dimension in as much as it affects the proprietary rights of individuals and may cause financial loss and loss of credit to the owner. Therefore, the questions of national or public interest would rarely arise when redressal is sought by a non-citizen for violation of such proprietary rights by the infringer. The judiciary is bound to implement the laws and redress grievances of all persons including aliens to uphold their common law or statutorily recognized rights.

III. Constitutional directive to respect treaty obligations :

As provided by Article 51(c) of the Constitution of India, the State is under a constitutional directive to endeavour to foster respect for international law and treaty obligations in the dealings of the organized peoples with one another. Though the directive principles of State Policy cannot be enforced in the Municipal Courts, they are nonetheless fundamental in the governance of the Country. The definition of 'State' given in Article 12 for part III of the Constitution relating to Fundamental Rights and incorporated in Article 36 for Part IV which contains the Directive

Principles of State Policy; is very wide and includes judicial and quasi-judicial authorities also. Therefore, the courts in India are obliged to endeavour to foster respect for international law and obligations under the international treaties.

The constitutional concern for respecting international law including international treaties and conventions is also reflected in Article 253 which, notwithstanding the distribution of legislative powers between the Federal Union and the States, empowers the Parliament to make law for the whole or any part of the territory of India for implementing any treaty, agreement or convention with any other Country or Countries or any decision made at any international Conference, association or other body. The Parliament is under Article 246 read with entry 14 of the Union List of subjects on which it can legislate contained in Schedule VII of the Constitution, empowered to legislate with respect to the subject of entering into treaties and agreements with foreign countries and implementing of treaties, agreements and conventions with foreign countries. However, barring treaties which require legislation to be made, the international agreements entered into by the Union in exercise of its executive power under Article 73 which are not contrary to law are required to be recognized by the Municipal Courts. For entering into treaty or bringing it in force for India, it is not a Constitutional requirement that the executive should have the support of Parliamentary legislation. *(Maganbhai V. Union of India, AIR 1969 SC 783)* The subject of Patents, inventions and designs; copyright; trade marks and merchandise

marks is assigned to the Parliament under entry 49 of the Union List for the purpose of legislation.

IV. Developed Judicial System :

India has a highly developed judicial system with the Supreme Court having plenary powers (Article 142) to make any order for doing complete justice in any cause or matter and a mandate in the Constitution (Article 144), to all authorities, Civil and Judicial, in the territory of India to act in aide of the Supreme Court. The scope of Writ Jurisdiction of the High Courts (Article 226) is wiser than traditionally understood and the judiciary is separate and independent of the executive to ensure impartiality in administration of justice. The judiciary has a central role to play in this thriving democracy and shuns arbitrary executive action. The higher judiciary has been empowered to pronounce upon the legislative competence of the law making bodies and the validity of a legal provision. The range of judicial review recognized in the higher judiciary in India is the widest and most extensive known to any democratic set up in the world.

The Civil Courts have jurisdiction to try all suits of a civil nature excepting suits of which their cognizance is either expressly or impliedly barred. (Section 9 of the Code of Civil Procedure). The exclusion of jurisdiction of a Civil Court to entertain civil causes is not readily inferred and there is a presumption in favour of the jurisdiction of a Civil Court. As noted above aliens may sue in any court as if they were citizens of India (Section 83 of Code of Civil Procedure). Therefore, in respect of violation of any property rights including intellectual property rights any aggrieved person can resort to remedies available under the Indian law in any court which has jurisdiction in the matter. Aliens and Foreign corporation can invoke the principle of equality before the law enshrined in Article 14 of the Constitution of India which applies to 'any person' and is not limited to citizens. This should allay any doubts in the International Community about

the protection of the legitimate interests of their nationals who may have to seek redressal in this country, of their grievances against violation of their legal rights.

V. Recognition of Intellectual Property Rights not new to Indian Courts:

Even before India became independent there were intellectual property laws viz. the Indian Patent and Designs Act, 1911; The Indian Copy Rights Act, 1914; The Indian Merchandise Marks Act, 1889 and the Trade Marks Act, 1940 which though repealed by the corresponding laws namely Patents Act, 1970 (Section 162 repealing Patents and Designs Act 1911 in sofar as it related to Patents), The Copyright Act, 1957 (Section 79) and Trade and Merchandise Marks Act, 1958 (Section 136), the existing rights, and liabilities as also the decisions taken under the repealed laws were saved. The valuable private proprietary rights of the owners of intellectual property or their assignees enjoyed previously to the governmental changes cannot be swept clean out of existence by some malign magic. The Constitutional change bringing India into existence as a sovereign power (Indian Independence Act 1947 since repealed by Article 395 of the Constitution of India) which was supposed to have affected public

rights and national status, was not intended to interfere with private rights of property, whether real or personal, whether based on common law or the statute law and whether owned by persons residing inside or outside the territory which may even affect the citizens of India who may have acquired sub-interests in the property in question by way of lien, assignment or trust. All the existing laws were to continue in force subject to the provisions of the Constitution (See Article 372). The onus that the plaintiff's existing rights in the intellectual property have been confiscated or extinguished, expressly or by necessary implication as a result of political changes would clearly be on the defendant. Emergence of a new state or change of sovereignty within a State does not bring about any change in the private rights of its citizens or the laws governing such rights. Law once established continues to operate until changed by a competent legislative power. It is not changed merely by change of Sovereignty. Therefore, the Courts have with them while dealing with infringement of Intellectual Property rights a wealth of past experiences and judicial approaches in such matters to draw upon and to view these proprietary rights in their proper perspective.

VI. Courts' Powers under the present Intellectual Property Laws :

The Courts in India are empowered under the municipal laws to grant reliefs against violation of Intellectual Property rights, and the parameters reflected in Part III of the TRIPS Agreement are already adopted enabling the courts to protect these private rights. This can be briefly outlined :

(A) Copyrights : The Civil proceedings in respect of the infringement of Copyright or any other right conferred by the copyright Act can be instituted in the District Court having jurisdiction (Section 62). The civil remedies available for the infringement of the copyright are by way of injunction, damages accounts and otherwise as are or may be provided by law for such infringements (Section 55). There is a rebuttable presumption that the person whose name appears on the work or the copies of the work as published, is the author or the publisher of the work, as the case may be (Section 55(2). Independently of his copyright, the author of a work has a special right to claim authorship of the work and to restrain or claim damages in respect of any distortion, mutilation, modification or other act which is done before the expiration of the term of copyright if such deviation would be prejudicial to the honour or reputation of the author (Section 57). The infringing material (copies and plates) will be deemed to be the property of the owner of the copyright (Section 58). Remedy in the case of groundless threat of legal proceedings is by way of a declaratory suit that the infringement alleged was in fact not any infringement of any legal rights of the person making such threats and the court can grant an injunction against continuance of groundless threats and award damages sustained by the owner by reason of such threats, except where the person making such threats, with due diligence commences and prosecutes an action for infringement of the copyright claimed by him. (Section 60). Though no copyright can be claimed except as provided by the Act it is specifically provided that there will be no abrogation of any right or jurisdiction to restrain a breach of trust or confidence. (Section 16).

The Central Government by Section 40 is empowered to direct that all or any of the provisions of the Copyright Act shall apply to foreign works. The government has made the International Copyright Order, 1991 applying the provisions of the Copyright Act as indicated in paragraph 3 of the Order, except those of Chapter VIII relating to Rights and Broadcasting Organisation and of Performers and the provisions which apply exclusively to Indian Works, to the Bern Conventions Countries and the Universal Copyright Convention Countries.

(B) *Patents and Designs* : The suits for a declaration as to non-infringement (Section 105 of the Patents Act), or, for any relief in cases of groundless threats of infringement proceedings (Section 106), or, for infringement of a patent (Section 107, 108), shall be instituted in a District Court having jurisdiction (Section 104). However, if there is a counter claim

for revocation of patent, the suit and the counter claim shall be transferred to the High Court for decision. The Court in cases of groundless threats of infringement proceedings is empowered to a give declaration that the threats are unjustifiable, issue injunction against their discontinuance and award damages, if any, as he has sustained (Section 106). In any suit for infringement a court may grant an injunction (subject to such terms as the court thinks fit) and, at the option of the plaintiff either damages or an account of profits (Section 108) Appeal lies to the High Court against the decision, order or direction of the Controlled as provided by Section 116(2).

For piracy of any registered design by a person he will be liable for every contravention of Section 53 of the Designs Act, 1911 to pay to the registered proprietor of the design a sum not exceeding Rs. 500/- (but not exceeding in all Rs. 1000/- in respect of any one design) as a contract debt or if the proprietor elects to bring a suit for recovery of damages for such contravention and for an injunction against repetition thereof, to pay damages as may be awarded and to be restrained by injunction (Section 53(2) of the Designs Act, 1911). Remedy in case of groundless threats of legal proceedings by a patentee will mutates mutandis apply in the case of registered designs (section 54 of Designs Act, 1911).

(C) *Trade Marks :* Suits for the infringement of a registered trade mark or relating to any right in such trademark or for passing off are to be instituted in a Court not inferior to a District Court (Section 106 of the Trade and Merchandise Marks Act, 1958). The Court is empowered to grant in such suit an injunction subject to such terms, as the court thinks fit, and at the option of the Plaintiff, either damages or an account of profits. (Section 106).

VII. Statutory interpretation and treaties :

In interpreting a statute, the Courts in India would, so far as its language permits, construe it so as not to be inconsistent with the comity of nations or the established rules of International law. If the terms of the legislation are not clear and are reasonably capable of more than one meaning, the international agreements or conventions on the points become relevant, for, there is a prima facie presumption that Parliament does not intend to act in breach of International law, including therein specific treaty obligations; and if one of the meanings which can reasonably be ascribed to the legislation is consonant with the treaty obligations and the other is not, the meaning which is consonant is to be preferred. (Kubic Dariusz V. Union of India AIR 1990 SC 605, 615, Saloman V. Commissioner of Customs & Excise (1966) 3 ALL ER 871 (CA)). Where an international agreement is incorporated in an Indian Statute, the statute should be construed with a view to attaining uniformity in the different jurisdictions in which the agreement operates. This would ordinarily be the approach of Courts in India while dealing with the matters relating to intellectual property rights which is warranted by the Constitutional directive to the State to foster respect for International law and treaty obligations (Article 51).

Outside certain exceptional cases, such as a treaty providing for a money to a foreign power which must be withdrawn from the Consolidated Fund of India a treaty affecting the justiciable rights of a citizen or affecting life or liberty or the imposition of a tax which can be done only by legislation, it is competent for the executive to enter into treaties binding on India. Where the treaties envisage enactment or change of municipal law the Courts will not be in a position to directly implement the treaty provision until it gets incorporated in the municipal law. Therefore, while it would be obligatory on the part of the State under the International law to make provisions in its laws as agreed to under a treaty, the obligation cannot be enforced in a municipal court. However, where the municipal law on the subject is not in any way inconsistent with the treaty obligations undertaken

by the Executive, while implementing the municipal law, that aspect will assume great significance and its implementation will be done by the municipal courts in furtherance of the fulfillment of the obligations undertaken by the Executive which do not require to be followed up by any legislative action.

VIII. Courts' discretionary powers and treaties :

In the field where the law courts enjoy discretion such as while granting interlocutory reliefs or imposing conditions while making discretionary orders, the Courts can and should keep in view the treaty obligations which bind the State and make orders and impose conditions which are supported by the provisions of binding treaties and conventions. The extent to which rights and obligations of the owners of the intellectual property rights and infringers would get affected in the jurisdictions other than its own can also be one of the parameters to be kept in mind by the municipal court for the sound exercise of its discretionary powers. Therefore, while the role of judiciary is confined to the four corners of the statutory provisions governing the intellectual property rights, its discretionary powers enable it to legitimately take into account the ramifications that its discretionary orders would have in the context of the wider horizons of the intellectual property rights.

India has been party to important treaties and conventions on Intellectual Property, though due to certain internal compulsions, its approach has been somewhat cautious in certain fields. As a member of the WIPO it has important role to play for encouraging creative activity and promoting the protection of intellectual property throughout the world. As member of the WTO the TRIPS Agreement binds it under Article II 2 of the WTO Agreement. It is therefore under a treaty obligation to give effect to the provisions of the TRIPS Agreement for adequate protection of Intellectual Property rights. The Courts exercising jurisdiction under the

Intellectual Property laws have to provide effective and expeditious remedies against any act of infringement of intellectual property rights keeping in view the treaty obligations undertaken by the State in the process of interpretation of the statutory provisions, exercise of its discretion and granting adequate reliefs against the infringements of the intellectual property rights.

IX. Judicial review of administrative and Quasi Judicial orders :

Against the orders of the administrative or quasi-judicial authorities empowered to take decisions interalia on the question of registration, recognition, revocation, cancellation or imposition of conditions under the intellectual property laws, judicial review is permissible as an effective check on any arbitrary or illegal action. The writ jurisdiction of the High Court is effectively invoked for ensuring that the authorities act within the bounds of their powers, do not take any biased attitude; do not act arbitrarily, do not deny equality before the law to the concerned person, observe principles of natural justice and fair play in making orders or taking action, pass reasoned orders and communicate their decisions to the affected party to enable them to challenge any adverse decision. Due to the rapid growth of the administrative law, requirement of making a reasoned order has emerged as a basic principle of natural justice in addition to the two traditionally

recognized principles of natural justice namely *' No man shall be a judge of his own cause' and that 'No on should be condemned unheard'* (See Siemens Engineering V. Union of India, AIR 1976 SC 1785 = (1976)2 SCC 981; M.P. Industries V. Union of India AIR 1966 S.C 671: (1966) 1 SCR 466).

X. Injunctions:

The statutory safeguards against infringement of the intellectual property rights in form of injunction and damages are universally recognized. Apart from the specific provisions of empowering the Courts to issue injunction contained in the Intellectual Property laws as noted above, there are provisions in the specific Relief Act for grant of preventive relief by injunction, temporary or perpetual, at the discretion of the court (Section 36, 37, 38). A perpetual injunction can only be granted by the decree made at the hearing and upon the merits of the suit and the defendant is thereby perpetually enjoined from the assertion of a right, or from the commission of an act, which would be contrary to the rights of the Plaintiff. (Section 37(2) of the Specific Relief Act). Temporary injunctions can be granted during the pendency of the suit and are regulated by the code of Civil Procedure (O.XXXIX).

In the field of intellectual property, injunction is almost always prohibitory in nature. Till the infringement of a right is established at the trial, interlocutory injunction would constitute a temporary redress to be granted at the discretion of the court and has great deal of practical efficacy. The interim period is sometimes very long because of the delays in the disposal of the trial. It would therefore be important for the courts to invariably impose a condition on the plaintiff to undertake to make good any damage suffered by any defendant from the injunction, should the plaintiff fail at the trial. (See Harmen Pictures V. Osborne (1967)2 ALL E.R.324). This principle of indemnification is incorporated in Article 48 of

the TRIPS Agreement and ought to be specifically incorporated in the provisions of O.XXXIX of the Code of Civil Procedure, relating to temporary injunctions and interlocutory orders as a specific rule. There is of course a general provision under Section 144 of the Code for applying for restitution; where the orders are vacated. The courts, however, have ample discretion to impose terms and conditions while granting interlocutory orders or taking provisional measures to ensure appropriate compensation being paid to the defendant who ultimately is found not to have done any infringement. The experience however has shown that though the courts have discretion to impose such conditions, by and large it is not imposed leaving scope for the unscrupulous plaintiff to act with impunity. The courts are empowered to make interlocutory orders under O.XXXIX Rule 7 of the Code for detention, inspection or preservation of any property which is the subject matter of the suit and for this purpose to authorize any person to enter upon or into any premises in possession of any other party and authorize samples to be taken. Exparte orders of this nature can be made under Rule 8(3). Thus it was already within the jurisdiction of the Indian Courts to make orders under the procedural rules contained in the Code like Anton Piller order or the Mareva injunction. Where no specific provisions is

made it has inherent jurisdiction under Section 151 of the Code to make orders necessary for the ends of justice.

XI. Damages :

Damages can be assessed on the basis of loss caused to the plaintiff or profit to the infringer. In "economic" torts, damages should be assessed so as to put the injured party in the position he would have been in, if he had not sustained the wrong. Reasonable royalty or licence analogy can be applied and rates customary in the royalty or licence agreements can be taken as the basis for assessing damages (See General Tire V. Firestone, 1976) – R.P.C. 197, 212 (H.L.). In competitive infringements, where the anticipated profits are the same in the same market, the defendant's gain will be the plaintiff's loss. In such cases the Plaintiff's loss will also include the extent of loss caused due to his being placed in a disadvantageous position by the defendants getting a foothold in the market in other competitive lines. The judicial precedents provide general guidelines for assessing damages and the judges can have their own approach to deal with a particular assessment with a view to provide adequate and just compensation for the loss suffered by the plaintiff.

XII. Criminal Procedure :

In the Indian Legal System, Civil and Criminal modes of redress are largely kept separate. In the field of intellectual property stringent punishments are prescribed in respect of the offences of infringement (See chapter XIII of the Copyright Act, 1957; Chapter X of the Trade and Merchandise Marks Act, 1958; Chapter XX of the Patents Act 1970). In criminal proceedings there would be no possibility of securing an interlocutory order to stop further infringement pending the trial and the burden of proof would be higher than in civil action. Therefore, most claimants resort to civil remedies which are more useful to them than punishment in the name of the State. Prosecutions would however have a great deterrent effect against infringement of the intellectual property rights.

XIII. Conclusions :

The Courts while considering the question of grant of reliefs where parameters are not laid down in the statutory provisions will be guided by the norms accepted by the international community and would be justified in seeking guidance from the treaties and conventions on the subject so long they are not inconsistent with the municipal laws. The courts undoubtedly will be bound by the constitutional mandates and the law, and will have to strike a delicate balance between public welfare and private interests so that an atmosphere conducive to respect for the intellectual property rights of the nationals of the member states is created which would help in increased international trade and encourage the citizens to strive for excellence to produce intellectual property which will be recognized and enforced by all the courts of the member States.

In India there is a highly mature and developed legal system firmly imbedded in rule of law and the approach of judiciary in safeguarding the basic human rights and the majesty of law is amply reflected in the decisions of the Apex Court and the High Courts. The courts have frowned upon arbitrary actions of the administrative authorities or unfair and arbitrary

approach of the authorities in their decision making process. There is judicial insistence on following the principles of natural justice and fair play by the authorities who make orders that may have an adverse impact on the rights of a person. As a safeguard against arbitrariness, the authorities are required to make reasoned orders and their decisions are required to be communicated to the concerned parties. The proceedings of courts are normally held in the open. With its independence secured against any arm twisting by outside forces the role that the Indian Judiciary can play in safeguarding the legally recognized rights including the intellectual property rights can put to envy any enlightened judicial system of any developed country. The fairness of the procedures reflected in our laws and recognition of equality rights of even aliens by virtue of Article 14 as their fundamental rights should generate sufficient confidence in our legal system to encourage the entrepreneurs to be sure of the protection of their intellectual property rights which are recognized by the municipal laws. The role that judiciary can play in protection of private and other rights will ultimately depend upon the perceptions of those who have to pay it. It is therefore important that they thoroughly understand the nature of the rights recognized by law, the need for their protection, the steps required to be taken as also the urgency of the matter. The establishment of Judicial Academy for providing periodic

training and refreshers can keep the decision makes abreast of the needs of time and situations and be aware of the important role that they have to play.

Justice R.K. Abichandani

SESSIONS 2-4

CASES ON INTELLECTUAL PROPERTY RIGHTS

Dr. Reddy's Laboratories Limited v. Manu Kosuri And Another,
2001 (58) DRJ 241

FACTS

DR. REDDY'S (hereinafter referred to as DRD) is a company which was established in the year 1984 for research and development activity in the field of medicine and has grown overtime into a large pharmaceutical organization. The company has a strong distribution network in India and overseas and also has various subsidiaries all around the world across many countries. DRD is the original registered owner of the trademark 'DR. REDDY'S' and has been using the trademark along with its subsidiary companies for an extensively long time. However at the time of filing the suit, the application for registration of trademark 'DR. REDDY'S' was pending and the company had a registered domain name "drreddys.com".

Mr. Manu Kosuri and others(hereinafter referred to as MK) registered a domain name 'drreddyslab.com' for operating business on the internet. DRD filed for a suit seeking permanent injunction restraining MK from using the domain name 'drreddyslab.com' or any other domain name which is similar or identical to DRD's trademark 'DR. REDDY'S' for internet related services or any other business as it may lead to confusion among the people, thereby resulting in deception. DRD contended that the word 'DR. REDDY'S' was an essential feature in carrying out its business operations in the country and oversees. And as result of MK's domain name it might appear to others around that the world that it is carrying out the business under the authorization of DRD. It further demanded for compensation to be paid by MK for using the challenged domain name along with profits made by the latter arising from the same.

ISSUE

Whether the mark/domain name is identical with or deceptively similar to the plaintiffs trade mark DR. REDDY'S for internet related services or any other business as may lead to dilution of the distinctiveness of the said trademark of the plaintiff?

JUDGMENT

The Single Judge Bench of the Delhi High Court comprising of Justice N Nandi ruled that the DRD's trademark is 'DR. REDDY'S' and MK's domain name is 'drreddyslab.com'. And the former is the original registered owner of the trademark 'DR. REDDY'S' by virtue of its continuous and extensive use, advertising and the reputation and goodwill it enjoys as result of being in existence for a considerable amount of time. Further the court stated that since the function of a domain name is akin to a trade mark on the Internet it is of vital importance in e-commerce. Therefore, on account of the increasing worldwide use of the internet and its implications on trade, the potential for confusion or deception being caused on account of adopting the challenged domain name by MK may in all likelihood cause damage to DRD's business, goodwill and reputation. Also the court held that it is a settled legal position that when

a company does business under a name which is sufficiently close to the name under which another company has been carrying out its business transactions, the public at large is likely to be misled that the business of the former is the business of the latter.

Defendants are restrained by a permanent injunction from registering a domain name or operating any business and/or selling, offering for sale, advertising and in any manner dealing in any services or goods on the internet or otherwise under the trade mark/domain name 'drreddyslab.com' or any other mark/domain name which is identical without deceptively similar to the plaintiffs trade mark 'DR. REDDY'S' and from doing any other thing as is likely to lead to passing off of the business and goods of the defendants as the business and goods of the plaintiff.

The defendants are also restrained by permanent injunction from using the trade mark/domain 'drreddyslab.com' or any other mark/domain name which is identical with or deceptively similar to the plaintiffs trade mark 'DR. REDDY'S' for internet related services or any business which may lead to dilution of distinctiveness of the plaintiffs trademark 'DR. REDDY'S'. Defendants are also directed to transfer the domain name 'drreddyslab.com' to the plaintiff and shall deliver all impugned material including brochures, stationary and other printed matters bearing the impugned name 'drreddyslab.com'.

Wipro Cyprus Private Limited v. Zeetel Electronics,
2010 (44) PTC 307

FACTS

Wipro Cyprus Private Ltd had purchased the registered trademark named 'Yardley' and all its variants thereupon from Lornamaed Group Ltd which had registered the trademark in India under the Trade Marks Act, 1999. Thereafter, the company filed for an application for the transfer of the registration in its name, thereby granting it the exclusive right to manufacture the product and sell it under the trademark of 'Yardley' in India.

Meanwhile, Zeetel Electronics tried to import talcum powder and body sprays having the same trademark 'Yardley' from Singapore. Subsequently Wipro Cyprus Private Ltd filed for a suit of permanent injunction thereby restraining the latter company from using the trademark 'Yardley' or any other similar sounding expression in any media that would infringe their registered trademark. Further they alleged that Zeetal Electronics Ltd tried to carry out the business of talcum powders, body sprays and other cosmetic products as if they were the products of Wipro Cyprus Ltd., thereby trying to deceive the people.

The contentions of Wipro Cyprus Ltd were as follows:

As per Sections 28 and 29 of the Trade Marks Act, 1999, once the assignee (Wipro Cyprus Ltd here) has been granted the trademark from the original registered owner of the trademark, the former thereby enjoys exclusivity of its rights of use in India.

If Zeetal Electronics Ltd is permitted to import such products it would be violative of Clause (c) of Sub-section (6) of Section 29 of the Act. And the very purpose of the assignment of trademark from the original registered owner to the assignee stands defeated.

Accordingly, the contentions of Zeetal Electronics Ltd were as follows:

The products that were tried to be brought to India were original products manufactured by the original registered owner of the trademark and not any other products from sources elsewhere. Hence, as per Section 30(2)(c) of the Trade Marks Act, 1999 no action would lie against trying to import the products since there is no legal prohibition on commerce of importing genuine goods bearing the trademark that is similar to the trademark of Wipro Cyprus Ltd.

The goods in question are the ones that were being imported to India from Singapore. And the trader in the latter country had obtained these goods from U.K from the original registered owner of the trademarks who had assigned the trademark rights to Wipro Cyprus Ltd in India.

ISSUES

(1) Whether an order of interim injunction restraining the Respondent from manufacturing, selling, advertising and offering for sale using the trade mark YARDLEY or any other similar sounding expression could be granted?

(2) Whether an order of interim injunction restraining the Respondent from using the impugned name YARDLEY upon or in relation to any of their product including talcum powder, body spray and other cosmetic and toiletry preparation or any other name/marks which may be

identical to or deceptively similar to the applicant corporate name, trade mark YARDLEY could be granted?

JUDGMENT

After analyzing the facts of the case and the contentions of the parties, the Madras High Court ruled that since the assignor of the trademark transferred the trademark in favor of the assignee, the latter had exclusive right of use of the same as per what is laid down in Section 28 of the Trade Marks Act, 1999. Further, if Zeetal Electronics Ltd were allowed to import the goods bearing the challenged registered trademark, then it would amount to violation of Section 29(6)(c) of the Act. The court accordingly provided that the very object of granting a trade mark is for exclusivity and if that exclusivity itself is taken away then it would render the entire statute meaningless.

However the court rejected the allegation made by Wipro Cyprus Ltd that Zeetal Electronics Ltd tried to carry out the business of the products as if they were the products of former, thereby trying to deceive the people.Thus, the court held that Zeetal Electronics Ltd cannot import such goods into India and upheld the interim injunction order

Amar Nath Sehgal v. Union of India,
2005 PTC (30) 253

FACTS

Amar Nath Sehgal (hereinafter referred to as the plaintiff) was a renowned artist and sculptor. He created a mural to be placed in the lobby of VigyanBhawan, a premier convention center of Government of India, in New Delhi. It was done at the direction of the appropriate authorities of the convention center. In the year 1979 the plaintiff came to know that the mural created by him was removed from the lobby of the convention center away from the public view. This was done without the prior consent or permission of the plaintiff. Thereafter the plaintiff made several requests to the appropriate authorities to restore the mural. However, in spite of that the mural was not restored.

Aggrieved by this the plaintiff filed a suit before the Delhi High Court under the Section 57 of the Copyright Act, 1957 for violation of his rights. He sought a permanent injunction against the authorities of the convention center, thereby restraining them from distorting or damaging his mural. And to further pay him the damages for the same.

ISSUE

Whether the plaintiff has rights under Section 57 of the Copyright Act,1957 in the impugned work although the copyright in the same has been vested to the defendant and whether the defendant violated the plaintiff's rights under Section 57 of the said Act?

JUDGMENT

Author had a express right in law to preserve, protect and nurture his creations through his moral rights. Section 57 of the Copyright Act enables to protect the cultural heritage of the country through the moral rights of the artist. The section provides that the author has the right to restrain or claim damages in respect of any distortion, mutilation, modification or other act in relation to the said work which is done before the expiration of the term of copyright if such distortion, mutilation, modification or other act would be prejudicial to his honor or reputation.

Thus, the court ruled that the plaintiff had the right to maintain an action under Section 57 even though the copyright of the mural vested with the authorities of the convention center. It further held that the authorities not only violated the plaintiff's moral rights with respect to the mural but also violated the integrity of the work in relation to the cultural heritage of the country as such.

Hence, the court ordered the authorities of the convention center to return the remainder of the mural to the plaintiff. And also to pay the damages to the plaintiff for all the damage caused to his work.

Satyam Infoway Ltd. v. Sifynet Solutions Pvt. Ltd.,
AIR 2004 SC 3540

FACTS

Satyam Infoway (hereinafter referred to as the appellant) had registered several domain names pertaining to its business: sifynet.com, sifymall.com, sifyrealestate.com, in the year 1999. It held that the word "Sify" was a combination of elements of its corporate name "Satyam Infoway" and was a term that had garnered substantial goodwill in the market. Meanwhile, Sifynet Solutions (hereinafter referred to as the respondent) had started using the word "Siffy" as part of the domain names under which it carried on internet marketing (namely siffynet.com and siffynet.net). It claims to have registered the same in the year 2001.

Subsequently the appellant filed a suit in City Civil Court, Bangalore seeking an injunction against the respondent. The appellant held that the respondent had registered the similar sounding domain names intentionally in order to carry out their business transactions under the goodwill and brand name of the former. And that it would create a confusion in the minds of the public who would think that the services of Sifynet belongs to Satyam Infoway. The respondent contended that unlike a trade mark, the registration of a domain name did not confer an intellectual property right in the name.

The court ruled in favor of the appellant and granted the injunction in their favor. It held that the appellant was the prior user of the word 'Sify' as a result of which it enjoyed immense popularity and goodwill in relation to internet and other computer related services. Thereby, if the respondent is allowed to further continue with the use of the domain names it would in all likelihood create confusion in the minds of the public. And that it may in all possibility affect the business of the appellant.

Thereafter, the respondents appealed to the Karnataka High Court. The Court stated that respondent had already invested a considerably high amount of sum in developing a customer base for its business and it would consequently suffer immense hardship and irreparable injury if the court ruled in the appellant's favor. Further it held that the business which the parties engaged in were different and therefore there was no likelihood of any confusion in the minds of the public.

Not satisfied with the decision given by the Karnataka High Court, the appellants went for an appeal before the Supreme Court of India.

ISSUE NO.1

Whether domain name can be said to be word or name capable of distinguishing subject of trade or service made available to potential users of internet and whether principles of trade mark law and in particular, those relating to passing off, apply?

Held, yes. The original role of a domain name was no doubt to provide an address for computers on the internet. But the internet has developed from a mere means of communication to a mode of carrying on commercial activity. With the increase of commercial activity on the internet, a

domain name is also used as a business identifier. Therefore, the domain name not only serves as an address for internet communication but also identifies the specific internet site. In the commercial field, each domain name owner provides information/services which are associated with such domain name. Thus, a domain name may pertain to provision of services within the meaning of Section 2 (z) of the Trade Marks Act, 1999. A domain name is easy to remember and use, and is chosen as an instrument of commercial enterprise not only because it facilitates the ability of consumers to navigate the internet to find websites they are looking for, but also at the same time, serves to identify and distinguish the business itself, or its goods or services, and to specify its corresponding online internet location. Whereas a large number of trademarks containing the same name can comfortably co-exist because they are associated with different products, belong to business in different jurisdictions, etc., the distinctive nature of the domain name providing global exclusivity is much sought after. The fact that many consumers searching for a particular site are likely, in the first place, to try and guess its domain name has further enhanced this value". Hence, a domain name can be said to be a word or name which is capable of distinguishing the subject of trade or service made available to potential users of the internet.

An action for passing off, as the phrase "passing off" itself suggests, is to restrain the defendant from passing off its goods or services to the public as that of the plaintiff's. It is an action not only to preserve the reputation of the plaintiff but also to safeguard the public. The defendant must have sold its goods or offered its services in a manner which has deceived or would be likely to deceive the public into thinking that the defendant's goods or services are the plaintiff's. The action is normally available to the owner of a distinctive trademark and the person who, if the word or name is an invented one, invents and uses it. If two trade rivals claim to have individually invented the same mark, then the trade who is able to establish prior use will succeed. The question is, as has been aptly put, who gets these first? It is not essential for the plaintiff to prove long user to establish reputation in a passing off action. It would depend upon the volume of sales and extent of advertisement.

The second element that must be established by a plaintiff in a passing off action is misrepresentation by the defendant to the public. The word 'misrepresentation' does not mean that the plaintiff has to prove any mala fide intention on the part of the defendant. What has to be established is the likelihood of confusion in the minds of the public, (the word "public" being understood to mean actual or potential customers or users) that the goods or services offered by the defendant are the goods or the services of the plaintiff. In assessing the likelihood of such confusion, the Courts must allow for the "imperfect recollection of a person of ordinary memory."

The third element of a passing off action is loss or the likelihood of it.

The use of the same or similar domain name may lead to a diversion of users which could result from such users mistakenly accessing one domain name instead of another. This may occur in e-commerce with its rapid progress and instant (and theoretically limitless) accessibility to users and potential customers and particularly so in areas of specific overlap. Ordinary consumers/users seeking to locate the functions available under one domain name may be confused if they accidentally arrived at a different but similar web site which offers no such services. Such users could well conclude that the first domain name owner had misrepresented its goods or services through its promotional activities and the first domain owner would thereby

lose their custom. It is apparent, therefore, that a domain name may have all the characteristics of a trade mark and could found an action for passing off.

However, there is a distinction between a trademark and a domain name which is not relevant to the nature of the right of an owner in connection with the domain name, but is material to the scope of the protection available to the right. The distinction lies in the manner in which the two operate. A trademark is protected by the laws of a country where such trademark may be registered. Consequently, a trademark may have multiple registration in many countries throughout the world. On the other hand, since the internet allows for access without any geographical limitation, a domain name is potentially accessible irrespective of the geographical location of the consumers. The outcome of this potential for universal connectivity is not only that a domain name would require world wide exclusivity but also that national laws might be inadequate to effectively protect a domain name. The lacuna necessitated international regulation of the domain name system (DNS). This international regulation was effected through WIPO and ICANN. India is one of the 171 states of the world which are members of WIPO. WIPO was established as a vehicle for promoting the protection, dissemination and use of intellectual property throughout the world. Services provided by WIPO to its member states include the provision of a forum for the development and implementation of intellectual property policies internationally through treaties and other policy instruments.

ISSUE NO.2

Trial court granted temporary injunction to appellant on grounds that appellant was prior user of name sify- That it had earned good reputation under said name and that respondent's domain names were similar to those of appellant and that confusion to be caused in mind of general public by such deceptive similarity and balance of convenience found in favour of appellant. Whether High Court in reversing on appeal is justified?

Held, no. The appellant has been able to establish the goodwill and reputation claimed by it in connection with the trade name 'Sify'. Apart from the close visual similarity between 'Sify' and 'Siffy', there is phonetic similarity between the two names. The addition of 'net' to 'Siffy' does not detract from this similarity. The appellant's internet based business was, from 1999, high profile. The evident media prominence to 'SIFY' and large subscriber base could have left the respondent in no doubt as to its successful existence prior to the adoption of Siffy as part of its corporate name and registration of Siffynet and Siffy.com as its domain names. It would, therefore, appear that the justification followed the choice and that the respondent's choice of the word "Siffy" was not original but inspired by the appellant's business name and that the respondent's explanation for its choice of the word "Siffy" as a corporate and domain name is an invented post-rationalisation.

A domain name is accessible by all internet users and the need to maintain an exclusive symbol for such access is crucial. Therefore, a deceptively similar domain name may not only lead to a confusion of the source but the receipt of unsought for services. Besides, the appellants have brought on record printouts of the respondent's website in which they have advertised themselves as providing, inter alia, software solution, integrating and management solutions and software development covering the same field as the appellant. To take a specific example, the respondent's brochure explicitly offers Intranet and Extranet solutions which are also explicitly offered by the appellant. There is clearly an overlap of identical or similar services. It may be difficult for the appellant to prove actual loss having regard to the nature of the service and the

means of access but the possibility of loss in the form of diverted customers is more than reasonably probable. Given the nature of the business, it is necessary to maintain the exclusive identity which a domain name requires. In other words, either ‘ Sify’ and ‘ Siffy’ must go. Apart from being the prior user, the appellant has adduced sufficient evidence to show that the public associates the trade name SIFY with the appellant. Weighed in the balance of comparative hardship, it is difficult to hold that the respondent would suffer any such loss as the appellant would unless an injunction is granted. The respondent can carry on its business and inform its members of the change of name. The High Court's finding that no prejudice would be caused to the appellant because it had another domain name was a consideration which might have been relevant if there was a case of bona fide concurrent use and where the right to use was co-equal. The doubtful explanation given by the respondent for the choice of the word “ Siffy” coupled with the reputation of the appellant can rationally lead to the conclusion that the respondent was seeking to cash in on the appellant's reputation as a provider of service on the internet. In view of our findings albeit, prima facie on the dishonest adoption of the appellant's trade name by the respondent, the investments made by the appellant in connection with the trade name, and the public association of the trade name Sify with the appellant, the appellant is entitled to the relief it claims. A different conclusion may be arrived at if evidence to the contrary is adduced at the trial. But at this stage and on the material before the Court, the Court is of the view that the conclusion of the High Court to the contrary was unwarranted.

Gramophone Co. Of India Ltd v. Mars Recording Pvt. Ltd. & Another

1996 PTC (16) 252

Mars Recording Pvt. Ltd (hereinafter referred to as the respondent) was into the business of recording audio cassettes and selling them. As part of their business, they were willing of recording into audio cassettes three titles, i.e, 'kallusakkarekolliro', 'maduvemaduvemaduve' and 'chinnadahadugalu'. The copyrights of these songs were held by Gramophone Co. Of India Ltd (hereinafter referred to as the appellant). Accordingly, the respondent acting under sub-clause (ii) of clause (j) of sub-section (1) of Section 52 of the Copyright Act, 1957 sent a notice on 16.5.1998 to the appellant notifying the latter of their intention of recording the audio cassettes. In their letter they clearly stated that they wished to record 1000 audio cassettes of each of the 3 tracks. And the letter was enclosed with three inlay cards and three demands of Rs.1,500/- each towards the royalty payable in favor of the copyright owner i.e., appellant. Further, the respondent also informed the Registrar of Copyright Board, New Delhi on the same day notifying the same.

After waiting for a period of 15 days the respondent went ahead with the recording of the tracks into audio cassettes and launched them in the open market. The cassettes of these tracks were circulated throughout the state of Karnataka. It so happened that the appellant belatedly on 8.6.1998 sent a letter to the respondent expressing that they do not wish to permit the latter to make recordings of the 3 tracks and also returned the demand drafts sent to them.

Thereafter, the respondent filed a suit before the Trial Court in Bangalore seeking permanent injunction against the appellant, thereby restraining the latter from seizing their titles over the audio cassettes recorded. The Trial court granted a temporary injunction in favor of the respondents. Subsequently, the appellant went for an appeal to the High Court of Karnataka. The High Court affirmed the order passed by the Trial court. Aggrieved by the decision of the High Court the appellant went for an appeal before the Supreme Court of India.

The contention made by counsel on behalf of the appellant was that the trial court completely ignored the intendment of the provisions of the Copyright Act. He stated that the interpretation given by the lower courts would defeat the very provisions of the Act which clearly provides to protect the interest of authors, assignors or licensors in regard to the assignment of copyright and the issue of licenses. And to extend more effective protection to owners of copyright. He further held that there were three kinds of licenses available under the Act. They were: Voluntary license; Compulsory license; and Statutory license.

He submitted that the view taken by the High Court and the Trial Court gives rise to an involuntary license by misreading Section 52(1)(j) of the Act. He submitted that on a correct reading of Section 52(1)(j)(i) of the Act, it would make it clear that sound recordings of that work should be made by the license of the owner of the copyright in the work, or with the consent of the owner of the right in the work. Further he held that the contentions held by the respondent that the present case was a case of version recording i.e. to make a recording of the same track different singer, a different orchestra and a different studio had no protection in law and that it amounts to piracy in law. Hence, he contended that the decisions given by the lower courts were entirely wrong.

On the other hand, the counsel for Respondents contended that the owner's consent was not a pre-requisite for recording as per Section 52(1)(j)(i) of the Act. He submitted that a close imitation of an existing recording using alternate performers would never amount to a copyright infringement. Section 2(m) of the Act provides that with respect to a literary, dramatic or musical work, it is a reproduction with amounts to an infringement while in the case of a cinematographic film, it is a copy of the film embodying the recording in any part of the sound track associated with the film. And similarly in the case of a recording, it is only such record which copies the same recording which amounts to copyright violation. However, if an altogether different version of recording is created it doesn't lead to a violation of copyright in law. Hence, he contended that respondent had satisfied the requirements of Section 52(1)(j) of the Act which by itself was a defense to infringement of copyright.

The division bench of the Supreme Court affirmed the decision given by the Trial Court in Bangalore and granted a temporary injunction in favor of the respondents. And further directed that the suit be tried and disposed of by the Trial Court within a period of six months.

John Richard Brady & Others. v. Chemical Process Equipment Pvt. Ltd,
AIR 1987 Delhi 372

FACTS

This is a case concerning the legal principle of copyright infringement involving trade secrets and engineering. John Richard Brady (hereinafter referred to as Brady) was a Mechanical Engineer from the U.S and also the President and Managing Director of Fometa Overseas S.A. Castellana, Madrid, Spain. He conceived the idea of growing fresh green grass used as basic food for livestock in a compact unit capable of producing grass throughout the year irrespective of external climatic conditions. Thereafter in 1972 he developed the original Fodder Production Unit (hereinafter referred to as the FPU). After carrying out extensive research and experiments, he invented an improved Fodder Production Unit. He applied for grant of patent in India in relation to the FPU and his patent application was pending. Brady was the owner of copyright in the drawings of the FPU and was entitled to the exclusive right of publishing and reproducing the drawings whether two dimensionally or three dimensionally as he considered apt.

For these purposes Brady set up two companies in India: Fometa (India) Machine Private Ltd, a joint venture company and Sanjeevani Fodder Production Private Ltd. Accordingly he along with the members of the two companies decided that a phased programme should be adopted to manufacture the FPU in India for both domestic and export sales. For the manufacture of the FPU, the he sought quotations from Chemical Process Equipment Pvt. Ltd for the supply of thermal panels manufactured by it. The panels required were of highly specialized type and order. And to enable the company to manufacture the components of the FPU precisely, all the technical material, detailed know how, drawings and specifications concerning the FPU were passed on them under the express condition that it must maintain strict confidentiality regarding all the information given. Later, Brady discovered the inability of the company to supply the required thermal panels and cancelled all the orders given to them. It was alleged that Managing Director along with other representatives of the company made several visits to Goa where Brady's FPU was in operation in order to acquire the working know how and technology of the FPU. Some of these visits were without the knowledge of Brady who was later informed about them by his employees. Thereafter in November, 1985 he came to know that Chemical Process Equipment Pvt. Ltd was developing their own FPU by falsely representing that the innovation concerning the FPU was originated from them. The company described the Machine produced by them as 'pushti'. And a suit was filed in the Delhi High Court by Brady seeking for an injunction which would restrain Chemical Process Equipment Pvt. Ltd from manufacturing and selling machines that were substantial imitation and reproduction of the drawings of the former's FPU or from using in any other manner whatsoever the know-how, specifications, drawings and other technical information about the FPU disclosed to them by the former.

Brady contended that the Machine produced by the company was entirely based upon disclosures made them formerly and that they committed breach of confidence reposed in them. They wrongfully converted and misappropriated the know how information, drawings, designs, and specifications disclosed to them under strict confidentiality and have also infringed the his copyright by making the Machine in three dimensional form. He further contended that the Machine produced by the company was an inferior version of his own FPU. He claimed claim jurisdiction of this court to entertain and try the suit under Section 62(2) of the Copyright Act,

1957 on the ground that he has been carrying on his business along with the two companies he set, for profit and gain at Delhi and that the Chemical Process Equipment Pvt. Ltd have also been circulating pamphlets of the infringing Machine and offering it for sale at Delhi.

However, Chemical Process Equipment Pvt. Ltd contended that they have neither infringed copyright of Brady nor are they liable for breach of any confidence reposed on them. They denied that the technical Drawings of the FPU are artistic work, but they did not didn't oppose the fact that Brady was the owner of the copyrights in the Drawings. They further contended that there were other firms making such Machines in the international market for a long time, namely, LAND SAVERS and SOMERSET ZERO GRASS U.K. and DHANY A, India. And that the FPU was based on the long known theory of Hydroponic System. Hence they completely denied that Brady gave them any Drawings or technical material or know how concerning the FPU. They further questioned the territorial jurisdiction of this Court on the ground that Brady did not actually reside in Delhi nor does he carry on any business in Delhi and that they themselves do not reside or work in Delhi.

JUDGMENT

The case was decided by a Single Judge Bench of the Delhi High Court comprising of Justice A B Saharya. He ruled that unless Chemical Process Equipment Pvt. Ltd was restrained by injunction, irreparable injury and loss would be caused to Brady and his establishments by the former if they continue to manufacture and sell their Machine. Further he laid down that it was in the interest of justice to restrain the company from using the know-how, specifications, drawings and other technical information regarding Brady's FPU entrusted to them under express condition of strict confidentiality.

Thus, the court restrained the Chemical Process Equipment Pvt. Ltd from manufacturing and selling machines that were substantial imitation and reproduction of the drawings of Brady's FPU or from using in any other manner whatsoever the know-how, specifications, drawings and other technical information about the FPU disclosed to them by Brady.

Bayer Corporation v. Union of India
162(2009) DLT 371

FACTS

Bayer Corporation, instead of filing a suit for infringement, filed an inventive writ petition in the Delhi High Court desiring that since the applications of Cipla "SORANIB" allegedly infringed its patent, its (Cipla's) marketing approval application under the Drugs Act should not even be processed or entertained. It is for the first time that an attempt is made to link drug approval to patent infringement in India. However, the Delhi High Court, denying the injunction, imposed a substantial cost of Rs. 6.75 Lakh to deter any such future attempts.

Bayer relied on the argument that a combined reading of Section 2 of the Drugs and Cosmetic Act along with Section 48 of the (Indian) Patent Act, 1970 establishes a Patent Linkage Mechanism under which no market approval for a drug can be granted if there is a patent subsisting over that drug. It also claimed that CIPLA's "SORANIB" is a "Spurious Drug" as defined under the Drugs Act, for which market approval cannot be granted.

ISSUE

1. Whether a combined reading of the Drugs Act and the Patents Act lead to the conclusion that no marketing approval can be granted to applicants for drugs or formulations, of which others are patent owners, by reason of Section 2 of the Drugs Act, read with Sections 48 and 156 of the Patents Act?

2. Whether drugs or formulations which infringe patents are spurious drugsunder the Drugs Act?

JUDGMENT

The Hon'ble High Court of Delhi held that there is no Drug- Patent Linkage mechanism in India as both the Acts have different objectives and the authority to determine patent standards, is within the exclusive domain of the Controller of Patents. Moreover, the patent linkage will have undesirable effect on the India's Policy of Public Health. It further held that the market approval of a drug does not amount to infringement of patent. Therefore, the patent infringement cannot be presumed, it has to be established in a court of law. Such adjudication is beyond the jurisdiction of Drug Authorities.

Petitioner sought directions to restrain grant of drug license in regard to an application by the third Respondent for the licence to manufacture, sell and distribute its drug " Soranib" on the ground that the said drug is an imitation of, or substitute for its patented drug. Petitioner alleged that if patents are granted, by virtue of Section 2 of the Drugs Act, non-patentees' application cannot be scrutinised.—

Held, two enactments highlights distinct and disparate objectives - Drug Act prescribes standards of safety and good manufacture practices which are to be followed by every pharmaceutical industry - Whereas, Patent Act prescribes standards for conferring private monopoly rights in favour of inventors

Expertise that exist under the Patent Act to adjudicate upon whether claimed products or processes are patentable or not does not exist with the officials under the Drugs Act, who can only test the safety of the product, and ensure that it conforms to the therapeutic claim put forward. Adjudication on the question of patent infringement is beyond the Drug agencies' jurisdiction, or charter, under law. Liberal interpretation of Section 156 mean that wherever patents are granted, all other regulatory agencies are bound, and cannot even apply their standards, to Judge the safety, prescribed criteria for public use etc.

Further held, there is no intention on the part of the legislators to place patent superintendence, or policing powers, with Drug agencies. If the Drugs authorities, on a representation of the patentee were to refuse licenses or approval, to applicants who otherwise satisfy the requirement of the Drugs Act and its provisions, or even be precluded from examining such applications, on assumed infringement, various provisions of the Patent Act would be rendered a dead letter

Hence, Section 2 of the Drugs Act and Section 156 of the Patents Act do not establish the patent linkage, as sought for by the Petitioner. Petition dismissed

On the issue of "SORANIB" being a spurious drug, the court held that CIPLA's "SORANIB" cannot come under the category of spurious goods as there is no element of passing off like deception or imitation present in CIPLA's drug".

Petitioner contented that Respondent's generic version of Sorafanib, which is sold under the brand name Soranib would amount to a spurious drug. Held, elements of " spuriousness" being deception, in the manner of presentation of the drug concerned, in the sense that they imitate or represent themselves to be something that they are not, it cannot be said that every generic drug would ipso facto amount to a spurious drug. Definition of spurious drugs was introduced because of the problems of adulteration of drugs and production of spurious and sub-standard drugs, as posing a serious threat to the health of the community - Hence, a declaration by the drug agency entrusted with the task of deciding applications seeking marketing approval that someone not holding a patent is attempting to get clearance for a spurious drug would be pre-emptive. It cannot be concluded that unpatented drugs are spurious drugs. Petition dismissed

Merck Sharp & Dohme Corporation & Ors. v. Glenmark Pharmaceuticals Ltd.

CS(OS) 586/2013, CC No. 46/2013, I.A. Nos. 9827/2013, 8048/2014 and 13626/2015 : MANU/DE/2963/2015

FACTS

Briefly stated, plaintiffs have alleged in the plaint that plaintiff no. 1 was formally known as Merck & Company, Inc. Plaintiff no. 1 has been incorporated under the laws of New Jersey, USA, having its principal place of business at Whitehouse Station, USA. Plaintiff no.2 is a licensee of plaintiff no.1 for marketing, distributing and selling Sitagliptin as also Sitagliptin & Metformin combination in India, under the trade marks ISTAVEL and ISTAMET respectively. Mr. Chetan Gupta is the constituted attorney of plaintiff no.2 and is duly authorized to sign, verify and institute the plaint on behalf of plaintiff no.2.

Plaintiff no.1 manufactures and markets a range of medicines for treatment of various ailments including diabetes. Plaintiff no.1 invented a molecule, namely, Sitagliptin' and got it patented in various countries, including India vide Indian Patent No. 209816. Application no. 26/CHENP/2004 was filed in India on 6th January, 2004; whereas international application no. PCT/US2002/021349 was filed in USA with priority date 6th July, 2001. Patent in India was granted on 6th September, 2007 under the title BETA-AMINO TETRAHYDROIMIDAZO (1,2-A) PYRAZINES and TETRAHYDROTRIOAZOLO (4, 3-A) PYRAZINES as DIPEPTIDYL PEPTIDASE INHIBITORS for the treatment of diabetes. Grant of patent was not opposed by any member of the public or interested party in India at any stage, despite extensive publicity given by the plaintiffs to its commercial products sold under the brand name JANUVIA' and JANUMET'. The drug is used for treatment of Type II diabetes.

Defendant is a large pharmaceuticals company and was well aware of the plaintiffs' product JANUVIA as also the patent which had been granted to cover the same. They were also aware that active ingredient, R- Sitagliptin is in JANUVIA and that suit patent no. 209816 claims R-Sitagliptin as also S-Sitagliptin, inasmuch as, defendant had obtained US patent no. 8334385 dated 18th December, 2012 for its process for the preparation of R-Sitagliptin and its pharmaceutical salts. Defendant has acknowledged the plaintiffs' corresponding US patent for Sitagliptin and its proprietary rights in their patent application. Plaintiffs have alleged that defendant infringes the plaintiff no. 1's suit patent no. 209816 since its product Sitagliptin Phosphate Monohydrate is covered by claim 19 as well as several other claims of the plaintiffs, as contained in the suit patent. By virtue of Section 48 of The Indian Patents Act,1970 (_The Act', for short) plaintiffs have exclusive rights to prevent any third party from the acts of making, using, offering for sale, selling or importing into India, products that fall within the scope of the claims of plaintiff no.1 in suit patent as also from the acts of using, selling, importing, offering for sale in any manner, directly or indirectly, commercializing or dealing in any product obtained directly from the process that forms the claimed subject matter of the plaintiff no.1's suit patent. The defendant's act of manufacturing, selling, offering for sale and advertising the pharmaceutical compositions, Sitagliptin Phosphate Monohydrate under the brand ZITA' and Sitagliptin Phosphate Monohydrate and Metformin Hydrochloride' under the brand name ZITA - MET' amounts to infringement of the plaintiff's suit patent.

ISSUE

Whether the Defendants have infringed the Patent of the Plaintiff?

JUDGMENT

Use of Sitagliptin Free base alone in Sitagliptin Phosphate Monohydrate tablet by Defendant itself amounted to infringement of suit patent. Plaintiffs had succeeded in proving that, suit patent disclosed Sitagliptin Phosphate Monohydrate generically. Onus to prove invention in suit patent was obvious to a person skilled in art was on Defendant, which, it had failed to discharge by leading positive evidence on record. Mere comparison of chemical structure was not sufficient, as, picking up parts of chemical structures of different patents and clubbing them would also not be sufficient. A direct question was put to DW2 that the methodology followed by him was typically referred to as hindsight Furthermore, PW2, had categorically stated that, suit patent was not obvious to a person skilled in art. Drugs of Plaintiffs had been successfully working inhibiting DPP-IV and were used in treating Type II diabetes, as, Defendant itself was manufacturing, marketing and selling Sitagliptin Phosphate Monohydrate of which Sitagliptin formed bulk component and further that dosage of Sitagliptin 100 mg, 50 mg and 25 mg respectively had been prescribed for inhibiting the DPP-IV enzyme. There was no force in contention that suit patent lacked industrial applicability.

Revocation would follow only if court was of view that omission to furnish information was deliberate. No evidence had been led by Defendant to show that such nondisclosure of information was deliberate and for mala fide reasons. Sitagliptin was not the only DPP-IV inhibitor for treatment of type II diabetes in market and there were several other DPP-IV inhibitors, including one manufactured and marketed by Defendant, that was, Teneligliptin. Invention of Plaintiff, Sitagliptin, improved efficient management of condition of a patient suffering from type II diabetes by inhibiting DPP-IV enzyme. Merely because Defendant, who was manufacturing generic version, was selling a tablet at a lower price than that of Plaintiffs could not be made ground to decline injunction against Defendant, who had been found to have been infringing invention of Plaintiffs as its competitor. Issues answered in favour of Plaintiffs and against Defendant. Defendant was restrained by a decree of permanent injunction from making, using, selling, distributing, advertising, exporting, offering for sale or dealing in Sitagliptin Phosphate Monohydrate or any other salt of Sitagliptin in any form, alone or in combination with one or more other drugs thereby infringing suit patent No. 209816 of Plaintiffs.

In view of the findings returned on the above referred issues defendant is restrained by a decree of permanent injunction from making, using, selling, distributing, advertising, exporting, offering for sale or dealing in Sitagliptin Phosphate Monohydrate or any other salt of Sitagliptin in any form, alone or in combination with one or more other drugs thereby infringing the suit patent No. 209816 of the plaintiffs. As regards damages are concerned, no issue has been framed in this regard, inasmuch as, only on the basis of the admission by DW1 regarding total sales and the percentage of the profits earned by the defendant, I do not find it justifiable to quantify the amount of damages. Plaintiffs shall, however, be entitled to actual costs of the proceedings.

Symed Labs Ltd. v. Glenmark Pharmaceuticals Ltd.
CS (OS) No. 678/2013: MANU/DE/0163/2015

FACTS

It is the case of the Plaintiff that sometime in December, 2012, the Plaintiff learnt that the Defendants were manufacturing Linezolid in finished doses forms and I.V. injections and selling them under the brand name 'LIZOLID' in the open market. The Plaintiff obtained three samples of Linezolid manufactured by the Defendants (bearing Batch Nos. 081200672, 05121501 and 05120995) and analysed the same using the High Performance Liquid Chromatography-Mass Spectrometry (HPLC-MS) method. The samples disclosed the presence of PHPFMA and Zodiac-4, which are the key intermediates in the Linezolid manufacturing processes as claimed in the suit patents IN '062 and IN '063. Thus, the Plaintiff concluded that the Defendants were infringing the Plaintiffs suit patents. It is thus, averred that the Plaintiff who has expended huge amount, effort, time and money in developing and inventing the patented processes is entitled to protect the same and the Defendants are liable to be injuncted from manufacturing, selling, offering for sale etc. the API Linezolid manufactured in a manner so as to result in infringement of the Plaintiffs registered patents IN '062 and IN '063.

ISSUE

Whether suit for ad interim injunction restraining Defendants, their agents from manufacturing, selling, offering for sale, advertising or directly or indirectly dealing in product Linezolid manufactured in a manner so as to result in infringement of Plaintiff's registered patent was liable to be granted to Plaintiff ?

JUDGMENT

Held, This Court observed from material on record that although initially Defendants purchased Linezolid API from Plaintiff and others, later they started manufacturing Linezolid API themselves by using suit patented processes. Moreover there cannot be said to be any suppression or much effect of European Patent 1768967 on suit patents IN '063 and IN '062. Further this Court has also considered factum of challenge of suit patent by Optimus Pharma and Sharon Bio-Medicine in counter claims filed in earlier suits. Same, in no case, would amount to suppression of material facts so as to disentitle Plaintiff to equitable relief of ad interim injunction. Also Plaintiff very well disclosed filing of suit against earlier said two companies and obtaining an injunction order against them. Plaintiff has obtained process patents IN '063 and IN '062 in year 2007. Admittedly, challenge to patent processes of IN '063 and IN '062 was not made either by Optimus Pharma or Sharon Bio-Medicine before filing of suits against them. Similarly, Defendants also did not lay any challenge or applied for revocation of Plaintiff's patents before filing of instant suit. As a result of non-challenge for six long years and particularly when Defendants themselves were purchasing Linezolid API from Plaintiff, it would be difficult to say at this stage that there was any good ground of challenge to Plaintiff's patent. Monopoly over patent is reward of inventors who spends a lot of time and money in inventing a product or a process. Hence it could be concluded that Plaintiff has got good prima facie case in its favour. Consequently protection to patent processes ought to be granted to Plaintiff and hereby grant an ad interim injunction restraining the Defendants, from manufacturing, selling, offering for sale, advertising or directly or indirectly dealing in the production of Linezolid

Sukesh Behl v. Koninklijke Phillips Electronics
2015 (61) PTC 183 (Del)

FACTS

the plaintiff who was granted Patent No. 218255 on 13.02.2008 for "method for converting information words to modulated signal", filed CS(OS) No. 2206 of 2012 on 24.07.2012 alleging that the said patent is being infringed by the defendants. The defendants, in their written statement, had not only denied the plaint allegations but also made a counter claim for revocation of the suit Patent on the ground of failure of the plaintiff to disclose to the Controller of Patents (COP) the information as required by Section 8 of the Patents Act 1970, read with Rule 12 of the Patents Rules, 2003, regarding pendency of any application for a patent in the country outside India in respect of the same or substantially the same invention.

After the said written statement was filed, the Patent Attorney of the plaintiff by letter dated 14.09.2012 informed the COP, Patent Office, Chennai that certain details regarding the corresponding foreign filings were not submitted during the prosecution of Patent No. 218255 and requested the COP to take on record the enclosed status list of corresponding foreign applications. Along with the said letter dated 14.09.2012, an affidavit was also filed before the COP by the plaintiff's Patent Attorney stating that though he had received instructions along with an updated status list of corresponding applications consisting of three pages from the plaintiff on 27.07.2004 itself, the information in relation to corresponding foreign applications that was printed on the reverse of the first page was inadvertently omitted while submitting the same to the Patent Office and that the omission was purely accidental.

On 23.11.2012, the defendants filed I.A. No. 21411/2012 under Order XII Rule 6 of CPC contending that the letter dated 14.09.2012 filed by the Patent Attorney of the plaintiff before the COP amounts to admission of suppression of vital information by the plaintiff and that the same being in contravention of the provisions of Section 8 of the Patents Act, a decree has to be passed in their favour by allowing the counter claim and revoking the suit patent. It is further contended that the statement of the Patent Attorney in the said letter that "During the prosecution of granted patent, certain details regarding corresponding foreign filings were not submitted to the Indian Patent Office" constitutes 'clear and unequivocal admission' prime facie attracting the ground for revocation of patent under Section 64(1)(m) of the Patents Act.

ISSUE

Whether admitted failure of Plaintiff to comply with provisions of Section 8 of Act itself being ground for revocation of patent under provisions of Section 64(1)(m) of Act?

JUDGMENT

plain reading of Section 8(1) of the Patents Act which contains the expression 'shall' indicates that the applicant is under an obligation to furnish to the Controller not only the information relating to the application being prosecuted by the applicant for a patent in any country outside India in respect of the same or substantially the same invention i.e. the particulars of the pending application but also to give an undertaking that he would continue to furnish up to the date of grant of patent such information from time to time in respect of the applications, if any, made in

the foreign countries subsequently. The plaintiff in the case on hand has admittedly complied with the said requirement and both the statement under Section 8(1)(a) and the undertaking under Section 8(1)(b) were filed. However, the allegation is that the plaintiff failed to furnish the details of the corresponding foreign applications in terms of the undertaking given under Section 8(1)(b) within the period of six months provided under Rule 12(2) of the Patents Rules.

A reading of the above affidavit shows that there was no failure as such on the part of the plaintiff to comply with the undertaking furnished in terms of Section 8(1)(b) of the Act, but some of the details contained on the reverse of the first page of the list of the foreign applications filed on 31.08.2004 were omitted for the reasons explained by the Patent Attorney in his affidavit. The plaintiff in his reply to IA No. 21411/2012 explained that the full and complete information (comprising of a list running into three pages) was submitted by the plaintiff to the Attorney handling the patent portfolio on 16.03.2004 and that it was confirmed by the Attorney that the complete information was received by them, but inadvertently one of the pages containing additional information was missed out by the office personnel. It was also specifically pleaded by the plaintiff that the inadvertently omitted details do not prejudice the grant of the suit patent in any manner as the corresponding patents/patent applications were not material to the grant of the suit patent.

The fact that the plaintiff filed the details of the corresponding foreign application on 31.08.2004 is not in dispute, however, the same is not the complete information and according to the plaintiff, the omission to furnish a part of the information, which is stated to be not material to the grant of the suit patent, was not deliberate. That being so, it cannot be straightaway concluded that the plaintiff had failed to comply with the mandatory provisions of Section 8(1) of the Patents Act.

In the present case, it is no doubt true that it is mandatory to comply with the requirements under Section 8(1) of the Patents Act and non-compliance of the same is one of the grounds for revocation of the patents under Section 64(1)(m). However, the fact that the word "may" is used in Section 64(1) itself indicates the intention of the legislature that the power conferred thereunder is discretionary. The mere fact that the requirement of furnishing information about the corresponding foreign applications under Section 8(1) is mandatory, in our opinion, is not the determinative factor of the legislative intent of Section 64(1). We found that the language of Section 64(1) is plain and unambiguous and it clearly confers a discretion upon the authority/Court while exercising the power of revocation. The interpretation of the provisions of Section 64(1) as discretionary, in our considered opinion, does not result in absurdity nor in any way effect the rigour of the mandatory requirements under Section 8 of the Act. herefore, we are of the view that though any violation of the requirement under Section 8 may attract Section 64(1)(m) for revocation of the patent, such revocation is not automatic.

The revocation would follow only if the Court is of the view that the omission to furnish the information was deliberate. Therefore, it cannot be held that there is any unequivocal admission by the plaintiff and consequently, it is not a matter for granting a decree even before the evidence is let in by the parties as provided under Order XII Rule 6 of CPC. he order under appeal does not suffer from any infirmity and, therefore, the appeal shall stand dismissed.

Dr. Aloys Wobben and Anr. v. Yogesh Mehra and Ors.
Civil Appeal No. 6718 of 2013 : MANU/SC/0519/2014

FACTS

Hon'ble Supreme Court of India addressed the multiplicity of patent proceeding cases with respect to Invalidation, opposition and revocation. Dr.Aloys Wobben has filed around 19 infringement suits before the High Court and Enercon India Limited have filed around 23 "revocation petitions" before the Appellate Board, praying for the revocation of the patents held in the name of the Dr. Wobben. The respondents had also filed "counter claims" to the "patent infringement suits" filed by the appellant. Even though some revocation petitions have been settled by the IPAB, the same issues were being re-agitated by Enercon before the High Court.

ISSUE

Whether Defendant in an "infringement suit", having raised a "counter-claim" seeking revocation of a patent, could file "revocation petition" before "Appellate Board" and that whether remedies, expressed in Section 64(1) of Patents Act, cannot be availed of by same person, simultaneously?

JUDGMENT

Held, since a "counter-claim" is of nature of an independent suit, a "counter-claim" cannot be allowed to proceed, where Defendant has already instituted a suit against Plaintiff, on same cause of action. If Respondents in their capacity as "any person interested", had filed a "revocation petition" before institution of an "infringement suit", they cannot be permitted to file a "counter-claim" on same cause of action. Consequently, validity of grant of patent would have to be determined in "revocation petition".

Therefore, while "revocation petition" will have to be permitted to be pursued, "counter-claim" cannot be permitted to be continued. If "any person interested" has filed proceedings under Section 25(2) of Patents Act, same would eclipse all similar rights available to very same person under Section 64(1) of Patents Act. This would include right to file a "revocation petition" in capacity of "any person interested" under Section 64(1) of Patents Act as also, right to seek revocation of a patent in capacity of a Defendant through a "counter-claim" also under Section 64(1) of Patents Act. Moreover if a "revocation petition" is filed by "any person interested" in exercise of liberty vested in him under Section 64(1) of Patents Act, prior to institution of an "infringement suit" against him, he would be disentitled from seeking revocation of patent on basis whereof an "infringement suit" has been filed against him through a "counter-claim". Further where in response to an "infringement suit", Defendant had already sought revocation of a patent on basis whereof "infringement suit" had been filed through a "counter-claim", Defendant could not thereafter, in his capacity as "any person interested" assail concerned patent, by way of a "revocation petition". Impugned order set aside. Appeal disposed off

Dr. Snehlata C Gupte v. Union Of India &Ors
W.P. (C) No. 3516 of 2007

FACTS

The respondent No.5, viz., J. Mitra& Co. Ltd had filed two patent applications in the Office of the Controller of Patents on 14.6.2001. Patent Specifications were published in the official gazette on 20.11.2004 in terms of Section in terms of Section 11A of the Patents Act (hereinafter referred to as „the Act"). As per provisions of Section 25 (unamended) of the Act, which held the field at that time, an opposition to the grant of patent could be filed within four months from the date of publication. Such a period could be extended by one month by the Controller on being satisfied by the reasons given for such delay. One M/s. Span Diagnostics Ltd. (SDL) filed pre-grant opposition. It was considered by the Controller and vide detailed order dated 23.8.2006, the Controller rejected this opposition. On rejection of pre-grant opposition, the Controller ordered grant of patent

As per the appellant, she had sent pre grant opposition by currier on 22.8.2006 which was received by the Patent Office on 24.8.2006. As on that date, Section 25 (1) of the Act stood amended by the Patents (Amendment) Act, 2005 with effect from 01.1.2005. As per the amended provision, the time for filing a pre-grant opposition stood extended till the grant of patent. According to the appellant, her pre-grant opposition received on 24.8.2006 was within time as per the Amended provision of Section 25(1) of the Act inasmuch as there was no patent granted by that time. It was her case that the patent is not granted till such time it is not sealed and entered in the Register in terms of Section 43(1) of the Act and such a patent was granted on 22.9.2006. On the other hand, the respondent No.5 pleaded that when the objections were rejected on 23.8.2006 in terms of Rule 55(6) of the Rules, no application for pre-grant opposition was maintainable.

ISSUE

Whether the date of grant of patent is the date when it is sealed and entered in the Register in terms of Section 43(1)?

JUDGMENT

"[A]n application is filed under Section 5 of the Act and after 18 months, there is a publication of patent application under Section 11A of the Act and it takes 48 months to examine the request under Section 17B of the Act. Examination takes place as per Section 12(1) of the Act. It is thereafter stage of filing of application takes place in terms of Section 25(1) of the Act. Thus, by that time, opposition is received, Controller has examined the feasibility of grant of the application at that level and the same is found to be in order. Otherwise, the Controller could reject the application at that stage also. Once the opposition is filed, hearing on the said opposition is in terms of Rule 55 of the Rules. Therefore, the moment the pre-grant opposition is rejected, the Controller is empowered to pass the order of grant of patent which in fact, happened in the present case. It was not a conditional order as contended by the appellant."

Date on which the patent is granted cannot be the date of issuance of certificate but has to be the date on which orders are passed by the Controller. Certificate is in the nature of execution of that

order and is proof of fact that the patent has been granted which is the date on which the Controller passed the order. It is the date on which the decision is taken by the Controller on file in respect of a pre-grant opposition (either rejecting or accepting the representation) which is the determining event ascertaining the date of grant of patent. The sealing of patent and entering of the same in the register are ministerial acts which follow the Controller‟s act of grant of patent. The onus is on the person instituting the pre-grant opposition to be vigilant about the date of publication of the application under Section 11A of the Act and take appropriate steps for filing the representation. Finding no merit in these appeals, we dismiss the same with cost quantified @ `25,000/- each.

Chemtura Corporation v. Union Of India &Ors
CS(OS) No. 930 of 2009

FACTS

IA No.6782/2009 is an application by the Plaintiff under Order XXXIX Rules 1 and 2 CPC seeking an ad-interim ex parte injunction restraining the Defendant No.1 from infringing the rights of the Plaintiff under No.213608 (granted on January 9, 2008 by the Controller of Patents) by accepting the offer for sale of a side bearing pad assembly by the Consortium of which Defendants 2 to 4 are members. It also seeks an injunction to restrain Defendants 2 to 4 from making, manufacturing, using or offering for sale the side bearing pad assembly by infringing the Plaintiff‟s Patent.

The specific case of Defendants 2, 3 and 4 is that the Plaintiff (a) obtained the patent on a false suggestion or representation It is submitted that the patent was obtained on a false suggestion that there was no further development in regard to the applications filed in US and Europe, and (b) failed to disclose to the Controller of Patents the information in terms of Section 8 of the Act. It is further pointed out that the Plaintiff wholly suppressed its own US Patent No. 3932005

It was pointed out that unaware of the serious objections on the basis of cited prior arts raised by the US and European Patent authorities, the Indian patent authority granted the Plaintiff the patent for the subject device with minimal amendments. Claim No.2 was merged in Claim No.1 and the subsequent claims were re-numbered by the Plaintiff. The Defendants point out that the First Examination Report (FER) dated 20th October 2004 of the Controller of Patents in India raised some insignificant objections without even citing a single prior art whereas the US and European authorities had cited several closely similar patents based on which the Plaintiff was compelled to restrict its claims to the toroidal/torus shape of the compression spring. In para 8 of the requirements communicated with the PER the Controller sought information on the "details regarding the search and/or examination report including claims of the applications allowed, as referred to in Rule 12(3) of the Patents Rules 2003 („Rules‟) in respect of same or substantially same inventions filed in any one of the major patent offices, such as USPTO, EPO and JPO etc., along with appropriate translation where applicable". This had to be furnished within a period of 30 days

ISSUE

The issue that arises for consideration is whether the Plaintiff has made out a case for grant of an injunction?

JUDGMENT

In F.Hoffmann- LA Roche Limited v. Cipla Limited the Division Bench of this Court was considering an appeal filed by Roche, the Plaintiff there, against the refusal of injunction by the learned Single Judge. It was the case of Roche that it held a valid patent for the drug Tarceva the generic form of which was being manufactured and sold by the Defendant Cipla. It was urged by Roche that the holder of a patent was entitled prima facie to the grant of an injunction since such patent would have been granted after examination at several levels including the oppositions thereto at the pre-grant and post-grant stage. It was further urged that unless the Defendant was able to discharge the heavy burden of showing that it had a stronger prima facie case than the Plaintiff, it should not be permitted to defeat the right of the Plaintiff to an injunction against

infringement by casually raising a challenge to the validity of such patent. Division Bench negatived this plea.

Keeping in view the aforementioned law as explained by the Division Bench of this Court, it bears examination if the Defendants 2, 3 and 4 have been able to raise a credible challenge to the validity of the Plaintiff‟s patent. In other words, the question is whether the defendants have "put forth a substantial question of invalidity to show that the claims at issue are vulnerable"? One of the grounds urged by the Defendants in support of this submission is that the Plaintiff has been in breach of Section 8 of the Act thus rendering its patent vulnerable to revocation in terms of Section 64 (1) (j) and (m) of the Act.

As far as Section 8(2) is concerned, the Controller on his own may also require the applicant to furnish details "relating to the processing of the application in a country outside India, and in that event the applicant shall furnish to the Controller information available to him within such period as may be prescribed." That requirement is mandatory as has been further emphasised by the wording of Section 64(1) (j) ["that the applicant has failed to disclose to the Controller the information required by Section 8 or has furnished information which in any manner was false to his knowledge"] which indicates the non- compliance with such directive of the Controller as a ground for the revocation of the patent. The obtaining of a patent, "on a false suggestion or representation" is a further ground of revocation under Section 64 (1) (m).

This Court holds that for the aforementioned reasons, in view of the prima facie non-compliance by the Plaintiff with the requirement of Sections 8 (1)(b) and 8(2) of the Act, the ground for revocation as contained in Section 64 (1) (m) is prima facie attracted.

Bayer v. Union Of India
PETITION(S) FOR SPECIAL LEAVE TO APPEAL (C) NO. 30145/2014

The grant of Compulsory license (CL) to NATCO for the anti-cancer drug sorafenibtosylate and the litigation ensuing around it is the first of its kind in India. Sorafenibtosylate is a crucial drug for patients living with kidney and liver cancer. Bayer was selling the product under the brand name Nexavar for Rs. 2,84,000 per patient per month which is unaffordable to most patients in India. On 9 March 2012, the Patent Controller granted a CL to Natco Pharma to market a more affordable generic version of Nexavar at around Rs. 8, 800 per person per year. Bayer unsuccessfully challenged the order before the Intellectual Property Appellate Board (IPAB) and later at the Bombay High Court.

In the order granting the CL, the Patent Controller had noted that as against the demand of 8842 patients in the year 2011, Bayer had supplied the drug to less than 200 patients after more than three years of the grant of the patent. Moreover, Nexavar was exorbitantly priced at Rs. 2,80,000 per month per patient. Bayer's Patient Access Programme which was only initiated once the CL proceedings were initiated and still only met a fraction of the demand. Lastly, despite having manufacturing facilities in India, Bayer imported the drug from its facilities in other countries, not fulfilling the working requirement under the law. The Patent Controller granted a CL to Natco with royalty rate of 6%. In Appeal before the IPAB the license was upheld, but the royalty rate was increased to 7%. Bayer then approached the Bombay High Court by way of a writ petition alleging that the decision of the IPAB was arbitrary. The Bombay High court dismissed the writ petition upholding the order of the Patent controller and the IPAB.

Concluding that there was no reason to interfere with the order of the Bombay High Court and that the question of law could be adjudicated in future CL cases, the Bench of Supreme Court dismissed Bayer's SLP.

The Chancellor, Masters & Scholars of University Of Oxford & Ors v. Rameshwari Photocopy Services & Ors.
RFA(OS) 81/2016[1]

On September 16, 2016, a Single Judge of the Delhi High Court had dismissed the suit filed by the three publishers in 2012 seeking an injunction restraining the Delhi University (DU) and Rameshwari Photocopy Service from infringing their copyright by unauthorized making of course packs, compiling photocopies of relevant excerpts from their books prescribed in the syllabus, and their distribution to students. It held that the impugned acts of the Defendants clearly fell within the ambit of Section 52(1)(i) of the Copyright Act, 1957 that permits reproduction of works by a teacher or student in the course of instruction and thus did not amount to copyright infringement. On October 5, 2016 the publishers filed an appeal against this judgment before the Division Bench, which was admitted on October 6.

On December 9, 2016, the Division Bench decided the appeal interpreting Section 52(1)(i) of the Copyright Act as permitting photocopying of copyrighted works for preparation of course packs, irrespective of the quantity, as long as it for the purpose of educational instruction. The highlights of the judgment, penned by Justice Nandrajog, are as follows:

A. Section 52(1)(i) and Fairness

The court began by noting that since Section 52(1)(i) does not have an express fair use limitation, only the general principle of fair use can be read into it. It rejected the application of the four factors used for determination of fair use in other jurisdictions, especially the US, to this clause. It laudably noted that fairness of the use under this clause is to be determined only by the purpose of the use i.e. education and not by its quantitative or quantitative extent. It also held that the fair dealing standard has been prescribed only in clause (a) of Section 52(1) and thus cannot be imported into its other clauses including clause (i). The relevant paragraphs of the judgment read as follows:

"In the context of teaching and use of copyrighted material, the fairness in the use can be determined on the touchstone of 'extent justified by the purpose'. In other words, the utilization of the copyrighted work would be a fair use to the extent justified for purpose of education. It would have no concern with the extent of the material used, both qualitative or quantitative. The reason being, 'to utilize' means to make or render useful. To put it differently, so much of the copyrighted work can be fairly used which is necessary to effectuate the purpose of the use i.e. make the learner understand what is intended to be understood…Thus, we reject the arguments by learned counsel for the appellants that the four factors on which fair use is determined in jurisdictions abroad RFA(OS) No.81/2016 Page 36 of 58 would guide fair use of copyrighted material during course of instruction. The qualitative and quantitative test which is one of the four tests would not apply to clause (i)… Further, while the Court in B.D. Bhandari's case (supra) did hold that a fair dealing standard was to be read into all clauses of Section 52 of the Copyright Act, 1957, as held hereinabove, a fair dealing standard has only been provided in clause (a) of sub-Section (1) and not in the other clauses of sub-Section (1) of Section 52, and therefore, cannot be read into the other clauses." [paragraphs 33, 35 & 72]

[1] https://spicyip.com/2016/12/du-photocopy-appeal-decision-another-landmark-victory-for-educational-access-in-india.html

Thus, the Division Bench's judgment clearly held that in order to determine whether the use of a copyrighted work is permitted under Section 52(1)(i), it is only to be seen whether the work used was necessary for achieving the purpose of educational instruction, irrespective of whether only a certain percentage of the work or the entire work is used. Such a reasonable nexus test was earlier proposed by Prof. Basheer here.

B. Impact of Course Packs on Market of Publishers' Works

The court rejected the argument of the publishers that unauthorized making and distribution of course packs has caused or is likely to cause an adverse impact on the market of their books. It observed that a student is not a potential customer of the multiple books used in the course packs and in the absence of course packs he/she would refer to these books in the library. Interestingly, it further noted that instead, the improved education could very well lead to an expansion of the market for these books.

C. Meaning of 'Reproduction', 'Teacher' and "Pupil'

The court then proceeded to the interpretation of Section 52(1)(i), which formed the core issue in the case. Relying upon Section 13(2) of the General Clauses Act, 1897, it held that the word 'reproduction', meaning 'making a copy of', includes its plural as well i.e. making more than one copy of the original or photocopying. Similarly, it held that the words 'teacher' and 'student' also include 'teachers' and 'students' and thus concluded that making of multiple copies of a work by teachers or students is contemplated under this provision.

D. Meaning of 'In the Course of Instruction'

Next, the court dealt with the question of interpretation of the phrase 'in the course of instruction' that was highly contested between the parties. It accepted the argument of the respondents that irrespective of whether the word 'course' is read as a verb or a noun, the phrase 'in the course of instruction' would mean the entire process or programme of education in a semester and not the process of teaching in the classroom alone. The court acknowledged that teaching does not involve simple lecturing by the teacher and taking of notes by the students in the classroom but an interactive discussion based on the pre-reads etc. by the students that is regulated by the teacher. It further placed reliance on the judgment of the High Court of New Zealand in Longman Group Ltd. v. Carrington Technical Institute Board of Governors [(1991) 2 NZLR 574], wherein the words 'in the course of instruction' in Section 21(4) of the New Zealand Copyright Act, 1962 were interpreted to include "anything in the process of instruction with the process commencing at a time earlier than the time of instruction, at least for a teacher, and ending at a time later, at least for a student. So long as the copying forms part of and arises out of the course of instruction it would normally be in the course of instruction". The court found this to be the only logical interpretation of this phrase and termed the judgment as an authority on this point due to the similarity in the language of Section 52(1)(i) of the Indian Copyright Act and Section 21(4) of the New Zealand Copyright Act. It thus concluded that the phrase 'in the course of instruction' included within its ambit preparation and distribution of course packs to students.

E. Distribution of Course Packs: Whether amounts to Publication?

The Division Bench disagreed with the view taken by the Single Bench that distribution of course packs to 'students' does not amount to publication by opining that "[p]ublication need not be for the benefit of or available to or meant for reading by all the members of the community" and that "[a] targeted audience would also be a public". However, it rejected the argument that the issue of course packs in this case amounted to publication on the basis that publication requires an element of profit which was absent in this case. Although the court reached the right conclusion, the reasoning adopted by it seems to be incorrect. The court failed to explain how a limited group of students enrolled in a course in a university could be said to amount to 'public'. Distribution of course packs to a limited group of students, as opposed to the members of the general public, cannot be said to be 'publication'. This finds support in the judgment in Caird v. Sime (1887), wherein the House of Lords held that students of a university cannot be said to represent the members of the general public and thus delivery of a lecture by a professor to them does not amount to communication to the 'public'. Similarly, in Martin Luther King JR. Inc. v. CBS Inc. (1999), the US Court of Appeals in the Eleventh Circuit observed that a general publication occurs only if copies of a work are issued to the members of the general public. Therefore, although the court was right in holding that distribution of course packs to students in this case does not amount to publication and thus Section 52(1)(i) would apply, it went wrong in observing that issues of copies of a work to a targeted audience such as a limited group of university students enrolled in a course could also amount to 'publication'.

F. Use of an Intermediary/Agency for Making of Course Packs

The court further dealt with the argument of the publishers that reproduction of works under Section 52(1)(i) can be made only by a teacher or a pupil and not by an intermediary i.e. the photocopier. It rejected this argument by rightly observing that "common sense tells us that neither the teacher nor the pupils are expected to purchase photocopiers and photocopy the literary work to be used during course of instruction in the class room". It further noted that the photocopier in this case was not making any profit apart from the usual profit it would be making by simply photocopying material. Accordingly, it found the argument against use of an agency to be irrelevant.

G. Making of Course Packs by Educational Institutions

The court also rejected the argument of the publishers that Section 52(1)(i) was not applicable to educational institutions but only to an individual teacher. Unlike the Single Judge who clearly held that the benefit of this provision was also available to educational institutions as well and thus to DU, the Division Bench did not even deal with this interpretive question. It simply refused to find any institutional sanction for photocopying in this case for DU's role is limited to laying down the course curriculum and it is the individual teacher/teachers only who select the copyrighted works to be included as reading materials in the course packs. In short, it found that the course packs in this case were made and distributed by the teachers and not DU and thus clearly fell within the ambit of Section 52(1)(i).

H. Int'l Obligations and Foreign Decisions

The argument of the publishers based upon Article 13 of the TRIPS Agreement and Article 9 of the Berne Convention was dismissed by the court noting that "the contents thereof are merely

directory and have enough leeway for the signatory countries to enact the copyright law in their municipal jurisdiction concerning use of copyrighted works for purposes of dissemination of knowledge". The court also found the decisions of the US, Canada and UK courts, relied upon by the parties, to be of no relevance in the Indian context because the concept of fair use and fair dealing is different in those countries.

I. IRRO Licensing

The court did not even deal with the fallacious argument made by the publishers that the only way to balance the interests of the students and academic publishers is to direct the universities to obtain licenses from IRRO for reproducing the relevant extracts from their books.

J. Directions

The Division Bench therefore dismissed the appeal concluding that Section 52(1)(i) permits unauthorised preparation and distribution of course packs to students, if the works included therein are necessary for effectuating the purpose of the course packs i.e. educational instruction. It thus remanded the suit to the trial court for factual determination of whether the works included in the course packs in this case were necessary for achieving the purpose of education instruction or not. It also allowed the publishers to amend their plaint and plead the fact of cover to cover photocopying of eight books that found mention in the Local Commissioner's report and directed the trial court to make a factual determination on permissibility of these copies as well. The court refused to grant an interim injunction in favour of the publishers and only directed the photocopier to maintain a record of the course packs photocopied and supplied to students and file the same in the suit every six months.

Kamal Trading Co. and Ors. v. Gillette U.K. Ltd.
1988 (8) PTC 1 (BOM)

FACTS

The Gillette Company and its subsidiaries have been carrying on worldwide business in the manufacture and sale of safety razor blades, safety razors, shaving cream, shaving brushes, etc. since last over several years. The plaintiffs have been using the trade mark 7 O'CLOCK upon and in connection with its goods since the year 1913 in India and certain neighboring countries and the plaintiffs have acquired an extensive reputation all over the world. The plaintiffs had recorded a declaration of ownership of the trade mark 7 O'CLOCK on March 17, 1915 and subsequently, the plaintiffs have obtained registration of the trade mark in India in respect of various articles in class 21, 8 and 3. The registration of the marks are valid and subsisting, the plaintiffs entered into an agreement with an Indian Company called Indian Shaving Products Limited, a company registered under the Companies Act, for the purpose of manufacture and sale of safety razor blades in India. The agreement of collaboration was entered into as the goods manufactured by the plaintiffs were not imported in India after the year 1958 because of the import restrictions. Under the collaboration agreement, the Indian company is entitled to use the trade mark 7 O'CLCOK' but with the addition of the word 'EJTEK; The plaintiffs have granted licence to the Indian Company to use the trade mark 7 O'CLOCK in the manner as set out in the agreement dated December 28, 1984.

In November 1985, the plaintiffs became aware that tooth brushes were sold in the Bombay market under the trade mark of 7 O'CLOCK'. The trade mark appeared with the letter 'R' in a circle thereby indicating that the mark is a registered trade mark. The plastic pouch in which the tooth brush is encased also bears the expression "Hollywood-London-Paris".The plaintiff thereupon served notice upon the defendants to cease the user of the mark, but having failed to receive any positive response, the suit was instituted in this court on August 21, 1985 for an injunction restraining the defendants from manufacturing, selling or offering for sale the tooth brush and the like goods bearing the trade mark 7 O'CLOCK; The action instituted by the plaintiffs is on the basis that the defendants are passing off the goods with a view to trade on the reputation acquired by the plaintiffs.

plaintiffs have not established any of the conditions required for grant of interim relief. It was submitted that the goods manufactured by the plaintiffs and the defendants are different in nature; the plaintiffs manufacture blades, while the defendants manufacture "tooth brushes". The goods of the plaintiffs and the defendants are not available in the same shop and the customers of these goods are different. The goods sold by the plaintiffs are blades and fall in Class 8, while those of the defendants are tooth brushes which fall in Class 21. Relying on these circumstances, it was contended that there was no likelihood of any deception.submitted that even assuming the plaintiffs have acquired reputation and goodwill in respect of mark '7 O'CLOCK', that reputation and goodwill stands extinguished because the goods manufactured by the plaintiffs are not available in India from the year 1958 onwards because of import restriction. It was contended by the learned counsel that as the goods are not available, the goodwill stands extinguished.

ISSUE

whether the goodwill in the trade mark "7 O'CLOCK" stood extinguished because of non-availability of blades with the mark in India after year 1958?

JUDGMENT

In our judgment, it is not possible to conclude that the goodwill or the reputation stands extinguished merely because the goods are not available in the country for some duration. It is necessary to note that the goodwill is not limited to a particular country because in the present day, the trade is spread all over the world and the goods are transported from one country to another very rapidly and on extensive scale. The goodwill acquired by the manufacturer is not necessarily limited to the country where the goods are freely available because the goods though not available are widely advertised in newspapers, periodicals, magazines and in other. The result is that though the goods are not available in the country, the goods and the mark under which they are sold acquires wide reputation.The plastic pouch mentions the word "R" in a circle to suggest that the mark used by the defendants is a registered mark. In addition, a picture of tower possibly Fifet Tower, is printed on the pouch to suggest that the goods are manufactured in Paris. The defendants also used the words as "Hollywood-London-Paris" to suggest that the goods are of the foreign made. This conduct on the part of the defendants clearly indicate that the anxiety was to trade upon the reputation of the mark "7 O'CLOCK" and not to leave any chance for customer to detect the mis-use of the mark, further effort was made to give an impression that the mark is a registered mark and that goods are manufactured in foreign country.

Accordingly, appeal fails and is dismissed with costs

N.R. Dongre and Ors. v. Whirlpool Corpn. and Anr.
(1996)5SCC714

FACTS

The Plaintiffs are the original and earlier users of trade mark "WHIRLPOOL" for their electrical goods including washing machines. From a later point of time the defendants also started using the same trade mark, viz. WHIRLPOOL, for their washing machines and even succeeded in getting this mark registered in their name. In an original suit filed by the plaintiffs against the defendants for passing off action the Single Judge of the High Court granted interim injunction restraining the defendants from using this trade mark pending final disposal of the suit. This decision was affirmed by the Division Bench also. The present Appeal has been filed by the aggrieved defendant against the grant of interim injunction by the trial Court.

ISSUE

whether the exercise of discretion by the trial court is favour of the plaintiffs to grant the interlocutory injunction is in accordance with the settled principles of law regulating grant of interlocutory injunctions or not and whether there is any cogent ground to interfere in this appeal with the exercise of discretion by the trial court?

JUDGMENT

As laid down by this Court in Wander Ltd. &Anr. v. Antox India P. Ltd. an Appellate Court will interfere with the exercise of discretion by a Court of first instance in granting interim injunction only if such exercise is found arbitrary, capricious, perverse or against the settled principles of law regulating grant or refusal of interlocutory injunctions. The Appellate Court will not re-assess the material and seek to reach a conclusion different from that of the lower Court if the decision of the lower Court was reasonably possible on the material.

Injunction is a relief in equity and is based on equitable principles. The trade mark WHIRLPOOL was associated with the plaintiffs for long, much prior to the time the defendants started using it and it acquired a trans-border reputation extending to India as the trade mark of the plaintiffs. Grant of interim injunction would cause no significant injury to the defendants who can sell their washing machines merely by removing the trade mark from their products while it would cause irreparable injury to the plaintiff's reputation and goodwill since the trade mark is associated with their products for long. Since the exercise of discretion by the trial Court is based on the settled principles of law, there is no ground to interfere with the grant of interim injunction.

Time Incorporated v. Lokesh Srivastava and Anr.
2005 (30)PTC 3 (Del)

FACTS

This suit for permanent injunction, damages and delivery up etc. has been instituted by the plaintiff Company alleging that the plaintiff Company is organized and existing under the laws of State of Delaware, USA and is having its registered office at New York. It is a subsidiary of Time Warner Incorporation, which is a leading Magazine publisher in world. Its publications include the News Magazine 'TIME' as well as 'TIME ASIA'. These magazines have acquired worldwide trade reputation and goodwill and are known for fair reporting, good writing and authoritative and unbiased analysis of events and issues.The plaintiff has alleged that the defendants started printing, publishing and distributing for sale "TIME ASIA SANSKARAN" by using the words "now in Hindi also a News Magazine of International standards". This press release indicating the launch of the Magazine from 18th July, 1999 uses the word 'TIME' in an identical type script and font style as is used by the plaintiff to represent the mark on its Magazines.

ISSUE

Whether the Defendants have infringed upon the Trademark of the Plaintiff?

JUDGMENT

The defendants' effort is to make undue enrichment by creating confusion and deception in the trade as well as consumers and attract advertisements for its Magazine and have higher circulation. This attempt on the part of the defendants has to be condemned and contained. Therefore, this Court has no hesitation in holding that the plaintiff has succeeded in establishing on record that the defendants are infringing its trade name and copyrights in over design of its magazine "TIME ASIA". The plaintiff has claimed a decree of Rs. 12.5 lacs on account of damages suffered by the plaintiff or an order of rendition of accounts of the profits illegally earned by the defendants by use of the impugned trade mark.

In view of the fact that the defendants have not chosen to turn up and face these proceedings, this Court is of the considered view that an order of rendition of accounts is fully warranted and called for. Damages in the sum of Rs. 12.5 lacs as claimed cannot be awarded on account of the fact that the plaintiff has not succeeded in proving on record as to how and on what basis these damages have been calculated. Damages of Rs. 5 lacs are claimed on account of loss of reputation of the plaintiff.

These can be awarded inasmuch as the readers who might have read the defendants' TIME ASIA SANSKARAN, must have formed a very poor opinion about the plaintiff's Magazine and as such, the reputation and goodwill of the plaintiff has suffered. Coming to the claim of Rs. 5 lacs as punitive and exemplary damages for the flagrant infringement of the plaintiff's trade mark, this Court is of the considered view that a distinction has to be drawn between compensatory damages and punitive damages.

The award of compensatory damages to a plaintiff is aimed at compensating him for the loss suffered by him whereas punitive damages are aimed at deterring a wrong doer and the like

minded from indulging in such unlawful activities. Whenever an action has criminal propensity also the punitive damages are clearly called for so that the tendency to violate the laws and infringe the rights of others with a view to make money is curbed.

The punitive damages are founded on the philosophy of corrective justice and as such, in appropriate cases these must be awarded to give a signal to the wrong doers that law does not take a breach merely as a matter between rival parties but feels concerned about those also who are not party to the list but suffer on account of the breach. In the case in hand itself, it is not only the plaintiff, who has suffered on account of the infringement of its trade mark and Magazine design but a large number of readers of the defendants' Magazine 'TIME ASIA SANSKARAN' also have suffered by purchasing the defendants' Magazines under an impression that the same are from the reputed publishing house of the plaintiff company.

This Court has no hesitation in saying that the time has come when the Courts dealing actions for infringement of trade marks, copy rights, patents etc. should not only grant compensatory damages but award punitive damages also with a view to discourage end dishearten law breakers who indulge in violations with impunity out of lust for money so that they realize that in case they are caught, they would be liable not only to reimburse the aggrieved party but would be liable to pay punitive damages also, which may spell financial disaster for them.

Yahoo! Inc. v. Sanjay V. Shah and Ors.
2006 (32)PTC 263 (Del)

FACTS

The plaintiff has spent huge sums on advertising and sales promotion and has earned extensive goodwill and reputation. In fact YAHOO! mark has become easily identifiable by the members of the public and trade, as originating from the plaintiff. The growing popularity of YAHOO! website has engendered imitations by third parties who have at various points in time attempted to illegally appropriate the goodwill and reputation in the said mark by using it as a key and essential part of the names of their products/services.the plaintiff is stated to have learnt about the manufacturing and selling of supari and other afore-mentioned items under the impugned mark YAHOO! to which the plaintiff reacted by sending a legal notice dated 6th May, 2002 obviously of not any consequence. In response to the said notice, the defendants had informed the plaintiff that the trademark YAHOO! was adopted by the defendants because of their customers exclaim 'YAHOO' Despite best efforts of the plaintiff, the defendants still displayed samples of fruit juices, beverages etc. bearing the YAHOO! trademark.

ISSUE

Whether the Trademark of the Plaintiff has been infringed?

JUDGMENT

Even after having been put on notice of the plaintiff's rights, the defendants have, with mala fide intentions, continued to use the plaintiff's trademark YAHOO! The defendants have even been inspired by plaintiff's global reputation and goodwill under the trademark YAHOO! which promoted them to adopt an identical mark for the products of their manufacture and they are passing off their goods and business as that of the plaintiff's and are misusing the trademark YAHOO! of the plaintiff. This is likely to cause further confusion as the plaintiff has licensed use of trademark YAHOO! for food items.

The plaintiff has been able to show that the defendants are manufacturing, selling or offering for sale the products like Gutkha, Supari and Chewing Tobacco under the trademark 'YAHOO' or a deceptively similar trademark and that they are also passing off such of their goods as if the goods were manufactured and produced by the plaintiff.

In view of the above discussion, suit of the plaintiff is only decreed for Rs.5,05,000/- only. The suit of the plaintiff is also decreed for permanent injunction restraining the defendants, their agents, employees etc. from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in gutkha, supari, beverages, fruit juices or any other product or service under the trademark 'YAHOO' or any other mark deceptively similar thereto, or exploiting/using the trademark 'YAHOO' in any other manner or any other product or service or passing off their goods under the trademark 'YAHOO'. The plaintiff's claim for rendition of accounts is rejected as there is no evidence to substantiate or support that claim.

Sholay Media and Entertainment Pvt. Ltd. and Ors. v. Parag Sanghavi and Ors.

2015(64)PTC546(Del)

FACTS

The plaintiffs have been using the trademark SHOLAY since the year 1975 in relation to cinematograph films, vinyl records and audio tapes etc. Realizing the popularity of the movie and the potential for merchandising this name in relation to various goods/services, the plaintiffs applied for registration of the title "SHOLAY" as a trademark under several classes. The mark "SHOLAY" has been registered in favour of plaintiff. These trademarks were filed with a view to protect the name and prevent its misappropriation by unscrupulous infringers. Apart from the trademark applications in India, the plaintiffs also applied for the trademark SHOLAY in other countries such as Bangaldesh.It is alleged by the plaintiffs that in 2003, defendant No. 3 contacted and requested the late Mr. G.P Sippy and his grandsons, who are directors of the plaintiffs companies to license the rights to remake SHOLAY, including use of the title SHOLAY and other characters of the filmDespite of said circumstances, negotiations failed between the parties and the defendant No. 3 wanted to release the film under the title "Ram Gopal Varma KeSholay".

However, when informed about its title, the plaintiffs filed a suit against the defendants by and an undertaking to change the title of the film to "Ram Gopal Varma kiAag" was recorded. The said fact was admitted.The Court vide order dated 8th January, 2010 in CS (OS) No. 1691 of 2008 titled 'sholay Media and Entertainment Private Limited and Ors. v. Mr. Ajit Sippy and Others' and orders dated 6th April, 2010 and 4th April, 2013 in CS(OS) No. 591 of 2010 titled 'sholay Media and Entertainment Private Limited and Anr. v. Indus Video Private Limited and Ors.' and order dated 29th May, 2013 in FAO(OS) 266 of 2013 titled 'Indus Video Private Limited v. Sholay Media and Entertainment Private Limited and Anr.' recognized the rights of the plaintiffs as copyright owners of the entire Sippy repertoire and restrained third parties from infringing the plaintiffs' right

ISSUE

Whether present suit filed for permanent injunction restraining infringement of registered Trademarks, infringement of Copyright, passing off, rendition of accounts, damages and delivery up, etc. against Defendants is sustainable?

JUDGMENT

The publicity material coupled with the impugned film, gives an overall impression that it is a remake of the film SHOLAY. The use of similar plot and characters in the impugned film coupled with use of the underlying music, lyrics and background score and even dialogues from the original film SHOLAY amounts to infringement of copyright in the film SHOLAY. Even if the impugned film is considered as an adaptation of the film SHOLAY, the same being without authorization of the copyright owner amounts to passing off as the plaintiffs are the owner of the names of characters and dialogues. Such use by the defendant Nos. 3 to 6 was unauthorized and it is a deliberate act of the said defendants in order to gain profits. They are also guilty of infringement under Section 14(a) read with Section 55 of the Copyright Act, 1957.

The defendants have distorted and mutilated the original copyright work of the plaintiffs. The defendants have also infringed the moral rights of the plaintiffs as under Section 57 of the Copyright Act, 1957. As the said defendants have similar name of characters under the music, lyrics and dialogues from the original work of the plaintiffs which was created by them for the first time and were author and owner of the same, the defendants are thus also guilty of passing off. They are not able to assign any valid reason for the same. Despite of statement made in the Court for change of the name of the movie, when the same was released, still it appears that the defendants' movie have similar name of the characters and they have used the lyrics and dialogues in material form in their movie. The movie was produced and released without authorisation from the owner and author i.e. plaintiffs.

For the aforesaid reasons the suit of the plaintiffs is decreed by passing the permanent injunction restraining the defendants, their partners or proprietor as the case may be, their principal officers, servants and agents, from manufacturing, selling, offering for sale, distributing, advertising including on the internet and in any other manner using the SHOLAY, GABBAR, GABBAR SINGH trademarks or any other deceptively similar mark amounting to infringement of the plaintiffs' registered trademarks and from infringing the copyright of the plaintiffs in the cinematographic film SHOLAY, by substantially reproducing the film SHOLAY or the constituent parts of the film SHOLAY i.e. the script, screen play, sound recordings, lyrics, musical works, art works amounting to infringement of copyright in the works of the plaintiffs as described at paragraph 26 of the plaint and from passing off their film or other production, using the mark SHOLAY or any other deceptively similar mark, or by using the characters or names thereof, from the plaintiffs' work, or in any other manner associating their film or other production with the film of the plaintiffs in any other deceptive manner, as to pass off or enable others to pass off the defendants' production or work as that of the plaintiffs and also from infringing the moral rights of the plaintiffs, and from distorting, mutilating, modifying or doing any other act that is prejudicial to the honour and reputation of the work as well as to the plaintiffs and their work.

American Express Bank Ltd. v Ms. PriyaPuri
[2006(110)FLR1061]

FACTS

Brief facts to comprehend the controversies between the parties are that the plaintiff filed the suit for permanent and mandatory injunction against the defendant seeking inter-alia a restrain against the defendant from using or disclosing any information and trade secrets relating to the business and operations of the plaintiff and to solicit or induce any of the customers of the plaintiff especially those who are part of the wealth management operation and/or wealth View programme and from breaching the confidentiality term as per letter of appointment/code of conduct including customers privacy principles/policies. The plaintiff also sought mandatory injunction against the defendant to deliver up all the confidential information, data and trade secrets in particular the customer list of wealth management operations and/or the wealth View programmer/operations of the plaintiff available with the defendant or under her control.

the plaintiff contended that it is a banking company under the laws of State of Connecticut, USA doing banking business in India and having its branch office at Hamilton House, Connaught Place, New Delhi. The plaintiff was an employee of defendant as head of wealth management, Northern Region. The defendant was employed in the management cadre

The services of the defendant were terminated on 10.10.2005 on the ground that during the course of employment she disclosed confidential information to persons which was not in connection with the business of the company; compromised the position of trust held by her as an employee of plaintiff and failed to avoid any conflict of interest between her personal interest and that of the plaintiff; used confidential information and trade secrets for her own benefit; violated the American Express customer privacy policy; failed to return customer list and details and used the same for personal benefit or for a competitor and violated the intellectual property rights of the plaintiff.

ISSUE

Whether injunction against the defendant seeking inter-alia a restrain against the defendant from using or disclosing any information and trade secrets relating to the business and operations of the plaintiff can be granted?

JUDGMENT

Routine day-to-day affairs of employer which were in the knowledge of many and were commonly known to others cannot be called trade secrets - Trade secret could be a formulae, technical know-how or a peculiar mode or method of business adopted by an employer which was unknown to others

The plaintiff is claiming rights in respect of names, addresses and financial details of customers which are already with the plaintiff. In order to claim right in the derivative work containing the original material, the plaintiff is to show adaptation, abridgement, arrangement, dramatization or translation in his work entitling him to have certain rights. In order to qualify for independent right in derivative of collective work, the additional matter injected in a prior work on the matter of rearranging or otherwise transforming a prior work must constitute more than the minimal

contribution which can be ascertained only if the prior work and the work done by the plaintiff is produced.

The details of customers are not trade secrets nor they are the property was held in 140 Wash.381, City Ice and Cold Storage Co. v. Kinnee. In this matter the Supreme Court of Washington had held that customers are not necessarily trade secrets, nor are they property. In this matter the customers were fixed and settled in a known district, and the fact of their being patrons of the appellant was in no way covered up, but capable of ascertainment on behalf of respondent's new employer or anyone else, by an independent canvass at a small expense and in a very limited period of time. The Court had held and emphasized that such a thing can hardly be said to be a secret, in the sense that it should be guarded by a Court of equity, which is susceptible of discovery by observation and little effort. Similarly in 174 Ark, 104, 294 S.W.393, El. Dorado Laundry Co. v. Ford the name of patrons learned by a driver employed on laundry route were held not to be trade secrets. It was held that any person of ordinary intelligence would become familiar with the customers whom he might serve along a laundry route during a period of five months. The Supreme Court of Arkansas had held that freedom of employment must not be unreasonably abridged, and a contract in restraint of employment, without some reasonable limitation, is like a similar contract in restraint of trade, contrary to public policy and unenforceable.

Prima facie, the version of the plaintiff that the defendant had taken alleged confidential information and data of the plaintiff is not believable in the facts and circumstances. The injunction as prayed by the plaintiff will have direct impact on curtailing the freedom of the defendant in her future prospects and service. Rights of an employee to seek and search for better employment are not to be curbed by an injunction even on the ground that she has confidential data in the present facts and circumstances. Such an injunction will facilitate the plaintiff to create a situation such as 'Once a customer of American Express, always a customer of American Express'. In the garb of confidentiality the plaintiff can not be allowed to perpetuate forced employment with American Express. Freedom of changing employment for improving service conditions is a vital and important right of an employee which cannot be restricted or curtailed on the ground that the employee has employer's data and confidential information of customers which is capable of ascertainment on behalf of defendant or any one else, by an independent canvass at a small expense and in a very limited period of time. Such a restriction will be hit by Section 27 of the Contract Act and common law and equitable doctrine of English Law will not be applicable in the fact and circumstances. An injunction can be granted for protecting the rights of the plaintiff but at the same time cannot be granted to limit the legal rights of the defendant especially when the Court has a doubt about the veracity of plaintiff's version and as it appears that the injunction has been sought for extraneous reasons and oblique motives and by concealment of material document.

Eastern Book Company and Ors. v. D.B. Modak and Ors. and Mr. Navin J. Desai and Anr.
101(2002)DLT205

FACTS

Eastern Book Company, a well known publishing concern had filed two suits bearing Nos. 624/2000 and 758/2000 before this Court for permanent injunction restraining infringement of copyright, moral rights, unfair competition, damages etc against the respondents.

The appellant is a publisher of a well-known journal known as Supreme Court Cases. It allegedly reports all reportable and unreportable judgments of the Supreme Court. In 1996, the second appellant introduced a data based package on CD-ROMs for finding out the Supreme Court ruling known as SCC-Online Case Finder. The respondents launched a software package entitled "The Laws" and "Jurix".

The said suits were founded, inter alia, on infringement of copyright and unfair competition. Copyright was claimed in the copy-editing of the judgment. According to the appellant, the respondent had copied the said notes and copied the text of the judgment as published in the SCC and thereby infringed its copyright.

ISSUE

Can there be a copyright in a Derivative work?

JUDGMENT

It was held that the petitioner was not the author of judgments, as it had acted only in choosing the judgment to be reported in the journal, making certain corrections or giving paragraph numbers - Further, the judgments of the Court were under the public domain Therefore, the same could not be subjected to the claim of copyright

The case discussed the scope of copyright under Section 2(a), (o), 14, 16, 51, 52(1)(q) and 55 of the Copyright Act, 1957, for the judgments of the Court - It was held that the copyright can be claimed only for the short-notes, head-notes, foot-notes and the editorial notes of the judgment. However, the reproduction from the judgment in the long head-notes cannot give rise to claim of copyright, but the arrangements made from different portions of judgments could result in limited copyright.

A derivative work consists of a contribution of original material to a pre-existing work so as to recast, transform or adapt the pre-existing work. This would include a new version of a work in the public domain and abridgment adaptation, arrangement, dramatization or translation. A collective work will qualify for copyright by reason of the original effort expended in the process of compilation, even if no new matter is added. In determining whether a work based upon a prior work is separately copyrightable as a derivative or collective work, the courts may not properly consider whether the new work is a qualitative improvement over the prior work. However, in order to qualify for a separate copyright as a derivative or collective work, the additional matter injected in a prior work or the manner of rearranging or otherwise transforming a prior work, must constitute more than a minimal contribution.

the respondents/defendants shall be entitled to sell their C.D. Roms with the text of the judgments of the Supreme Court along with their own head-notes, editorial notes, if any, which should not in any way be copy of the head-notes of the appellant / plaintiff. The respondents / defendant shall also not copy the footnote(s) and editorial comment(s) appearing in the Journal of the appellant/plaintiff.

INTELLECTUAL PROPERTY RIGHTS

The doctrine of intellectual Property Rights is based on the theory of property and ownership. The origin of intellectual property rights can be traced long after the recognition of the human race, the movables and chattels as property. Urbanization led to the growth of specialization and technological advancement and the recognition of intangible property. Ideas transformed into creation were said to be property and ownership over the same has been recognized to reward the creator. The age of industrialization encouraged the innovators to work towards the further development of industrial techniques.

According to Art.2(viii) of the Convention Establishing the World Intellectual Property Organization (WIPO) 1967, intellectual property includes right relating to (i) literary, artistic and scientific works; (ii) performance of performing artists, phonograms and broadcasts; (iii) inventions in all fields of human endeavor; (iv) scientific discoveries; (v) industrial designs; (vi) trademarks, service marks and commercial names and designations; (viii) protection against unfair competition; and all other rights resulting from intellectual activity in the industrial, scientific, literary and artistic fields. Intellectual property thus, includes copyrights, trademarks, patents, industrial designs, integrated circuits and layout designs, geographical indications, trade secrets and traditional knowledge etc.,

Though in the initial days of intellectual property regime, the State granted reward for the discoveries, trans-border exchange of science and technology, speedy information dissemination led to the stringent appEcation of the word 'creation'. The rapid industrial revolution brought huge commercial recognition to the creations; attaching huge commercial value to the intangible property. The issues such as conflicts over ownership, standard definition of protectable subject matter, infringement became a global and national issue. The increasing trans-border trade and differential protection regimes available in various domestic legislations created need for global intellectual property regime. The world countries came together to develop uniform standards in intellectual property regime through International conventions such as Paris Convention, Berne Convention, WTO TRIPs and WIPO etc., The continued monitoring by the TRIPs Council, WIPO succeeded in the growth of standardized intellectual property regime in the world, though with litde hiccups.

Property vis-a-vis intellectual property

The Supreme Court of India in *KC.Cooper v. UOI (1980* SC 564) gave a comprehensive definition of property as, *'Property means the highest right a man can have to anything, being that right which one has to land or*

tenements, goods or chattels which does not depend on another's courtesy. It includes ownership, estates and interests in corporeal things, and also rights such as trademarks, copyrights, patents and even rights in personam capable of transfer or transmission, such as debts; and signifies a beneficial right to or a thing considers as having a money value, especially with reference to transfer or succession, and to their capacity of being injured'.

Right over a property is a unique type of right, which guarantees ownership upon it against the world i.e., *right in rem.* In other words, property rights attach to persons insofar as they have a particular relationship to something and confer on those persons the right to exclude a large and indefinite class of other persons (the world) from the thing. *William SJackstone,* defined property as "sole and despotic dominion which one man claims and exercises over the external things of the world, in total exclusion of the right of any other individual in the universe." Property according to traditional classification is either *movable* or *immovable.* Both movable and immovable properties fall in the category of *corporeal or tangible property,* which is capable of being physically touched, sensed or perceived. The other category is *jura in re propria i.e., incorporeal or intangible property,* which cannot be physically touched, sensed or perceived.

Intellectual property is an intangible right exercisable and asserted in respect of a material or tangible work. It gives everyman right of ownership over his creations. This includes a bundle of economic rights, which includes »right to use, sell or license his creation for a minimum period. This exclusive right guaranteed to the creator gives him a monopoly status in terms of ownership over his creation against the society. Once the right of ownership exhausts legally, the same property would change its character from private to public.

LAW OF PATENTS

Abraham Lincoln described the patent system as "adding the fuel of interest to the fire of genius'. Patents are granted in respect of inventions i.e., technological improvements, great and small, which contain at least scintilla of inventiveness over what is previously known. The subject matter of the patent shall qualify the criteria i.e., novelty, non-obviousness and utility. Patents provide inventors with legal rights to prevent others from using, selling or importing their inventions for a fixed period. Applicants for a patent must satisfy a national patent issuing authority that the invention described in the application is new, susceptible of industrial application and that its creation involved an inventive step or would be unobvious to a skilled practitioner. Patent monopolies are extremely valuable for business.

Patents for inventions have their origins in Renaissance Italy. The Republic of Venice passed a patent law in 1474, whose underlying purpose was to attract foreign engineers with the incentive of a 10-year monopoly right to their 'works and devices'. The next significant legislative development in patent law came in 1624, with the English Statute of Monopolies. In United States, soon after independence, two patent laws were enacted in 1790 and 1793.

Development of patent system in India

The patent system in India emerged when India was a colony of the British and, therefore, the British used their own system as a drawing account while drafting the Indian Patent Act. The first Act for protection of inventions in India, i.e., Act VI of 1856 on protection of inventions, was based on the British Patent Law of 1852. Certain exclusive privileges were granted to the inventors of new manufacturers for a period of 14 years. The Act was modified in 1859 and certain exclusive privileges were granted to inventors for making, selling and using inventions in India, and authorizing others to do so for 14 years from the date of filing specifications.

The Patents and Designs Protection Act was enacted in 1872, and in 1883, the Protection of Inventions Act was enacted. Both the Acts were consolidated as the Inventions and Designs Act in 1888. The Indian Patents and Designs Act came into effect in 1911. After Independence, the national government decided to change the Colonial Patent Act amended in 1911. The study made by two committees headed by Justices BakshiTek Chand and N.RajagopalaAyyengar led to the emergence of the new Patents Act. On 29 April 1972, the Indian Patents Act (Act 39 of 1970) came into force. The Indian Patents Act, 1970 was later amended in 1999, 2002 and 2005. The Patents Amendment Act, 2005 seeks to bring the Indian Patents Act in line with the Trade Related Aspects of Intellectual Property Rights (TRIPs) Agreement.

Basic rationale behind grant of patent

Patent is granted not for an idea, however, outstanding it may be, but for the novel, useful and inventive way of carrying it out. Patent is an award conferred to recognize the intellectual input that encloses the idea. Patent grants an exclusive privilege granted to an inventor to exploit and market the fruit of his innovative technical or scientific talent for a period of twenty years computed from the date of filing of the application; and during that term, prevent others from copying his invention, advertently or inadvertently. This monopoly is granted as a consideration for disclosure by the patentee of his technical information contained in the specification and other documents attached to his application and materials referred to therein.

In *Bishwanath Prasad v. H.M.Industries(AIR* 1982 SC 1444), the Supreme Court observed that the fundamental principle of patent law is to grant a patent only for an invention, which must be new and useful. The thrust is on novelty and utility. It is essential for the validity of a patent that it must be the inventors' own discovery as opposed to a mere verification of what was already known before the date of the invention. The invention must be more than a mere workshop improvement.

The underlying purpose of the patent system is the encouragement of improvements and innovations. In return for making known his improvements to the public the inventor receives the benefit of a period of monopoly during which he becomes entitled to prevent others from performing his invention except by his licence.

Trinity requirements of invention - Novelty and Utility, inventive step

- Novelty, a new product or process, having quality of new invention. It is plain that as a product must be new and useful, a difference in the method of manufacturing an identical product does not make it a new product.
- Having an inventive step, that is, having a feature that involves technical advance as compared to the existing knowledge, cfr having economic significance or both, and that makes the invention not obvious to a person skilled in the art.
- Utility that is, the product or the process is capable of industrial application, meaning that the product or the process is capable of being made or used in an industry.

Novelty

The concept of novelty in intellectual property jurisprudence lays down that only what is new at the time of the filing of the application for a patent is patentable. As laid down by the Supreme Court of India in *Raj Prakash v. Mangat Ram Choudhary(AlR* 1978 Del 1), *'Invention, as is well-known, is to find out something or discover something not found or discovered by anyone before... It is not necessary that the invention should be anything complicated. The essential thing is that the inventor was the first one to adopt it. The principle, therefore, is that every simple invention that is claimed, so long as it is something which is novel or new, it would be an invention...'*

According to Sec.20) of the Indian Patent Act, 1970, 'invention' means a new product or process involving an inventive step and capable of industrial application. Hence, patent must have characters of novelty, non-obviousness and enablement. Enablement is nothing but concept of putting novelty into

action and all the above ingredients must be consecutively present to satisfy a valid patent. According to Sec. 2(1) of the Indian Patents (Amendment) Act, 2005, a 'new invention' means 'any invention or technology which has not been anticipated by publication in any document or used in the country or elsewhere in the world before the date of filing of the application with the complete specification.

Inventive step

An 'inventive step' is defined in Sec.2(ja), which means 'a feature of an invention that involves technical advance as compared to the existing knowledge or having economic significance or both that makes an invention not obvious to the person skilled in the art. Accordingly a new useful improvement made in an existing system would be an invention. An inventive step is an essential ingredient of invention and such step must exist for grant of patent.

Inventive step means a feature of an invention that involves technical advances as compared to the existing knowledge or having economic significance or both and that makes the invention not obvious to a person skilled in the art. The inventive step should be such as could not have been discernable to the unimaginative person skilled in the art and not something, which was published in the prior art. A person skilled in the art would presuppose that the said person would have the knowledge and the skill in the said field of art and will not be unknown to a particular field of art and it is from that angle one has to see that if the said document which is prior patent if placed in the hands of said person skilled in art whether he will be able to work upon the same in the workshop and achieve the desired result leading to patent which is under challenge. If the answer comes in affirmative then certainly the said invention under challenge is anticipated by the prior art or in other words, obvious to the person skilled in art as a mere workshop result and otherwise it is not.

Non-obviousness

In order to be patented, an invention needs to be non-obvious. In *Graham v. John Deere Co.,* (383 U.S. 1 (1996)), the U.S. Supreme Court laid down certain factors to be considered to find out whether the invention is obvious or not: (1) the scope and content of prior art; (2) the difference between the prior art and the claims at issue; and (3) the level of ordinary skill in the pertinent art; (4) objective evidence of non-obviousness. Primary evidence on the issue whether an invention involves inventive step or not comes from qualified experts. A person claiming a patent has not only alleged the improvement in art in the form but also that the improvement effected a new and very useful addition to

the existing state of knowledge. In addition to the above-mentioned factors, the U.S. Supreme Court also outlined factors that show 'objective evidence of non-obviousness'. They are — (1) commercial success; (2) long-felt but unsolved needs; and (3) failure of others.

Prior art

Prior art disclosing knowledge must be of a date prior to the date of the filing of the complete specification filed in pursuance of an application for a patent made in India. To discover precisely what constitutes an inventive step, one must examine the state of the art at the relevant time when the application for patent was made. The prior art may be contained in the prior claims filed in the patent office, or it may be contained in a public domain in India, or elsewhere, or publication in any other manner including public use. The Indian Patent Act, 1970 indicates by various provisions, the following as prior art: (1) Specifications for a patent; (2) Any other document; (3) Published knowledge either — (a) Oral, or; (b) by means of use, or; (c) by any other manner.

Enabling Disclosure

Anticipation requires two qualities in the prior art, namely, disclosure and enablement. According to Lord Hoffman, in *Ljindback v. Genetia(2008* RPC 439), 'to anticipate a patent, the prior art had to disclose the claimed invention and together with common general knowledge, enable a skilled person to perform it. The prior publication must contain within its four corners, a sufficient description to enable such a person to make the invention without an unreasonable amount of experimentation. If the earlier disclosure offers no more than a starting point for further experiments, if its teaching will sometimes succeed and sometimes fail, if it does not inform the art without more on how to practice the new invention, it has not correspondingly enriched the store of common knowledge, and it is not an anticipation.

Capable of Industrial Application

The definition of invention also requires that a claimed invention should be capable of industrial application. The phrase 'capable of industrial application' in relation to an invention means that the invention is capable of being made or used in an industry. An invention must produce a practical result. As laid down by the U.S. Supreme Court in *Brenner v. Mason* (38 U.S. 519), 'the basic *quid pro quo* contemplated by the constitution and the congress for granting a patent monopoly is the benefit derived by the public from an invention with substantial utility'. The substantial utility requirement means, 'an asserted use must show that the claimed invention has a significant and presently available benefit to the public.

Patentable Subject matter

Patent eligibility means the subject matter that is open to patenting. Patents are granted to inventions that satisfy the statutory requirements of novelty, inventive step and industrial application. In addition to these statutory criteria, a patent will be granted only where the invention is not an excluded category. The Indian Patent Act, 1970 provides the negative method of excluding the categories of inventions that are not patent eligible. Patent law contains a non-exhaustive list of things, which shall not be regarded as inventions. The exclusions on this list are either abstract or not technical. The TRIPs Agreement defines patentable subject matter as: *Patents shall be available for any inventions, whether products or processes, in all fields of technology provided that they are new, involve an inventive step and are capable of industrial application. Patents shall be available and patent rights enjoyable without discrimination as to the place of invention, the field of technology and whether products are imported or locally produced. Members may exclude from patentability inventions, the prevention within their territory of the commercial exploitation of which is necessary to protect ordre public or morality, including to protect human, animal or plant life or health or to avoid serious prejudice to the environment, provided that such exclusion is not made merely because the exploitations is prohibited by their law'.*

Section 3 of the Indian Patent Act, 1970 provides various situations where an invention can yet be not patentable — (a) An invention which is frivolous or which claims anything obviously contrary to well established natural laws; (b) An invention the primary or intended use or commercial exploitation of which could be contrary to public order or morality or which causes serious prejudice to human, animal or plant life or health or to the environment; (c) The mere discovery of a scientific principle or the formulation of or discovery of any living thing or non-living substance occurring in nature; (d) The mere discovery of a new form/new property/new use of a known substance which does not result in the enhancement; (e) The mere admixture resulting only in the aggregation of the properties of the components; (f) The mere arrangement or re-arrangement or duplication of known device; (g) A method of agriculture or horticulture; (h) Any process for the medicinal, surgical, curative, prophylactic or other treatment of human beings, animals; (i) Plants and animals in whole or any part thereof other than micro-organisms but including seeds, varieties and species and essentially biological processes for production or propagation of plants and animals; 0 A mathematical or business method or a computer program *per se* or algorithm; (k) A literary, dramatic, musical or artistic work or any other aesthetic creation whatsoever including cinematographic works and television production; 0 A mere scheme or rule or method of performing mental act or method of playing game; (m) A presentation of information; (n) Topography of integrated circuits; (o) Traditional knowledge.

Application for patent

The Patent Act, 1970 lays down a procedure for the grant of patent to an inventor to exploit his invention for 20 years subject to the fulfillment of certain conditions. The first step is to make an application in the prescribed form along with provisional or complete specification. The application is thereafter published, and examined and search for anticipation is made. Oppositions are invited from the public to the grant of patent and where there is no opposition or the opposition is decided in favour of the inventor, patent is granted and sealed which confers certain rights on the patentee.

Who can apply for patent

i. Any person claiming to be the true and first inventor of the invention;
ii. Any person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application;
iii. The legal representative of any deceased peson who immediately before his death was entitled to make such an application.

Form of application

According to Sec.7 of the Act, 1970, every application for a patent shall be for one invention only. An international application for a patent under the Patent Co-operation Treaty (PCT), as may be filed designating India is to be deemed to be application under this Act, if a corresponding application has also been filed before the Controller of Patents. An application for patent is to be accompanied by a provisional or complete specification. Where an application for a patent is accompanied by a provisional specification, a complete specification shall be filed within tweleve months from the date of filing of the application, otherwise, the same shall be considered abondoned. After filing of the application, the applicant has to make a request for examination. The request for examination has to be made within a period of 48 months from the filing of the application. The application will be examined by an examiner in respect of:

i. Whether the application and specification comply with the requirements of the Act?
ii. Whether there is any lawful ground of objection to the grant of patent?
iii. Search for anticipation by prior publications and prior claim.

Opposition to grant

Persons are entided to oppose the patent before the grant and after the grant of patent by sending an application of opposition to the Controller of patents. In case of post-grant opposition, only a person

interested i.e., a person who is engaged in, or in promoting, research in the same field as that to which the invention relates, can file opposition.An application may be opposed on the grounds of:

i. Wrongfully obtaining the invention;
ii. Publication before the priority date of the claim;
iii. The priority date of a claim in a specification, earlier than the application;
iv. Public knowledge or public use in India;
v. Obviousness;
vi. Being not an invention or not entitled to be patented under the Act
vii. Failure to disclose information required by the Controller
viii. In case of a Convention application, failure to apply within 12 months from the date of the first application;
ix. Insufficient description of the invention in the complete specification;
x. Wrongful mention of the source or geographical origin of biological material used for the invention;
xi. Knowledge within the local or indigenous community in India.

The appeal against the order of the Controller of Patents shall lie to the Intellectual Property Appellate Board (IPAB).

Rights of Patentee

i. Where the subject matter of the patent is a product, the exclusive right to prevent third parties, who do not have his consent, from the act of making, using, offering for sale, selling or importing for those purposes that product in India;
ii. Where the subject matter of the patent is a process, the exclusive right to prevent third parties, who do not have his consent, from the act of using that process, and from the act of using, offering for sale, selling or importing for those purposes the product obtained directly by that process in India.

In case, where a patent is granted to two or more persons, each one of them shall be entitled to an equal undivided share in the patent, unless an agreement to the contrary is in force.

Patent Addition

Patent of addition may be granted for those improvements or modifications in the invention, which the patentee might have made during the course of working of his patent but which might not possess sufficient inventiveness to qualify an independent patent. The patent addition is granted only

for expired term of the main patent and term of the patent addition is also dependent on the term of the main patent.

Restoration of Lapsed Patent, Surrender and Restoration of Patents, Register of Patents

In case of failure of payment of renewal fee within the prescribed time frame, the patentee or his legal representative may, within 18 months from the date on which the patent has ceased to have effect, make an application for the restoration of the patent and the same may be granted depending upon the satisfaction of the Controller of Patents.

A patentee may offer to surrender his patent at any time by giving notice to the Controller of Patents. The Controller shall publish the offer and also notify every person whose name appears in the register as having an interest in the patent.

The revocation of patents specifies that the grant and sealing of the patent, does not guarantee the validity of the patent, which can be challenged on various grounds in revocation or infringement proceedings. (1) Any person interested; or (2) The Central Government; or (3) the person making a counter-claim in a suit for the infringement of a patent may petition the High court for revocation of patent on the grounds specified in Section 64 of the Indian Patent Act, 1970.

In *every* patent office, a register of patents is kept under the control of the Controller of Patents to record, (1) the names and addresses of grantees of patents; (2) notifications of assignments and of transmissions of patents, of licenses under patents, and of amendments, extensions, and revocations of patents; and (3) particulars of other prescribed matters affecting the validity or proprietorship of patents.

Compulsory licenses

At any time after the expiration of three years from the date of grant of a patent, any person interested may make an application to the Controller for grant of compulsory license on patent on any of the grounds: (1) that the reasonable requirements of the public with respect to the patented invention have not been satisfied, or (2) that the patented invention is not available to the public at a reasonably affordable price, or (3) that the patented invention is not worked in the territory of India. Any person including license holder may make an application for the grant of compulsory license.

In considering the application, the Controller is to take into account the following factors: (1) the nature of the invention, the time, which has elapsed since the sealing of the patent and the measures already taken by the patentee or any licensee to make full use of the invention; (2) the ability of the applicant to work the invention to the public advantage; (3) the capacity of the applicant to undertake the risk in providing capital and working the invention, if the application were granted; (4) whether the applicant has made efforts to obtain a license from the patentee on reasonable terms and conditions and such efforts have not been successful within a reasonable period as the Controller may deem fit.

Infringement Proceedings

The Patents law does not specify as to what would constitute infringement of a patented product or process. Generally speaking, the following acts when committed without the consent of the patentee shall amount to infringement:

- making, using, offering for sale, selling, importing the patented product
- using the patented process, or using, offering for sale, selling or importing the product directly obtained by that process

Section 104 provides that a suit for infringement of patent or for a declaration as to non-infringement under Section 105 ©r for relief in cases of groundless threat of infringement proceedings under Section 106 is to be instituted in District Court having jurisdiction to try the suit. However, where a counter-claim for revocation of the patent is made by the defendant, the suit along with the counter-claim is to be transferred to the High Court for decision.

Exclusions from infringement

The law however enumerates certain exceptions to infringement: (1) Experiment; (2) Research; (3) Instructing the pupils.It is also permitted to make, construct, use, sell or import a patented invention solely for the uses reasonably related to the development and submission of information required under any law for the time being in force, in India, or in a country other than India, that regulates the manufacture, construction, use, sale or import of any product. All such acts, if within the bounds as created above, cannot be challenged as infringing the rights of the patentee^

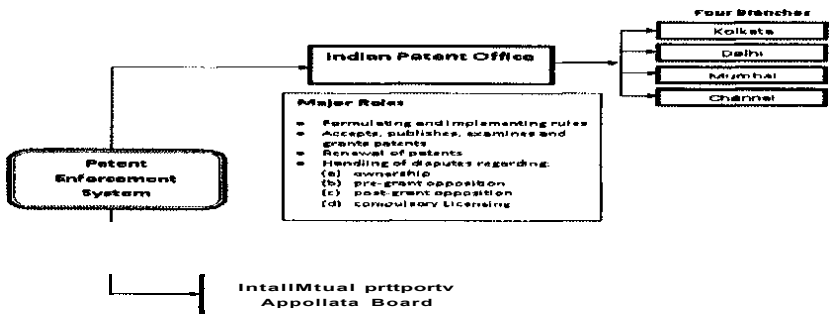
b. Parallel Importation under certain conditions: patented article or article made by usingthe patented process can be imported by government for its own use. Also a patented process can be used by the government solely for its own use. Moreover the government can import any patented medicine or drug

for the purposes of its own use or for distribution in any dispensary, hospital or other medical institution maintained by the government or any other dispensary, hospital or medical institution notified by the government.

Jurisdiction

For filing a suit for infringement, the Court of first instance in India is the District Court. Now, where in such a suit the defendant pleads invalidity of the patent and makes a counter claim for revocation of the patent, the suit of infringement along with the counter claim is necessarily transferred to the High Court having the Jurisdiction. As a matter of practice, in almost all the suits of infringement the defendant challenges the validity of the patent and makes a counter-claim for revocation. The effect of this is that infringement suits are generally decided by the High courts. In *lj)n> Heat Driers (P) Ltd. v. Biju George [2001 (21) PTC 775 (KerJJ* **Kc** was held that once the defendants file a counter claim seeking revocation of patent, the District Court will lose jurisdiction to proceed with the matter any further. That deprivation of power will necessarily include the power to deal with all interlocutory applications pending as on that day.

Like any other civil suit the jurisdiction shall be determined in accordance with the rules of Code of civil Procedure. The appropriate forum would be: (a) Principal place where the plaintiff carries on his business; or(b) Principal place where the defendant carries on his business; or(c) Place where the infringing articles are manufactured/ sold or infringing process is being applied or where the articles manufactured by the infringing process is being sold;



Burden of Proof

The traditional rule of burden of proof is adhered to with respect to patented product and accordingly in case of alleged infringement of a patented product the 'onus of proof rests on the plaintiff. However, TRIPS-prompted amendment has resulted in 'reversal of burden of proof in case of infringement of patented process. Under the current law, the Court can at its discretion shift the burden of proof on the defendant, in respect of process patent if either of the two conditions are met: 1) the process results in 'new' product or 2) there is substantial likelihood that an identical product is made by the process and plaintiff has made reasonable efforts to determine the process but has failed.

Declaration as to non-infringement

Infringement suits are dilatory, may hamper the flow of business and involve considerable costs. To keep them at bay, a suit for declaration as to non-infringement can be instituted. For this the plaintiff must show that following: (a) he plaintiff applied in writing to the patentee or his exclusive licensee for a written acknowledgement to the effect that the process used or the article produced by him does not infringe the patent and (b) patentee or the licensee refused or neglected to give such an acknowledgement. It is not necessary that the plaintiff must anticipate an infringement suit.

Relief in suit for Infringement

When speaking of any legal proceeding, probably the most important concern in the nature and scope of relief available to the 'aggrieved party'. It is seen that like any other civil proceedings, the infringement suits are often protracted and if the aggrieved party were made to wait till the end, the damage inflicted would be irreparable.

1. **Interlocutory Orders**

In such cases the plaintiff can obtain interlocutory order in form of 'temporary injunction' from the court by proving the existence of the following facts:(a) A prima facie case of infringement; (b) Balance of convenience is tilting in his/her favour; (c) If injunction is not granted he/she shall suffer irreparable damage.

In *Hindustan Lever Limited v. Godrej Soaps Limited [AIR 1996 Cat 367],* the Court held that the plaintiff in a patent case must show a prima facie case of infringement and further that the balance of convenience and inconvenience is in his favour. Where the alleged infringement is not novel and the patent has not yet been exploited there is no question of loss of employment or fall in revenue and the damages if

suffered could be provisionally quantified it could not be said that the balance of convenience was definitely in favour of a interlocutor)' injunction.

The Courts may refuse to consider the question of validity while deciding on interlocutory order. As in Schneider Electric Industries SA V. Telemecanique & Controls (I) Ltd. [2000 (20) PTC 620 (Del)], Delhi High Court held that an interlocutory application in a suit for infringement of a registered patent, defendant's plea that patents are invalid as patented features are in the nature of obvious improvements cannot be considered at this stage in the light of conflicting expert evidence.

On the other hand in a recent case *Novartis AG and Anr V. Mehar Pharma and Anr, 2005(30) PTC (Bom)* the Court refused to grant temporary injunction on the ground that the validity of a recent patent was challenged.

2. **Anton Pillar Order**

The Court can also order for the search of the premises of the defendant. The infringing goods, materials and implements which are used for the creation of the infringing goods can be seized, forfeited or destroyed on the order of the Court

3. **Damages and Accounts for Profits**

Once the suit is decided in favour of the plaintiff, the Court can either award damages or direct the defendant to render an account of profits. The two remedies are alternative and not concurrent in nature. Some express limitations have been imposed on the grant of this relief. The Court shall not grant damages or account of profits in the following cases:(a) Where the defendant proves that at the date of the infringement he was not aware and had no reasonable grounds for believing that the patent existed; (b) Where an amendment of a specification had been allowed after the publication of the specification, and the infringement action is in respect of the specification before the date of publication unless the Court is satisfied original specification was made in god faith and with reasonable skill and knowledge.

In *Microsoft Corporation v. K. Mayuri <& Others* [2007 (35) PTC 415 (Del.)], Justice A.K.Sikri explained the principle laid down in *Meters Ltd., v. Metropolitan Gas Meters Ltd.,* [(1911) 28 RPC 157] in the following way:(No. of infringing articles) x (the sum that would have had to be paid in order to make the manufacture of that article lawful)

COPYRIGHTS

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, *inter alia,* rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

The primary obejctive of copyright is not to reward the labour of authors, but ot promote the progress of science and useful arts. The objectives of copyright law are mainly twofold. Firstly, the copyright law is developed by the nations to assure authors, composers, artists, designers and other creative people as well as the film producers and producers of sound recordings, who risk their capital in putting their work before the public, the right to their original expression. Secondly, the copyright law encourages others to build freely upon the ideas and inforamtion con eyed by a work. It also allows people to make some free uses of the copyright material.

Subject Matter of Copyright

According to Section 13 of the Copyright Act, 1957 copyright subsists in the following works:

a) Original literary, dramatic, musical and artistic works;
b) Cinematograph films; and*
c) Sound recording.

Clause (a) of Section 13 protects original work whereas clauses (b) and (c) protect derivative works.

Meaning of word "work"

For many purposes, it is important to identify precisely the 'work' in question, for example because infringement is defined to take place when an unlicensed act takes place in relation to the 'work as a whole or any substantial part of it'. A 'work' is a thing which satisfies the statutory description of a literary, dramatic, etc., work. The term 'work' is interpreted in section 2(y) of Act as " 'work' means any of the following works, namely: (i) a literary, dramatic, musical or artistic work; (ii) a cinematograph film; (c) a record.

At the end of the particular process of creation, one must look at what has been created and assess whether it is a literary etc., work and then whether it is an original work. If it is a single work

containing number of antecedent works, then according to the interpretation given in *CCH Canadian Ltd., Vs. Law Society of Upper Canada* [2002] 4 F.C. 213, "one must decide whether the material in question is capable of existing outside of the context in which it is published, communicated, displayed, performed or otherwise disseminated. If a production is distinctive and reasonably able to stand alone, then it may be deemed a work in itself rather than a part of another work. However, if a production is dependent upon surrounding materials such that it is rendered meaningless or its utility largely disappears when taken apart from the context in which it is disseminated, then that component will instead be merely a part of the work. According to Rothstein J.A 'a work was something which was complete or perhaps substantially complete'. A worjc is something which conforms to the statutory description of the particular kind of work.

According to the interpretation given in *Coogi Australia PtyLtd., Vs. Hysport International Pty Ltd.,* (1998) 157 A.L.R 247, 'a claimant cannot choose to divide up the subject matter into small parts, claiming that each part is a work. The term 'work' includes an unpublished work and there can be copyright in an unpublished work also.

ORIGINAL

According to Sec.l3(l)(a)» of the Act, Copyright shall subsist in the following classes of works, that is to say original literary, dramatic, musical and artistic works. This gives the impression that copyright subsists in the above categories of works only when they are original.

Historically, the requirement of 'originality' so far as the 1842 Act was concerned, only at a low level. This was demonstrated by the House of Lords decision in *Walter Vs. Lane* [1900] A.C. 539, where it was held that a reporter was entitled to copyright in his *verbatim* report of a public speech. Since the statute did not contain any express requirement as to originality, it might have been thought that the introduction of an express statutory requirement of originality by the 1911 Act brought about a change in the law. Decisions under the 1911 Act, however, established that the test of originality remained a low one, and the better view was therefore that there had been no change in the law.

Principles of originality:

1. **Expression, not content:** The originality which is required relates to the expression of thought, and that the work should not be copies from another work, but should be original from the

author. Original, in this connection, does not mean that the work must be the expression of original or inventive thought; the originality required relates to the expression of thought. Story in a celebrated judgment in *Frederick Emerson Vs. Chas Dames* (Story's United States Rep. Vol. 3 p. 768) set out the distinction between the original composition and a piracy of a copyright. Some of the points are 1. any new and original plan, arrangement or compilation of material will entitle the author to copyright therein whether the materials themselves, be old or new, 2. that whosoever by his own skill, labour and judgment writes a new work may have a copyright therein unless it be direcdy copied or evasively imitated from another's work 3. that to constitute piracy of a copyright it must be shown that fhe^original has been either substantially copied or to be so imitated as to be a mere evasion of the copyright.

2. **Nature of skill or labour required:** To secure copyright for the product of the labour, skill and capital of one man, it is necessary that the labour, skill and capital expended should be sufficient to impart to the product some quality or character which the raw material did not possess, and which differentiates the product from the raw material. There are two interconnecting strands involved. First, the work must originate from the author. Second, whether or not the author has drawn on other material, what is required is the expenditure of more than negligible or trivial effort or relevant skill in the creation of the work. In case of copyrights there is no guiding principle as to the quantum of labour, siill or judgment required. So, it is a question of fact and degree.

Doctrine of Sweat and brow

The US Supreme Court held in *Feist Publications Inc., v. Rural Telephone Service Co. Inc.,* [499 US 340] that the *sine qua non* of copyright is originality. To qualify for copyright protection, a work must be original to the author. Original, as the term is used in copyright law, means only that the author independently created the work and that it possesses at least some minimal degree of creativity. The requisite level of creativity is extremely low; even a slight amount will suffice;

Original literary, dramatic, muscial and artistic works

The Copyright Act, 1957 provides an inclusive definiton of literary work. It defines litrary work to include "computer programmes, tables and compilation including computer databases". Under the rubric of original literary work, following works have been included as capable of havin copyright — school textbooks; question papers set for examination; law reports; head note, side or marginal note of a

report; short notes of cases; business letter; application and other forms; research theses and dissertations; catalogues; contract forms; consignment notes; directories; football coupons; list of bills of sale; comilation of a book on household accounts and domestic arithmetic; lists of football fixtures; mathematical tables; railway timetables; road books; guide books; book of scientific questions and answers; rules of a game; stud books; trade statistics; compilation of a list of clients and law firms; opinions and advises to clients; telegraph codes; questionnaire for collecting statstical inforamtion; headnotes of law reports; Almanac (Panchang) etc.,

The Copyright Act 1957 provides that 'dramatic work' includes any piece for recitation, choreographic work or entertainment in dumb show, the scenic arrangement or acting form of which is fixed in writing or otherwise but does not include a cinemtatograph film. The Act, 1957 defines 'musical work' to mean a work consisting of musci and includes any graphical notation of such work, but does not include words or any action, intended to be sung, spoken or performed with the music.

Section 2(c) of the Act, 1957 defines 'artistic work' to mean (i) a painting, a sculpture, a drawing (including a diagram, map, chart or plan), an engraving or a photograph, whether or not any such work possesses artistic quality; (ii) a work of architecture; and (iii) any other work of artistic craftsmanship.

Cinematograph film

'Cinematograph film' is defined by the Act, 1957 as 'to mean any work of *visual recording* and includes *sound recording* accompanying such visual recording and the expression 'cinematograph' shall be construed as including any work produced by any process analogous to cinematography including video films. The expression 'visual recording' means the recording in any medium, by any method including the storing of it by any electronic means, of moving images or of the representations thereof, from which they can be perceived, reproduced or communicated by any method.

Sound recording

Sound recording means a recording of sound's from which such sound may be produced regardless of the medium on which such recording is the method by which the sounds are produced.

Ownership of Copyright

Author:

Sec.2 (d) refers the term 'author' as-

- In relation to literary or dramatic work - the author of the work
- In relation to a musical work - the composer
- In relation to an artistic work other than a photograph - the artist
- In relation to a photograph - the person taking the photograph
- In relation to a cinematograph film or sound recording - the producer
- In relation to any literary, dramatic, musical or artistic work which is computer-generated - the person who causes the work to be created.
- In case of Government work — in the absence of any agreement to the contrary, government is the first owner of the copyright therein.

Joint Author:

The word 'author' includes 'joint author'. In the well known case of *Najmatieptualla Vs. Orient Longman Ltd.,* AIR 1989 Delhi 63 at p. 70, the Court observed that, where there was active and close intellectual collaboration and co-operation between the narrator and the writer would be joint owners of the work, entitled to first ownership. Thus if there is intellectual contribution by two or more persons, pursuant to a pre-concerted design, to the composition of a literary work, then those persons have to be regarded as joint authors.

Works made in the course of employment

The author of a literary qr dramatic work may not be the first owner of the copyright in two circumstances. The first circumstance deals with the work of employee of proprietors of newspapers, magazines and similar periodicals and the second is concerned with the work of employees generally. Section 17 of the Act, 1957 provides that the author of the work is the first owner of the copyright therein. However, in the case of literary or dramatic work made by the author in the course of his employment by the proprietor of a newspaper, magazine or similar periodical under a contract of sendee or apprenticeship, for the purpose of publication in a newspaper, magazine or similar periodical, the said proprietor is taken to be the first owner of copyright in the work in so far as the copyright relates to the publication of the work in any newspaper, magazine or similar periodical, or to the reproduction of the work for the purpose of its being so published is concerned.

Economic rights of copyright owners

According to Sec.14 of the Act, 1957,'Copyright means an exclusive right subject to the provisions of this Act, to do or authorize the doing of any of the following acts in respect of a work or any substantial part thereof, namely —

- In case of literary, dramatic or musical work,
  - To reproduce includes storing in any electronic form
  - To issue copies to public
  - To perform the work in public
  - To communicate to public
  - To make any cinematograph film or sound recording
  - To make any translation
  - To make any adaptation
- In case of computer programme
  - To do any of the acts specified above,
  - **O** To sell or commercial rental, or offer for sale or rent
- In case of an artistic work:
  - To reproduce 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
  - To communicate to public
  - To issue copies of the work to public
  - To include the work in any cinematograph film;
  - To make adaptation
- In case of Cinematograph film:
  - To make copy of the film including a photograph of any image
  - To sell or give on hire or offer for sale/hire
  - To communicate to public
- In case of sound recordings:
  - To make any other sound recording embodying it
  - To sell/hire/ offer for sale/ hire
  - To communicate to public

Author's Moral Rights

In addition to the protection of economic rights, the Copyright Act, 1957 also protects moral rights of the author. According to Section 57 of the Act, 1957: (1) Independently of the author's copyright and even after the assignment either wholly or partially of the said copyright, the author of a work shall have the right — (a) to claim the authorship of the work; and (b) to restrain, or claim damages in respect of any distortion, mutilation, modification or other act in relation to the said work if such distortion, mutilation, modification or other act would be prejudiced to his honour or reputation.

Term of Copyright

- Published literary, dramatic, musical and artistic work — lifetime+60 years
- Cinematograph film — 60 years
- Sound recording — 60 years
- Posthumous work — 60 years
- 'Government work — 60 years

Assignment of Copyright

In case of copyright the assignment serves two purposes. In case of assignee, it confers on him the right of exploitation of work for a specified period in a specified territory and in case of assignor, it confers on him the right to receive royalty. The owner of copyright in a work may assign copyright either wholly or partially for the whole or any part of such copyright to any person. Copyright may also be assigned by a prospective owner of the copyright in a future work, subject however to the condition that the assignment shall be effective only when the work comes into existence.

According to Section 19 of the Act, 1957, it is an essential condition that the assignment of copyright should be in writing and signed by the assignor or his duly authorized agent, otherwise it shall not be valid. It is further required that the assignment of copyright must identify such work and specify the rights assigned, the duration and territorial extent of such assignment.

According to Section 19A of the Act, 1957, the Copyright Board may, on receipt of a complaint from the assignor and after holding such inquiry as it may deem necessary revoke such assignment, if the assignee fails to make sufficient exercise of the rights assigned to him, and such failure is not attributable to any act or omission of the assignor. In case of reliquishment of copyright, the author is obliged to give a notice in the prescribed form to the Registrar of Copyrights or by way of public notice.

Licences

There can be two kinds of licences: exclusive and non-exclusive. Exclusive licence confers on licenser or licensee and persons authorized by him to the exclusion of all other persons any right comprised in the copyright in a work. In case of non-exclusive licence, the owner of copyright retains the right to grant licenses to more than one person or to exercise it himself.

Compulsory licences

The Copyright Act, 1957 provides for the grant of compulsory licences in works which has been published or performed in public. It empowers the Copyright Board to direct the Registrar to grant licence if a complaint is made to it in writing under the Act during the term of copyright stating that necessary facts which are conditions precedent to the exercise of its power, provided that the owner has been approached in the first instance for the grant of a licence, and it is only if he has refused to republish or allow the republication of the work, and by reason of such refusal the work is withheld from the public; or if he has refused to allow communication to the public by broadcast of such work or in the case of sound recording the work recorded in such sound recording, on terms which the complainant considers reasonable, that the complaint could be made. Copyright board after giving the

copyright owner, the reasonable opportunity of being heard and holding inquiry, if satisfied may grant compulsory licence to qualified persons.

Copyright Societies

It is mandator^7 for any person or association of persons to get itself registered with the Central Government to carry on the business of issuing or granting licences in respect of any work in which copyright subsists or in respect of any other rights conferred by the Act. Copyright societies help in enforcing copyright by benefitting both the copyright owner and the general public. Before registering any association of persons as copyright society, the Central Government shall have regard to: (1) the interests of the authors and the owners or rights under the Act; (2) the interest and convenience of the public, particularly of the groups of persons who are most likely to seek licences in respect of the relevant rights; and (3) the ability and professional competence of the applicants. The registration of copyright society shall be for a period of five years. The registration may be renewed from time to time. In case if the copyright society is found to be acting in detriment to the interest of the copyright owners, the Central Government may cancel the registration.

Performer's rights

According to Section 2(qq) of the Copyright Act, 1957, performer includes an actor, singer, musician, dancer, acrobat juggler, conjurer, snake charmer, a person delivering a lecture or any other person who makes a performance. A performer is granted exclusive licence under the Act, 1957 —

a) To make a sound recording or a visual recording of the performance, including —
    a. Reproduction of it in any material form including the storing of it in any medium by electronic or any other means;
    b. Issuance of copies of it to the public not being copies already in circulation;
    c. Communication of it to the public;
    d. Selling or giving it on commercial rental or offer for sale or for commercial rental any copy of the recording;
b) To broadcast or communicate the performance to the public except where the performance is already broadcast.

Section 38B of the Act, 1957 provides two moral rights to the performer of a performance — (1) the right to be identified as the performer of his performance except, where omission is dictated by the manner of the use of the performance; and (2) the right to restrain or claim damages in respect of any

distortion, mutilation or other modification of his performance that would be prejudicial to his reputation.

The term of performer's right is fixed as twenty five years.

Section 39 of the Copyright Act, 1957 provides that no performer's right shall be deemed to be infringed by: (a) the making of any sound recording or visual recording for the private use of the person making such recording, or solely for the purpose of *bonafide* teaching or research; or (b) the use consistent with the dealing of excerpts of a performance or of a broadcast in the reporting of current events or for bonafide review, teaching or research; or {c) such other acts, with any necessary adaptations and modifications which do not constitute infringement of copyright.

Broadcast Reproduction Rights

According to Section 2(dd) of the Act, 1957, broadcast means communication to the public (1) by any means of wireless diffusion, whether in any one or more of the forms of signs, sounds or visual images, or (2) by wire and includes a re-broadcast. The term 'communication to the public' is defined as making any work available for being seen or heard or otherwise enjoyed by the public directly or by any means of display or diffusion other than by issuing copies of such work regardless of whether any member of the public actually sees, hears or otherwise enjoys the work so made available.

The broadcast reproduction right subsists until twenty five years from the date of broadcast. The owner of copyright in a broadcast has the exclusive right to do the following acts: (1) Re-broadcast the broadcast; (2) causing the broadcast to be heard or seen by the public; (3) making of sound or visual recording of the broadcast; (4) reproduction of sound recording or visual recording; (5) right to sell or commercial rental.

The court may refuse to enforce copyright in a broadcast on the grounds of public interest. Other exceptions to protection of rights in broadcast are — (1) making of sound recording or visual recording of broadcast for private use; (2) fair dealing for criticism, review and news reporting; (3) Acts authorized by Section 52 of the Act, 1957.

Copyright Office, Copyright Board and Registration of Copyright

The Copyright Office is established according to the Act, 1957 by Central Government and shall carry the work under the control of Registrar of Copyrights. The Registrar of Copyright has the powers of civil court when trying a suit. The orders passed by the Registrar are quasi-judicial in nature. The

Registrar shall maintain a Register of Copyrights at the office and shall enter the details of the Copyright owners in the prescribed manner. The Register of Copyright is *prima facie* evidence in proving the copyright.

Copyright Board constituted by the Central Government discharges judicial functions such as (1) determining the term of copyright; (2) decide disputes arising out of assignment of copyright; (3) direct Registrar to grant compulsory licence etc.,

Registration of copyright under Copyright Act, 1957 is optional and not mandatory. It is not a pre-requisite condition for claiming copyright in a work. Copyright subsists as soon as the work is created and given a material form. Registration of a work under the Copyright Act, 1957 merely raises a *prima facie* presumption of respect of the particulars entered in the Register of Copyright.

Infringement of Copyright and Neighbouring rights

The following are some of the commonly known acts involving infringement of copyright:

i. Making infringing copies for sale or hire or selling or letting them for hire;
ii. Permitting any place for the performance of works in public where such performance constitutes infringement of copyright;
iii. Distributing infringing copies for the purpose of trade or to such an extent so as to affect prejudicially the interest of the owner of copyright;
iv. Public exhibition of infringing copies by way of trade; and
v. Importation of infringing copies into India.

A copyright owner can take legal action against any person who infringes the copyright in the work. The copyright owner is entitled to remedies by way of injunctions, damages and accounts.The District Court concerned has the jurisdiction in civil suits regarding copyright infringement. A passing off action can also be initiated under Copyright Act, 1957.

Any police officer, not below the rank of a sub inspector, may, if he is satisfied that an offence in respect of the infringement of copyright in any work has been, is being, or is likely to be committed, seize without warrant, all copies of the work and all plates used for the purpose of making infringing copies of the work, wherever found, and all copies and plates so seized shall, as soon as practicable be produced before a magistrate.

No court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class shall try any offence under the Copyright Act, 1957. A police officer not below the rank of sub inspector can seize without warrant all infringing copies of the work.

Permitted Acts

Fair dealing or fair use for research and private study; for criticism or review; for the purpose of reporting current events; transient or incidental storage of a work or performance; reproduction of a work for judicial proceedings, reproduction of a work in legislature's work; reproduction of a work in a certified copy made under any law, reading or recitation in public, publication of short passages in a collection composed of non-copyright matter for instructional use; use of copyright material in the course of education; performance of a work in the course of activities of educational institutions; causing of a recording to be heard in public; performance of a work by amateur club or society; reproduction of articles on current topic in periodicals etc.,; storing of a work in electronic medium by non-commercial public library; reproduction for use of libraries; reproduction or publication of unpublished works; reproduction or publication of any matter in official gazette;making or publishing of a painting, photograph etc., of a work of architecture; making or publishing of a painting, photograph etc., of a sculpture or other artistic work; use of artistic work by the author himself in certain circumstances; making of 3D object from two-dimensional artistic work; reconstruction of abuilding in accordance with architectural drawings; exhibition of cinematograph film after the expiration of copyright term in literary, dramatic, musical or artistic work; ephemeral recording for the purpose of broadcast; performance of communication of a work in official ceremony; reproduction of work in accessible format for disabled person; importation of copies of literary or artistic work for certain purposes; translation or adaptations etc.,

Remedies

India has an excellent Copyright Law namely, the Copyright Act of 1957 amended in 1983, 1984 and 1994. The remedies for copyright infringement are:a) Civil; b) Criminal, and; c) Administrative. It is only the first two remedies, namely civil and criminal, which areof any real practical importance.

A. Civil Remedies

The most importance civil remedy is the grant of interlocutory injunction since most actions start with an application for some interlocutory relief and in most cases the matter never goes beyond the

interlocutory stage.The other civil remedies include damages - actual and conversion; rendition of accounts of profits and delivery up.

i) Interlocutory Injunctions

The principles on which interlocutory injunctions should be granted were discussed in detail in the English case of American Cyanamid v Ethicon Ltd. [1975] AC 368 (HL(E)]. After this case, it was believed that the classic requirements for the grant of interim injunction, namely,a) Prima facie case;b) Balance of Convenience; andc) Irreparable injury;had been modified and there was no need to establish a strong or even a prima facie case but it was sufficient to show that there was a triable issue.

In Series 5 Software Ltd. v Philip Clarke & Others [1996]FSR 273, Laddie J re-examined the principles and took a fresh look at what Cyanamid had actually decided. The learned judge held :a) the grant of an interlocutory injunction was a matter of discretion and depended on all the facts of the case;b) there were no fixed rules;
c) the court should rarely attempt to resolve complex issues of disputed fact or law;
d) major factors the court should bear in mind were (i) the extent to which damages were likely to be an adequate remedy and the ability[7] of the other party to pay (ii) the balance of convenience (iii) the maintenance of the status quo, and (iv) any clear view the court may reach as to the relativestrength of the parties' case.

Thus, this case places emphasis on the merits and the effect may well be to obtain a non-binding view by a judge on the merits. This may lengthen the hearing of application for interlocutory, injunction as parties may lead evidence on the merits but it may have the overall effect of putting an early end to the main action.

ii) Pecuniary remedies

Under Indian law, however, there is a departure made and the plaintiff, under sections 55 and 58, can seek recover)[7] of all three remedies, namely (a) account of profits (b) compensatory damages and (c) conversion damages which are assessed on the basis of value of the article converted.

iii) Anton Piller Orders

The Anton Piller Order derives its name from a Court of Appeal decision in Anton Piller AG vs Manufacturing Processes [1976] Ch55. An Anton Piller Order has the following elementsra) An injunction restraining the defendant from dealing in the infringing goods or destroying, them;b) An order that the plaintiffs solicitors be permitted to enter the premises of the defendants, search the same and take goods in their safe custody; andc) An order that defendant be directed to disclose the names and addresses of suppliers and customers and also to file an affidavit will a specified time giving this information.

iv) Mareva Injunction

Mareva Injunction is an order which temporarily freezes assets of a defendant thus preventing the defendant from frustrating the judgement by disposal of such assets.

v) Norwich Pharmacal Orders

These are orders by which information can be discovered from third parties.

B. Criminal remedies ,

Criminal remedies for copyright violation include :i) Punishment through imprisonment which, under Indian law, may not be less than six months but which may extend to three years;ii) Fines which, under Indian law, shall not be less than Rs.50.000. and which may extend to Rs.200,000; iii) Search and seizure of the infringing goods including plates which are defined as including blocks, moulds, transfers, negatives, duplicating equipment or any other device used or intended to be used for printing or reproducing copies of the work; iv) Delivery up of infringing copies or plates to the owner of the copyright.

Where any person claiming to be the owner of copyright in any work, by circulars, advertisements or otherwise, threatens any other person with any legal proceedings or liability in respect of an alleged infringement of copyright, any person aggrieved thereby may institute a declaratory suit that the alleged infringement to which the threats related was not in fact an infringement of any legal rights of the person making such threats and may in any such suit — (a) obtain an injunction against the continuance of such threats; and (b) recover such damages, if any, as he has sustained by reason of such threats.

TRADEMARK LAW

Definition of Trade Mark

A trade mark is generally a visually perceptible sign used in relation to goods or services. The primary purpose of a trade mark is to identify the commercial or trade origins of the goods or services. As such a trade mark distinguishes particular product from another product. If offers an assurance to the consumer that when he is buying a particular item with a trade mark he is purchasing the good will or reputation of a particular product. It is statutorily not compulsory for some body to register a trade mark. If a trade mark is registered by some one in that case he has a built in right to the safety of that particular mark. To qualify for registration as a trade mark any mark must fulfill the criteria as under:

- It should be distinctive. It should be something which can be seprated from other marks
- It must not cause any confusion or deception
- It should not contain scandalous or obscene matter
- It should not contain any matter which may hurt the religious susceptibilities of any class or section of the people.

Sec.2(zb): 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 comination of colours; and.....

Sec.2(m): Mark includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof;

The definition of trade mark is very wide and means, *inter alia,* a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others. Mark includes amongst other things name or word also. Name includes any abbreviation of a name.

Trade Mark functions

Trade marks and names perform a variety of economic functions. The main three functions of trade marks may be distinguished:

1. Origin function: Marks deserve protection so that they may operate as indicators of the trade source from which goods or services come, or are in some other way connected;
2. Quality or guarantee function: Marks deserve protection because they symbolise qualities associated by consumers with certain goods or services and guarantee that the goods or services measure up to expectations;
3. Investment or advertising function: Marks are cyphers around which investment in the promotion of a product is built and that investment is a value which deserves protection as such, even when there is no abuse arising from misprepresentations either about origin or quality.

Essential features of Trade Mark

A trade mark should have the following essential elements in general:-

1. Distinctiveness: A trade mark would be considered good trade mark when it is distinctive. Distinctiveness may be class dependent. What is distinctive in relation to one class of goods may not be so in relation to another class of goods. The trade mark may be united wholly or one or more specified colours and this colour combination may become the distinctive character of the particular mark. Distinctiveness may also be inherent or acquired. Inherent distinctiveness means that the mark or get up is distinct in itself from everything else and no one can justifiably claim the right to use it. For instance, a mark in the shape of an invented word like 'Rin\ Acquired distinctiveness means distinctiveness through use. Most of the trade marks acquire distinctiveness through use. The trade marks Yashica, Hawkins, Surf and Luxor have acquired distinctiveness through use as also the distinctiveness due to the inherent quality of their being invented words.
2. The trade mark should preferably be an invented word. Infact, the best trade marks are invented words.
3. The trade mark, if a word or name, should be easy to pronounce and remember. For instance 'Bata' for shoes; 'Zen' for car, 'SONY' for electronics, 'Ford' for car, 'Panchranga' for pickels.
4. In case of a device mark, the device should be capable of being described by a single word.
5. It must be easy to spell correctly and write legibly.
6. It should not be descriptive but may be suggetive of the quality of goods. For example, a mark A-1 would generally suggest superior quality. AVON (A-1) cycles for instance.
7. It should be short. For instance 'Tick', 'Flex', 'Ben', 'Rin'.
8. It should appeal to the eye as well as the ear.
9. It should satisfy the requirements of registration.

10. It should not belong to the class of marks prohibited for registration. For example, a mark contrary to law for the time being in force or a mark prohibited under the Emblems and Names (Prevention of Improper Use) Act, 1950.

Various other forms of trademarks

- Service Mark: Sec.2(z): means service of any description which is made available to potential users and includes the provision of services in connection with busness of any industrial or commercial matters such as banking, communication, education, financing, insurance, chit funds real estate, trasnport, storage, material treatment, processing, supply of electrical or other energy, boarding, lodging, entertainment, amusement, construction, repai, conveying of news or information and advertising. (Illustrations - Logos of PNB, SBI, IDBI, ICICI, AIRTEL, LIC, DLF etc.,)
- Certification Trade Mark: Sec.2(e): means a mark capable of distinguishing the goods or services in aconnection with which it is used in the course of trade which are certified by the proprietor of the mark in respect of origin, material, mode of manufacture of goods or performance of services, quality, accuaracy or other characteristics from goods or services not so certified and registrable;
- Collective mark: Sec.2(g): means a trade mark distinguishing the goods or services of members of an association of persons which is the proprietor of the mark from those of others;

  Section 62 of the Act prohibits the registration of collective mark, if it is likely to deceive or cause confusion on the part of public in particular if it is likely to be taken to be something other than a collective mark, and in such case the Registrar may require that a mark in respect of which application is made for registration comprises some indication that it is a collective mark.
- Well-known trade mark: Sec.2(zg): in relation to any goods or services, means a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services. (Illustration - Airtel, Reliance, Britania, Parle, Liberty, Raymond, Bata, Colgate etc,)

For determining whether a mark is a well-known mark, the Registrar may take into account any fact which he considers relevant for the said purpose. He is also mandated to consider:

i. Knowledge or recognition of that trade mark in the relevant section of the public including knowledge in India obtained as a result of promotion of trade mark.
ii. The duration, extent and geographical area of any use of that trade mark;
iii. The duration, extent and geographical area of any promotion of the trade mark, including advertising or publicity and presentaiton, at fairs or exhibition of goods or srvices to which the trade mark applies;
iv. The duration and geographical area of any registration of or any application for registration of that trade mark under the Act to the extent they reflect the use or recognition of the trade mark;
v. The record of successful enforcement of the rights in that trade mark. The extent to which the trade mark has been recognized as a well-known trade mark by any court of registrar;
vi. If a mark is determined as well-known, by even one section of the public in India, by any court or registrar, it should be considered as well-known for registration.

Legal requirements to register a trade mark

1. The selected mark should be capable of being represented graphically. The term 'graphical representation' is defined as 'representation of a trade mark for goods or services in paper form'. This would faciliate registration of three-dimensional marks and even sound marks, so long as they can be graphically represented.
2. It should be capable of distinguishing the goods or services of one undertaking from those of others.
3. 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.

Non-conventional trademarks

1. Sound: Chime, many of the items listed under sight are also spoken
2. Smell: Fragrance
3. Touch: Product configuration

Absolute grounds for refusal of trade mark registration

Section 9 of the 1999 Act lists the following grounds being absolute grounds for refusal of a trade mark:

- Such trade marks which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another. The distinctiveness of a mark is the hallmark of the law of trade mark. Distinctive mark must mean some mark which distinguishes the goods to which it is attached on those made or sold by the persons who uses the mark. *(M.RVerma v. William Hollins <&Co., Ltd.,* AIR 1947 Lah 29). Distinctiveness has been understood as 'some quality in the trade mark which earmarks the goods so marked as distinct from those of other products or such goods'. *(Imperial Tobacco Co. of India Ltd. v. Registrar of Trade Marks,* AIR 1977 Cal 413). Distinctiveness may be inherent or acquired over a period of time. Though there is no specified degree of inherent distinctiveness laid down in the Act, however, there must be something inherent in the mark itself which apart from mere user, would make it capable of distinguishing the particular goods.
- Trade marks which consist exclusively of such marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of services or other characteristics of the goods or services.
- Such trade marks which consist exclusively of marks or indications which have become customary in the current language or in the *bonafide* or established practice sof the trade.

However, a trade mark shall not be refused registration if before the date of application for registration, it has acquired a distinction character as a result of the use made of it or if it is already a well known trade mark.

A mark also shall not be registered as a trade mark if:

- It is of such nature as to deceive the public or cause confusion,
- It it contains or comprises of any matter likely to hurt the religious susceptibilities of any class or sections of citizens of india,
- If it comprises or contains scandalous or obscene matter,
- If its use is prohibited under the Emblems and Names (Prevention of Improper Use) Act, 1950.

A mark shall also not be registered as a trade mark if it consists exclusively of:

- The shape of goods which result from the nature of goods themselves, or
- A shape of goods which is necessary to obtain a technical result or
- The shape which gives substantial value to the goods.

Registration of Trade Mark

Any person who claims to be the proprietor of a trademark used or proposed to be used by him can apply for the registration of the mark for goods as well services. The Central Government is empowered to appoint a person to be known as the Controller of Patents, Designs and Trade Marks, known as the Registrar of Trade Marks. The Government may also appoint such other authorities with designations for the purpose of discharging under the superintendence and direction of the Registrar. The record called the register of trade marks is kept in the Trade Mark and Patents Head office. The register contains all the registered trade maks with names and addresses and the description of the proprietors, particulars regarding assignments and transmissions, the names and addresses of the registered users specifying conditions and limitations relating to registered trade mark.

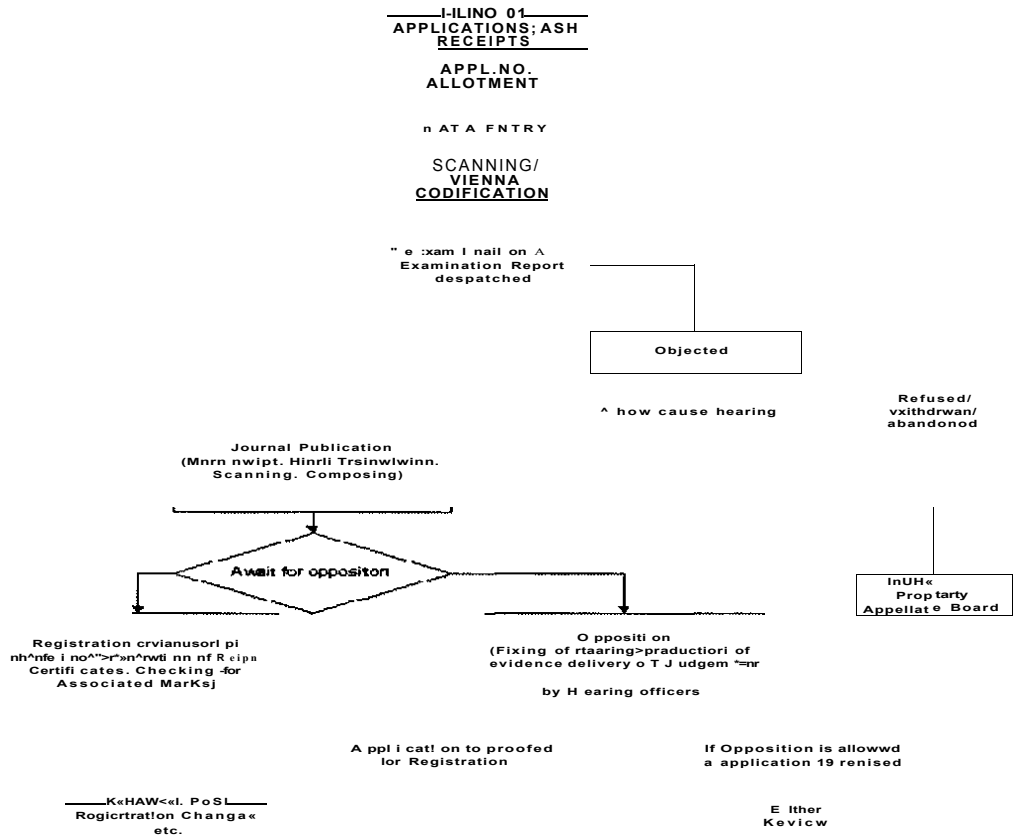
The application for registration has to be made in writing to the Registrar of Trade Marks and it has to be filed in the office of the Trade Mark Registry under whose jurisdiction the principal place of the business of the applicant in India falls. In case the principal place of business is outside India, then the application can be filed in the office of the Trade Mark Registry, under whose jurisdiction the place that has been mentioned in the 'address for service' section of the application (usually office of the lawyer appointed by the person) is located. In case of a company about to be formed, anyone may apply for a trademark registration in his name for subsequent assignment of the registration in the company's favor.

The Registrar can keep the records wholly or partly on computer floppies, diskettes and other electronic form, with the required safeguards. Any entry made in the registers in electronic form shall be deemed to be an entry under the Act.

The Register will be kept under the control and management of the Registrar. A copy of the trade makrs register will be kept in the branch offices, apart from documents meant for the public inspection notified by the Government. The register will also contain the existing trade mark at the time of the commencement of the Act.

The Registrar shall classify the goods and services in accordance with international classification of goods and services for purpose of registration of trade mark. Decision by the registrar making such classification will be final.

Registration Process — Flow Chart



Infringement and Passing-Off,

According to Section 29 of the Act, 1999, a trademark may be infringed in the following seven ways:

1. A registered trade mark is infringed by a person who not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with or deceptively similar to the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.
2. A registered trade mark is infringed by a person who unauthorizedly uses in the course of trade, a mark which because of — (1) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trademark; or (2) its similarity to the registered trade mark and the identity or similarity of the goods or sendees covered by such registered trade mark; or (3) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

3. A registered trade mark is infringed by a person who unauthorizedly uses in the course of trade, a mark which — (1) is identical with similar to the registered trade mark; and (2) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and (3) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to the distinctive character or repute of the registered trade mark.
4. A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name of his business concern dealing in goods or services in respect of which the trade mark is registered.
5. A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labeling or packaging goods, as a business papers, or for advertising goods or services, provided such person who he applied the mark, knew or had reason to believe that the application of the mark was not duly authorized by the proprietor or a licensee.
6. A registered trade mark is infringed by any advertising of that trade mark if such advertising — (1) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or (2) is detrimental to its distinctive character; or (3) is against the reputation of the trade mark; (3) is against the reputation of the trade mark.
7. Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation.

Exceptions to infringement

According to Section 30(2), a registered trade mark is not infringed in the following cases:

a) Where the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services;
b) Where a trade mark is registered subject to any conditions or limitations, the use of the trade mark in any manner in relation to goods to be sold or otherwise traded in, in any place, or in relation to goods to be exported to any market or in relation to services for use or available or acceptance in any place or country outside India or in any other circumstances, to which, having regard to those condition or limitations, the registration does not extend;
c) Where the use by a person of a trade mark — (1) in relation to goods connected in the course of trade with the proprietor or a registered user of the trade mark if, as to those goods or a bulk or

which they form part, the registered proprietor or the registered user conforming to the permitted use has applied the trade mark and has not subsequently removed or obliterated it, or has at any time expressly or impliedly consented to the use of the trade mark; or (2) in relation to services to which the proprietor of such mark or of a registered user conforming to the permitted use has applied the mark, where the purpose and effect of the use of the mark is to indicate, in accordance with the fact, that those services have been performed by the proprietor or a registered user of the mark;

d) Where the use of a trade mark by a person in relation to goods adapted to form part of, or to be accessory to, other goods or services in relatiori to which the trade mark has been used without infringement of the right given by registration under the Act or might for the time being be so used, if the use of the trade mark is reasonably necessary in order to indicate that the goods or services are so adapted, and neither the purpose nor the effect of the use of the trade mark is to indicate, otherwise than in accordance with the fact, a connection in the course of trade between any person and the goods or services, as the case may be;

e) Where the use of registered trade mark, being one of two or more trade marks registered under the Act which are identical or nearly resemble each other, in exercise of the right to the use of that trade mark given by registration under the Act.

Acquiescence

Acquiescence is sitting by, when another is invading the rights and spending money on it. If the plaintiff stood by knowingly and let the defendants built up an important trade until it had become necessary to crush it, then the plaintiffs according to Section 30(2) (c) of the Act, 1999 is stopped by their acquiescence. According to Section 33, the proprietor of an earlier trade mark has acquiesced for a continuous period of five years in the use of a registered trade mark, being aware of that use, he shall no longer be entitled on the basis of that earlier trade mark — (1) to apply for a declaration that the registration of the later trade mark is invalid, or (2) to oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used, unless the registration of the later trade mark was not applied in good faith.

Exhaustion of Rights

Section 30 (3) of the Act, 1999 provides that where the goods bearing a registered trade mark are lawfully acquired by a person, then the sale of the goods in the market or otherwise dealing in those goods by that perons or by a person claiming under or through him is not infringement of a trade mark by reason only of — (1) the registered trade mark having been assigned by the registered proprietor to

some other person, after the acqusiition of those goods; or (2) the goods having been put on the market under the registered trade mark by the proprietor or with his consent.

Passing off

Passing off is an actionable wrong, in which a person passes off his goods as the goods or another. An action of passing off will lie whenever the defendant company's name or its intended name, is calculated to deceive, and so to divert business from the plaintiff, or to occasion a confusion between the two businesses. Registration of trade mark by the defendant is no defence to passing off action.

Remedies

Two types of remedies are available in India to the owner of a trade mark for unauthorized use of his or her mark or its imitation by a third party. These remedies are: 'an action for infringement' in case of a registered trade mark and 'an action for passing off in the case of an unregistered trade mark.

The basic difference between the infringement action and an action for passing off is that the former is a statutory remedy and the latter is a common law remedy. Accordingly, in order to establish infringement with regard to a registered trade mark, it is necessary only to establish that the infringing mark is identical or deceptively similar to the registered mark and no further proof is required. In the case of a passing off action, proving that the marks are identical or deceptively similar alone is not sufficient. The use of the mark should likely to deceive or cause confusion. Further, in passing off action it is necessary to prove that the use of the trade mark by the defendant is likely to cause injury or damage to the plaintiffs goodwill, whereas in an infringement suit, the use of the mark by the defendant need not cause any injury to the plaintiff.

In a suit for infringement or for passing off, the relief that the court may grant includes injunction and either damages or an account for profits with or without any order for delivery of the infringing labels and marks for destruction or erasure. Although registration under the exisitng Act is prima facie evidence of validity of trade mark, yet the registration cannot upstage a prior consistent user of trade mark, for the rule is 'priority in adoption prevails over priorty in registration.

However, the registration cannot upstage a prior consistent user of trade mark in India, for the rule followed is 'priority in adoption previals over priority in registration'. The proprietor should use and renew the trade mark regularly and in time. If others misuse the trade mark he should file a suit for infringement and passing off and also take criminal action.

The proprietor should keep a watch in respect of trade marks published in the Trade marks journal and institute opposition proceedings if identical or deveptively similar trade marks are advertised. He should initiate rectification proceedings if an identical or deceptively similar trade mark is registered.

In case of infringement / passing off trademark, a criminal complaint can also be filed. It may be noted that under the Provisions of the Trade Marks Act, 1999, the offences under the Act are Cognizable, meaning there by that police can register an FIR (First Information Report) and prosecute the offenders directly.

Civil remedies in Trademark:

- Injunction/ stay against the use of the trademark
- Damages can be claimed
- Accounts and handing over of profits
- Appointment of local commissioner by the court for custody/ sealing of infringing material / accounts
- Application under order 39 rule 1 & 2 of the CPC for grant of temporary / ad interim ex-parte injunction

The Courts can grant injunction and direct the custom authorities to withhold the infringing material / its shipment or prevent its disposal in any other manner, to protect the interest of the owners of intellectual property rights. This legal proposition can be enforced with / without involving the concerned authorities as a party in the suit.

The relief which a court may usually grant in a suit for infringement or passing off includes permanent and interim injunction, damages or account of profits, delivery of the infringing goods for destruction and cost of the legal proceedings.

The order of interim injunction may be passed ex parte or after notice. The Interim reliefs in the suit may also include order for: (a) Appointment of a local commissioner, which is akin to an "Anton Pillar Order", for search, seizure and preservation of infringing goods, account books and preparation of inventory, etc.(b) Restraining the infringer from disposing of or dealing with the assets in a manner which may adversely affect plaintiff s ability to recover damages, costs or other pecuniary remedies which may be finally awarded to the plaintiff.

INDUSTRIAL DESIGN LAW

The industrial design law, one of the categories of intellectual property law, refers only to aesthetic nature of a finished product, and is distinct from any technical or functional aspects. The protection of industrial design is important as it encourages the creativity in the industrial and manufacturing sectors and helps in the economic development of a nation.

Section 2(d) of the Industrial Designs Act, 2000 defines 'design' to mean 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.

The followings are excluded from the definition of design: (1) any mode or principle of construction; (2) anything which is in substance a mere mechanical device; (3) any trademark; (4) any property mark as defined in Section 479 of IPC, 1860.

A design is applied to an article. Article is defined to mean any article or manufacture and any substance, artificial, or pardy artificial and pardy natural. Article also includes any part of an article capable of being made and sold separately.

Registration of Designs

According to Section 4 of the Act, 2000, a design qualifies for registration only if, (1) it is new or original; (2) it has not been disclosed to the public; (3) it is significantly distinguishable from known designs or combination of known designs; and (4) it does not comprise or contain scandalous or obscene matter; (5) its use would not be contrary to public order or morality.

An application for registration of design shall be made to the Controller of Designs. The controller shall grant a certificate of registration to the proprietor of the design when the design is registered.

Copyright in registered design

The registration of a design confers on the registered proprietor, copyright in the design for a period of ten years from the date of registration. Extension of the term of the copyright can be done on the payment of prescribed fee along with submission of prescribed application form. A lapsed design protection can also be restored on the payment of requisite fee along with the requisite application form.

According to Sec. 19 of the Act, 2000, a design registration may be cancelled at any time after its registration, on any of the following grounds: (1) that the design has been previously registered in India; or (2) that it has been published in India or in any other country prior to the date of registration; or (3) that the design is not a new or original design; or (4) tfrat the design is not registrable under this Act; or (5) that it is not a design as defined under the Act, 2000.

An appeal shall lie from the order of the Controller under Section 19 of the Act, 2000 to the High Court.

Piracy of Registered Design

According to Sec 22(1) of the Act, 2000, the following three acts by a person other than the registered proprietor of that design amounts to piracy of registered design:

1. For the purposes of sale,,to apply or cause to be applied to any article in any class of articles in which the design is registered, the design or any fraudulent or obvious imitation thereof, except with the licence or written consent of the registered proprietor, or to do anything with a view to enable the design to be so applied; or
2. To import for the purposes of sale, without the consent of the registered proprietor, any article belonging to the class in which the design has been registered, and having applied to it the design or any fraudulent or obvious imitation thereof; or
3. Knowing that the design or any fraudulent or obvious imitation thereof has been applied to any article in any class of articles in which the design is registered without the consent of the registered proprietor, to publish or expose or cause to be published or exposed for sale that article.

Jurisdiction of court

The suit or any other proceeding for relief is to be instituted in a District Court having jurisdiction. However, where the defendant avails any of the grounds on which the registration of a

design may be cancelled under section 19 of the Act, 2000 the court shall transfer the suit or such other proceeding to the High Court for decision.

Remedies against the piracy of registered design

Two alternative remedies are available against the piracy of registered design under Section 53(2)(#) and Section 53(2)(#). The proprietor has to elect one of these two remedies.

Section 53(2)(#) provides that if any person acts in contravention of Section 53, he shall be liable to pay the registered proprietor of the design a sum not exceeding Rs 500 for every contravention recoverable as a contract debt. But the total sum recoverable in respect of any one design shall not exceed Rs 1000.

Section 53(2)***(b)*** provides that the proprietor may bring a suit for the recovery of damages for any such contravention, and for an injunction against the repetition thereof. In case he succeeds, he will be entitled to recover such damages as may be awarded by the court and restrain the defendant in terms of the injunction granted by the court.

As mentioned earlier, a plaintiff cannot avail both the remedies. He has to choose one. The Bombay High Court *mCalico Printers Association Ltd.* v. *Gosho Kabushiki Kaisha Ltd.* ruled that the defendant has a right to ask the plaintiff to elect between the remedies available to him under Sections 53(2) *(a)* and 53(2) *(b)* at an early stage of the trial.

A plaintiff cannot have an account of the profits made by the defendant in lieu of a claim for the payment of Rs 1000 or for a claim of damages.

In a suit for infringement the defendant can take following defences : *(a)* he can deny that there was any infringement as alleged, or *(b)* contend that the design applied by him was materially different from the registered design, or *(c)* that he applied the design with the consent of the registered proprietor of the design, or *(d)* that the plaintiff is not the proprietor of the design, or *(e)* that the registration of the design is invalid as in fact there was no design as claimed within the definition under Section 2(5), or *(J)* the design was not new or original or had been previously registered or published in India.

In the case of *Mohammed Abdul Kareem* v. *Mohammed Yasinthe* Allahabad High Court held that entry of a person's name in the register as the proprietor did not conclusively make him the registered proprietor. This can be rebutted by adducing evidence to the contrary. This principle was confirmed in *Niki Tasha*

P. Ltd. v. *Faridabad Gas Gadgets P. Ltd In* this case the Delhi High Court rejected the argument of plaintiff that it was not open to the defendant to attack the validity of the registration which could be done only in a separate action for cancellation of the registration.

Interlocutory injunction under Civil Procedure Code

In addition to remedies provided in Sections 53 (2) (a) and 53(2)(#), the plaintiff may seek interlocutory injunction *pendente liteundet* CPC, Order 39 Rules 1 and 2. The principles applicable to the grant of interlocutory injunction in the case of a design are the same as are applicable in the case of a patent.

The plaintiff must make out a *prima facie* case and show that the balance of convenience is in his favour. An interlocutory injunction will not normally be granted where damages will provide an adequate remedy, should the plaintiff s claim succeed. The Delhi High Court in *Niki TashaP. Ltd. v.Faridabad Gas Gadgets P. Ltd.20* held that the court will not grant an interlocutory injunction unless satisfied that there is a real probability of the plaintiff succeeding on conclusion of the trial of the suit. Interlocutory injunction will not be granted if there are substantial grounds for attacking the validity of the registration.

Interlocutory injunction will also be denied if the defendant gives an undertaking to keep an account if he is a person of substance and the undertaking will give the relief which the plaintiff requires.

In *Bansal Plastic Industries* v. *Neeraf Toys Industries*[22] the court stated that granting a temporary injunction is in the discretion of the court which is to be exercised in accordance with reason and sound principles.

Offences and penalties

According to Sec.103 of the Act, penalty for applying false trade marks, trade description is: punishment with imprisonment for a term which shall not be less than six months but which may extend to three years and with fine which shall not be less than Rs.50,000/- but which may extend to 2 lakhs. According to Section 104 of the Act, the penalty for selling goods with false trade mark: imprisonment for a term which shall not be less than six months but which may extend to three years and with fine which shall not be less than Rs.50,000/- but which may extend to 2 lakhs. According to Section 107(1) of the Act, penalty for falsely representing a Trade mark as registered: punishable with imprisonment for a term which may extend to three years or with fine or with both. According to Section 109 of the Act, penalty for falsification of entries in the register: punishment with imprisonemnt for a term which may extend to two years, or with fine, or with both.

According to seal 15 of the Act, a police officer not below the rank of Deputy Superintendent of Police to search and seize without warrant the goods, die, block, machine, plate other instruments or things involved in committing the offence whever found.

GEOGRAPHICAL INDICATIONS LAW

A geographical indication (GI) is an indication, whether in the form of a name or sign, used on goods that have a specific geographical origin and possesses qualities or a reputation that are due to the place of origin. Geographical indications are valuable rights, which if not adequately protected, can be misused by dishonest commercial operators to the detriment of both the consumers and the legitimate users.

The TRIPs prescribes minimum standards of protection of GIs and additional protection for wines and spirits. Articles 22 to 24 of Part II Section III of the TRIPS prescribe minimum standards of protection to the geographical indications that WTO members must provide. India, in compliance with its obligation under TRIPS, has taken legislative measures by enacting the Geographical Indications of Goods (Registration and Protection) Act, 1999, which came into effect on September 15, 2003 and the Geographical Indications of Goods (Registration and Protection) Rules, 2002.

Geographical Indication

As per the (Indian) Geographical Indications of Goods (Registration and 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. GIs have been used in India for a wide variety of products, such as Basmati Rice, Darjeeling Tea, Kangra Tea, Feni, Alphonso Mango, Alleppey Green Cardamom, Coorg Cardamom, Kanchipuram Silk Saree, Kohlapuri Chappal, etc.

Registration of GI

By registering a geographical indication in India, the rights holder can prevent unauthorized use of the registered geographical indication by others by initiating infringement action by way of a civil suit or criminal complaint. Registration of the GIs in India is not mandatory as an unregistered GI can also be enforced by initiating an action of passing off against the infringer. It is, however, advisable to register the GI as the certificate of registration is prima facie evidence of its validity and no further proof of the same is required. Registration of Geographical Indications An application for the registration of a GI is to be made to the Registrar of Geographical Indications in the form prescribed under the Geographical Indications of Goods (Registration and Protection) Act, 1999 (the GI Act) read with the Geographical Indications (Registration and Protection) Rules, 2002 (the GI Rules).

The application for registration must contain the followings:

1) A statement as to how the geographical indication serves to designate the goods as originating from the concerned territory in respect of specific quality, reputation or other characteristics of which are due exclusively or essentially to the geographical environment, with its inherent natural and human factors, and the production, processing or preparation of which takes place in such territory, region or locality;
2) The class of goods to which the geographical indication shall apply;
3) The geographical map of the territory of the country or region or locality in which the goods originate or are being maaufactured;
4) The particulars regarding the appearance of the geographical indication as to whether it is comprised of the words or figurative elements or both;
5) A statement containing such particulars of the producers of the concerned goods, if any, porposed to be initially registered with the registration of the geographical indication as may be prescribed; and
6) Such other particulars as may be prescribed

Prohibition of registration of certain geographical indications

Section 9 of the GI Act, 1999 prohibits the registration of certain geographical indications such as:

1) the use of which is likely to deceive or cause confusion
2) the use of which would be contrary to any law for the time being in force
3) which comprises or contains scandalous or obscene matter
4) which comprises or contains any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India

5) which otherwise be disentitled to protection in a court
6) which is determined to be generic name or indication of goods
7) which falsely represents to the person that the goods originate in another territory, region or locality

Duration of Protection

A Geographical Indication is registered for a period of ten years and the registration may be renewed from time to time for a period of 10 years at a,time.

Rights conferred by registration

Section 21 of the Act, 1999 the registration of a geographical indication shall provide:

1) to the registered proprietor and the authorized user or users the right to obtain relief in respect of infringement of such GI;
2) to the authorized user the exclusive right to the use of the geographical indication in relation to the goods in respect of which the GI is registered.

Infringement of Geographical Indications

A person, who is not an authorized user of a registered geographical indication, infringes it when he -

1) uses such geographical indication by any means in the designations or presentation of goods that indicate or suggests that such goods originate in a geographical area other than the true place of origin of such goods in a manner which misleads the persons as to the geographical origin of such goods; or
2) uses any geographical indication in such manner which constitutes an 'act of unfair competition; including passing off in respect of registered geographical indication; or
3) uses another geographical indication to the goods which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the persons that the goods originate in the territory, region or locality in respect of which such registered geographical indication relates.

Jurisidiction

Sec. 31 of the Act provides for an appeal by any person aggrieved by an order or decision of the Registrar of Geographical Indications to the Appellate Board with in 3 months from the date on which such order or decision is communicated to him. The Act bars the jurisdiction of any court or authority to exercise any jurisdiction, powers or authority in relation to the aforesaid matters.

Offences and Penalties

The remedies relating to the infringement of Geographical Indications are similar to the remedies relating to the infringement of Trademark. Civil remediesincludes injunction, damages or accounts of profits, delivery-up of the infringing labels and indications.

Under the (Indian) Geographical Indications of Goods (Registration and Protection) Act, 1999, falsification of a Geographical Indication will carry a penalty with imprisonment for a term which may not be less than six months but may extend to three years and with fine which may not be less than Rs. 50,000/-but may extend to Rs. 2,00,000/-. Section 41 of the Act, 1999 provides for enhanced penalty for second or subsequent conviction, i.e., imprisonment not less than one year but it may extend up to 3 years and fine of not less than Rs.l lakh which may extend up to Rs. 2 lakhs. In cases where false representation of a geographical indication as registered, penalty is imprisonment for a term extendable up to 3 years or with fine or with both. In case of falsification of entries in the register, the penalty is imprisonment for a term which may extend to two years or with fine or with both.

All the aforesaid remedies are available for the passing off action in case of an unregistered geographical indication. The persons who are employed in the ordinary course of business, who are accused of an offence under Section 39, can be exempted from infringement proceedings if they can prove their innocence.

PLANT VARIETIES AND FARMERS' RIGHTS LAW

India, having ratified the TRIPS and in order to give effect to it, have enacted the Protection of Plant Varieties and Farmer's Rights Act, 2001 (the "Plant Act") (based on the recommendations of the International Union for Protection of New Varieties of Plants, Geneva).

The Plant Act provides for setting up of a Protection of Plant Varieties and Farmers' Rights Authority (the "Authority") that shall be responsible for promoting the development of new varieties of plants and protecting the plant varieties and rights of the farmers and breeders. The Plant Act contains elaborate provisions to safeguard the rights of Indian farmers in addition to plant breeder's rights and researcher's rights. Presendy, the Government of India has notified the following crops with their genera eligible for registration of varieties: "Black gram, Bread wheat, Chickpea, Field pea, Green gram, Kidney bean, Lentil, Maize, Pearl millet, Pigeon pea, Rice, Sorghum"

Objectives of the Plant Varieties Act

(1) to stimulate investment for research and development, both in the public and private sector, for the development of new plant varieties for accelerated agricultural development in the country;

(2) to facilitate the growth of he seed industry in the country which will ensure the availability of high quality seeds and planting material to the farmers;

(3) to recognize and protect ,the rights of the farmers in respect of their contribution made at any time in conserving, improving and making available plant genetic resources for the development of new plant varieties.

Definition of word ^Variety'

According to Section 2(za) of the Act, 2000, Variety' means a plant grouping except microorganism within a single botanical taxon of the lowest known rank which can be — (1) defined by the expression of the characteristics resulting from a given genotype of that plant grouping; (2) distinguished from any other plant grouping by expression of at least one of the said characteristics; and (3) 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, farmer's variety and essentially derived variety. Propogating material means any plant or its component or part thereof including an intended seed or seed which is capable of, or suitable for regeneration into a plant.

Extant Variety

Extant Variety means a variety available in India which is — (1) notified under Section 5 of the Seeds Act, 1966; or (2) farmers' variety; or (3) a variety[7] about which there is common knowledge; or (4) any other variety which is in public domain.

Farmers' variety

Farmers' variety means a variety which — (1) has been traditionally cultivated and evolved by the farmers in their fields; or (2) is a wild relative or land race of a variety about which the farmes possess the common knowledge. Farmer is defined in the Act as to mean any person (1) who cultiavates crops by cultivating the land himself; or (2) who cultivates crops by directly supervising the cultivation of land through any other person; or (3) who conserves and preserves, severally or jointly, with any person wild species or traditional varieites or adds value to such wild species or traditional varieties through selection and identification fo their useful properties.

Essentially Derived Variety

Essentially derived variety, in respect of a variety is said to be essentially derived from such initial variety when it — (1) is predominantly derived from such initial variety, or from a variety that itself is predominantly derived from such initial variety, while retaining the expression of the essential characteristics that result from the genotype or combination of genotypes of such initial variety; (2) is clearly distinguishable from such initial variety; and (3) conforms to such initial variety in the expression of the essential characteristics that result from the genotype or combination of genotypes of such initial variety.

National Gene Fund and Benefit Sharing

The Act provides for the constitution of a National Gene Fund in which, *inter alia,* the benefit sharing received from the breeder of a variety; annual fee payable by breeder of a variety by way of royalty to the Protection of Plant Varieties and Farmers' Rights Authority shall be credited.

Procedure for Registration

A new variety shall be registered if it conforms to the criteria of novelty, distinctiveness, uniformity and stability. After an application is made for the registration of the Plant Variety, the Registrar examines the application to see if it fulfills the criteria for registration of a Plant Variety. On being satisfied, the Registrar accepts the application, resulting in publication in the Journal for public objections, if any. The Registrar registers the application if the application remains unopposed or the opposition is decided in favour of the Applicant.

According to Section 16 of the Act, an application for registration of plant varieties under Section 14 is to be made by anyone of the following persons either individually or joindy with any other person:

(1) any person claiming to be the breeder of the variety; or

(2) any successor of the breeder of the variety; or

(3) any person being the assignee of the breeder of the variety; or

(4) any farmer or group of farmers or community of farmers claiming to be the breeder of the variety; or

(5) any person authorized to make application by any aforesaid person; or

(6) any university or publicly funded agricultural institution claiming to be the breeder of the variety.

Criteria for registration ,.

According to Sec. 15, a new variety is registrable if it conforms to the criteria of novelty, distinctiveness, uniformity and stability (NDUS) test.

Novelty

A new variety is deemed to be novel if at the date of filing of the application for registration for protection, the propagating or harvested material of such variety has not been sold or otherwise disposed of by or with the consent of its breeder or his successor for the purposes of exploitation of such variety (1) in India, earlier than one year; or (2) outside India, in case of trees or vines ealier than six years, or in any other case, earlier than four years, before the date of filing such application.

Distinctiveness

A new variety is deemed to be distinct if it is clearly distinguishable by at least one essential characteristic from any other variety whose existence is a matter of common knowledge in any country at the time of filing of the application.

Uniformity

A new variety is deemed to be uniform if subject to the variation that may be expected from the particular features of its propogation it is sufficiently uniform in its essential characteristics.

Stability

A new vareity is deemed to be stable if its essential characteristics reamin unchanged after repeated propogation or, in the case of particular cycle of propogation, at the end os such cycle. Essential charactersitics mean such heritable traits of a plant vareity which are determined by the expression of one or more genes of other heritable determinants that contribute to the principal features, performance or value of the plant vareity.

Non-registrable variety

A new variety is not registrable if the deonimation given to such variety — (1) is not capable of identifying such variety; or (2) consists solely of figures; or (3) is liable to mislead or to cause confusion concerning the characteristics, value, identity of such variety, or the identity of breeder of such variety; or (4) is not different from every denomination which designates a variety of the same botanical species or of a closely related registered species; or (5) is likely to deceive the public or cause confusion in the public regarding the identity of such vareity; or (6) is likely to hurt the religious sentiments respectively of any class or section of the citizens of India; or (7) is prohibited for use as a name or emblem for any of the purposes mentioned in section 3 of the Emblems and Names (Protection of Improper Use) Act, 1950; or (8) is comprised of solely or partly of geographical name.

Registration

As per section 24 of the Act, the Registrar shall register a variety' where an application for registration of that variety has been accepted and either (1) the application has not been opposed and the time of notice of opposition has expired; or (2) the application has been opposed and the opposition has been rejected.

Duration of Protection

The duration of protection of registered varieties is different for different crops, as given below: For trees and vines - 18 years; For other crops - 15 years; For extant varieties - 15 years from the date of notification of that variety. Rights under the Plant Act Under the Plant Act, the researcher has the liberty to conduct experiment with a registered variety, and the farmer has been given the exclusive right to save, use, sow, re-sow, exchange, share or sell his farm produce including seed or a variety protected under the Plant Act. However, the farmer is not allowed to sell the branded seed of a protected variety. Further, a certificate of registration for a variety issued under the Act shall confer an exclusive right on the breeder or his successor, agent or licensee to produce, sell, market, distribute, import or export the variety.

Rights of breeder

Section 28 confers an exclusive right on the breeder of a registered vareity or his successor, his agent or licensee to produce, sell, market, distribute, import or export the vareity.

Infringement of Plant Varieties, and Farmers' Rights

Any person, who produces, sells imports or exports any variety without the permission of the owner, infringes the rights of owner. Use of a denomination which is similar to a registered denomination and likely to confuse the general public also amounts to infringement. Infringement of any right under the Plant Varieties and Farmers' Rights attracts both Civil and Criminal action. A criminal action under the Act entails punishment up to two years and fine of Rs. 50,000/-.

Offences and Penalties

- Penalty for applying false denomination - imprisonment for a term which shall not be less than three months but which may extend to two years or with fine which shall not be less than Rs.50,000/- but which may extend to Rs. 5 lakhs, or with both.
- Penalty for selling vareities to which false denomination is applied — imprisonment for a term between six months to two years or with fine ranging between Rs. 50,000/- to Rs. 5 lakhs, or with both.

- Penalty for falsely representing a variety as registered — imprisonment for a term which shall not be less than six months but which may extend to three years, or with fine ranging between Rs.l lakh to 5 lakhs, or with both.
- Penalty for subsequent offence — imprisonment for a term ranging between one year to three years or with fine ranging between Rs 2 lakhs to 20 lakhs, or with both

SEMICONDUCTOR INTEGRATED CIRCUITS LAYOUT-DESIGN LAW

The semiconductor integrated circuit is an integral part of every computer chip. The fifth generation computers are using Very Large Scale Integration (VLSI) where numerous transistors are accommodated on a single chip, cutting down the size of the chip and at the same time increasing it's processing power significantly. This ultimately translates into smaller and more powerful computers. Hence, the development of the layout-design on a semiconductor integrated circuit as an intellectual property is quite significant.

Hence, a step was taken by various organizations to pass regulations regarding this issue. One such was the World Trade Organization, and the result was the TRIPS agreement addressing the intellectual property related issues. India being a signatory of the WTO also passed an Act in conformity with the TRIPS agreement called the **Semiconductor Integrated Circuits Layout-Design Act** (SICLDA) passed in the year 2000.

SICLD Act defines the following as:

- **"Semiconductor integrated circuit"** means a product having transistors or other circuitry elements, which are inseparably formed on a semiconductor material or an insulating material or inside the semiconductor material and designed to perform an electronic circuitry function.
- **"Layout-design"** means a layout of transistors, and other circuitry elements and includes lead wires connecting such elements and expressed in any manner in a semiconductor integrated circuit.
- **"Commercial exploitation"** in relation to the SICLD means to sell, lease, offer or exhibit for sale or otherwise distribute such semiconductor integrated circuit for any commercial purpose.

Protection under Patent or other IP Laws

Integrated circuits comprises of numerous building blocks, each block being patentable. Since an integrated circuit contains hundreds or thousands of semiconductor devices, a claim to an integrated circuit would have to cover hundreds or thousands of individual elements. Consequendy, a patent claim that attempts to describe an entire integrated circuit may be hundreds of pages long. Clearly, such a narrow claim would provide almost no protection. Even if one sought such narrow protection, writing a patent application supporting a claim with thousands of elements would be extremely complex, cumbersome, and expensive. Obviously, integrated circuits are not easily describable in a patent specification or the claims. Also, it may take several years to obtain an integrated circuit patent from most patent offices worldwide. This is unacceptable given that an integrated circuit's useful commercial life may be less than one year. The cumbersome, time-consuming nature of filing combined with extremely narrow protection often makes patent law an insufficient form of protection for integrated circuits.

Other forms of existing intellectual property protection are also inapplicable to integrated circuit layouts. Design patents protect the ornamental, but not the functional, aspects of an article of manufacture described in its drawings. Since integrated circuit layout is more functional than ornamental, design patent protection is generally inapplicable to integrated circuits.

Finally, trade secret law cannot be used to protect most integrated circuits because an integrated circuit layout may be reverse-engineered.

The layout of transistors on the semiconductor integrated circuit or topography of transistors on the integrated circuit determines the size of the integrated circuit as well as its processing power. That is why the layout design of transistors constitutes such an important and unique form of intellectual property fundamentally different from other forms of intellectual property like copyrights, trademarks, patents and industrial designs.

Given that patent, copyright, and trade secret law cannot adequately protect integrated circuit design, hence an exclusive protection for semiconductor integrated circuits layout-design has became necessary to the semiconductor industry.

Subject-matter of protection

A layout design expressed in any manner, which is original, which has not been commercially exploited for more than 2 years from the date of application for the registration, which is inherently distinctive and capable of being distinguishable from any other registered layout design, is protected or registered under the Act.

Registration

The application for the protection of layout design can be made by the person who claims to be die creator of the layout design, his legal representative, a person registered in the prescribed manner as a layout design agent or a person in the sole and regular employment of the principal, in writing to the registrar in the prescribed manner.

The application can be filed either alone or jointly. The application has to be filed within the territorial limits that is a principal place of business in India of the applicant.

Procedure for registration

- Filing of application in writing to the registrar in the office of SICLD registry in a prescribed form along with 3 sets of drawings produced to the plotter which describes the layout design and 3 sets of photograph of masks used for the fabrication of the semiconductor integrated circuits by using of the layout design or drawings which describes the pattern of such masks.
- Acceptance of the application with acknowledgement by way of returning one copy of the application. The registrar can also withdraw the acceptance if the application is found to be prohibited for registration.
- The application is advertised in a prescribed manner within 14 days of acceptance of layout design application. If any opposition is found to the registration, then a notice is sent to the registrar in the prescribed manner within 3 months from the date of advertisement. The registrar can call for evidences to be produced by both the parties and finally give his decision.
- If the application is not opposed or the opposition has been decided in favor of the applicant, the registrar shall register the said layout design in the register of layout design and also issue a certificate sealed with the seal of the SICLD Registry.

Duration of Registration

The registration of the layout design shall be only for the period of 10 years counted from the date of filing an application for registration or from the date of first commercial exploitation anywhere in any country, whichever is earlier.

Exclusive Right to the Registered Proprietor

The registration of the layout design gives to the registered proprietor of the layout design the exclusive right to the use of the layout design and to obtain relief in respect of infringement. This right shall be available to the registered proprietor of that layout design irrespective of the fact as to whether the layout design is incorporated in an article or not.

Registered User

A person may be registered as a registered user of the layout design when the registered proprietor and the proposed registered user apply jointly in writing to the Registrar. The application shall accompany the agreement in writing or its authenticated copy, entered between the registered proprietor and registered user. The registered proprietor also has to submit an affidavit to the satisfaction of the Registrar.

Assignment and Transmission

A person who becomes entided by assignment or transmission to a registered layout design shall apply to the Registrar in the prescribed manner to registered title. The Registrar on the proof of his title to his satisfaction register him as the proprietor of the layout design.

Protection against Infringement

The act of reproducing, selling, importing and distributing of integrated circuit layout design for commercial purposes constitutes infringement. Where such act is performed for the purposes of scientific evaluation, analysis, research or teaching shall not constitute the act of infringement.

Any person who commits infringement shall be punishable with imprisonment for a term, which may extend to 3 years, or with fine which shall not be less than fifty thousand rupees but which may extend to ten lakh rupees, or with both.

Adjudicating Authority

The Government of India appoints a person to be known as a registrar of the SICLD. He has both administrative and legal powers. Any person aggrieved by an order or decision of the Registrar may file an appeal to the Layout Design Appellate Board. The procedure and powers of the Appellate Board are that of a civil court as given under the Civil Procedure Code, 1908. If any person is not satisfied by any decision or order of the Appellate Board may file an appeal to the High Court within prescribed period and in a prescribed manner.

Offences and penalties

- Infringement of layout design — imprisonment for a term which may extend to 3 years, or with fine which shall not be less than Rs.50,000/- but which may extend to Rs.10 lakhs or with both.
- Falsely representing a layout-design as registered — imprisonment for a term which may extend to 6 months or with fine which may extend to Rs. 50,000/- or with both
- Describing a place as connected with registry — imprisonment for a term which may extend to a 6 months or with fine, or with both
- Falsification of entries in the register — imprisoment for a term which may extend to 2 years or with fine or with both

CONFIDENTIAL INFORMATION/TRADE SECRETS LAW

The term "trade secret" is often used in relation to confidential information associated with industrial and commercial activity. The classification of some forms of confidential information as trade secrets is important because the protection afforded by the law may depend upon it. In normal sense, a trade secret is information that has economic value to its owner, who takes appropriate measures to keep it secret, and is not generally known outside the owner's enterprise.

Trade Secret

The Uniform Trade Secrets Act, defines trade secret as "information, including a formula, pattern, compilation, program, device, method, technique or process that derives independent economic value from not being generally known and not being already ascertainable and is subject to reasonable efforts to maintain secrecy".

Kinds of Trade Secret

Trade secrets are mainly of two kinds:

(1) Technical secrets which are related to manufacture or improvement of quality of goods or conduct of services and which include secret process for manufacturing specific products, the secret formulae or the design of product, know-how etc.,

(2) Business secrets which are administrative and strategic in nature and develop internally, such as cost and pricing data, sales statistics, lists of customers and suppliers, market projections, expansion plans etc.,

Factors to consider the nature of trade secret

Following six factors may be considered to determine whether information owned by an enterprise is a trade secret. These are: (1) the extent to which the information is known outside the enterprise; (2) the extent to which the information is known by employees and others involved in the enterprise; (3) the extent of measures taken by the enterprise to guard the secrecy of the information; (4) the value of the information to the enterprise and to competitors; (5) the expenditures incurred by the enterprise in terms of time, money and efforts in developing the information; and (6) the ease of difficulty with which the information could be properly acquired or duplicated by others.

Misappropriation

(a) Acquisition of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired by improper means; or

(b) Disclosure or use of a trade secret of another without express or implied consent by a person who:

(I) Used improper means to acquire knowledge of the trade secret; or

(II) At the time of disclosure or use, knew or had reason to know that his knowledge of the trade secret was

(A) Derived from or through a person who had utilized improper means to acquire it;

(B) Acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use; or

(C) Derived from or through a person who owed a duty to the person seeking relief to maintain its secrecy or limit its use; or

(III) Before a material change of his position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake.

It is not unlawful for a competitor to discover the nature and identity of a trade secret by "reverse engineering." That is to say, if a competitor lawfully obtains a business's product and, by working

backward, is able to discover the manner in which the product is manufactured or produced, such conduct is not a violation of the product manufacturer's trade secret. However, reverse engineering must occur by "fair and honest means," and not, for example, by means of breach of a confidential relationship, theft or breach of contract.

Criminal law and protection of trade secrets

There are no specific statutory provisions that protect trade secrets or confidential information via the criminal law. However, government secrets are protected via penal sanctions by the (Indian) Official Secrets Act, 1923.

Furthermore, there are provisions under the Indian Penal Code, 1860 relating to criminal breach of trust, cheating, burglary, extortion, etc., which might be applied in a case where confidential information is misused. In addition, it is possible to bring criminal proceedings against the directors or officers of a company, or the partners or employees of a firm, for various offenses related to trade secret misappropriation.

Furthermore, keeping in view the advancement and importance of Internet related technologies in everyday life; the Indian Parliament, which took cognizance of the fact of breach of confidentiality and privacy in the virtual world, promulgated the Information Technology Act of 2000. Section 72 of the Information Technology Act provides for criminal remedies, whereby a person may be punished with imprisonment for a term which may extend up to two years along with a fine of up to Rupees One Hundred Thousand in case he is found to have secured access to any electronic record, book, register, information document of other material without the consent of the person concerned and such first person discloses such information further. Moreover vide Section 43 of the same Act, the maximum penalty which may be imposed for damage to a computer system and other related offences is Rs. Ten Million.

Civil law and protection of trade secrets

Contract law

Trade secrets are protected in India either through contract law or through the equitabledoctrine of breach of confidentiality. It is common to insert clauses in a technology transfer or other license

agreement that state that the technology transferred is of a confidential nature and the licensee is obliged to maintain the confidentiality, not only during the pendency of the agreement but also after its termination. The licensee may also be required to enter into appropriate secrecy agreements with its employees, subcontractors and visitors to its factory. It is also advisable to insert a cautionary notice on all the technical manuals clearly stating that the information contained therein is of a proprietary and confidential nature. The skill, knowledge, and experience of a particular calling can also be protected in certain circumstances from misuse through contractual obligations.

However, the contract law has its limitations. Section 27 of the Indian Contract Act, 1872 states:

> Every agreement by which any one is restrained from exercising a lawful profession, trade or business of any kind is, to that extent, void.
>
> Exception 1: One who sells the goodwill of a business may agree with the buyer to refrain from carrying on a similar business, within specified geographic limits, for as long as the buyer, or any person deriving title to the goodwill from him, carries on a like business therein, provided that such limits appear to the court reasonable, regard being given to the nature of the business.

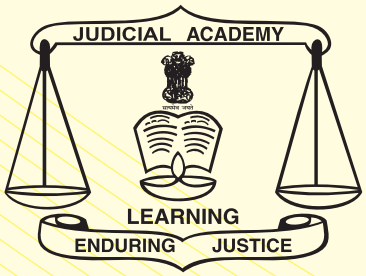
Civil law and protection of trade secrets - Equitable doctrines that create implied obligations of confidentiality

Trade secrets can be protected in a civil action irrespective of contract. Three conditions must be fulfilled:

a. The information must be confidential;
b. The information must have been disclosed in circumstances from which an obligation of confidentiality arises; and
c. The confidant should be attempting to use or disclose the information.

Civil law and protection of trade secrets - Remedies

The common-law remedies of injunction, damages, delivery-up, rendition of accounts of profits, etc., are available to prevent a breach of confidentiality. It is usual to obtain an interlocutory injunction and, in an appropriate case, an ex parte injunction. Indian courts have been granting Anton Piller Orders appointing court commissioners to search and seize infringing materials and, having taken them into custody, to deposit them with the court.The main precaution for rights owners to take is to avoid delay, as an inordinate delay from the date of knowledge may result in refusal of an interlocutory injunction.



Judicial Academy Jharkhand

JUDICIAL ACADEMY JHARKHAND
Near Dhurwa Dam, Dhurwa, Ranchi-834004
Phone : 0651-2902833, 2902831, 2902834,
Fax : 0651-2902834, 2902831
Email Id : judicialacademyjharkhand@yahoo.co.in
Website : www.jajharkhand.nic.in