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Founder - Manoj K. Singh

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EDITORIAL



Manoj K. Singh
Founding Partner

Singh & Associates is completing 14 years in existence this year and it is our privilege to once again present to you monthly edition of our magazine 'Indian Legal Impetus'. In these 14 amazing years, we have made quality professional relationship around the world and always tried to impart the legal updates to our colleagues by the medium of this magazine.

This edition of 'Indian Legal Impetus' is dedicated specifically to Intellectual Property Rights as being special 'INTA edition' wherein we have focused on current legal atmosphere in IP field.

The cover article is focusing on the improvement in working of Indian Trademark Office and provides an in-depth analysis of steps taken by Indian Government for the same and how Indian Trademark office has now become a public friendly office. The End to End encryption recently introduced by Whatsapp is discussed in another article by focusing on the legal aspects of the same.

We have also included an article on the latest mass abandonment of Trademark Office with the legal analysis of the order passed by the Registrar of Trademarks and how same is against the principles of natural Justice and established legal practice. Another article which is included in this edition focuses on the legal background of doctrine of foreign equivalents for trademark and Indian courts dealt with various trademark cases by taking the help of the doctrine.

The minimum contact theory related to the jurisdiction of courts, when either or both of the parties seem to be from outside the Court's territorial jurisdiction is the topic of another article included in the current edition. Further a discussion on how burden of proof is different from onus of proof is included here in another article and how it shifts in the cases of trademark prosecution.

The difference in protection provided to the movie title under Indian law and US law is subject of another article in this edition. Tacking of trademark related to the distinctiveness of trademark related to the past use and registration is discussed in the next article.

Ubiquity theory related to the multiple use of the trademark for the various goods and services is topic of discussion in another article discussing whether same being good or not for the distinctiveness of trademarks. The liberalization has made this world without boundaries but the law of every country is different hence the enforcement of foreign decrees is a matter of great confusion. Same problem is in discussion in another article as to how a foreign decree is enforceable in India.

In the patent section we have included an article on the topic of the protection of biotechnology under Indian laws wherein the different type of protection provided to the biotechnology are discussed. In another article on patent, the recent rejection of patent for HIV Drug of Cipla by Indian Patent office is discussed.

I hope that our special edition would be able to provide an overview into the latest development in the IP field. We hope that the information provided is useful to our esteemed readers. I welcome all suggestions, opinions, queries, or comments from our readers. You can also send your valuable insights and thoughts at newsletter@singhassociates.in.



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EMERGENCE OF INDIAN TRADEMARK OFFICE AS AN EFFICIENT AND TRANSPARENT OFFICE

Himanshu Sharma

The conduct of the Indian Trademark Office regarding the maneuver of abandonment has resulted in an uproar in the Trademark Fraternity, not only in India but even abroad, as well. The actions taken by the Registrar of Trademark have been seen as a corrective step (to clear the backlog by abandoning the application which were as per their records not prosecuted properly) however the Hon'ble High court of Delhi, stayed this proceeding in light of the fact that the due process of law had not been followed and hence the action has been carried out in haste. Given the volume of iterative allegations over the Indian Trademark Office for being sluggish in its manner of operations, causing the applications to be kept pending for processing and registration which causes deceleration to the functioning and trust established by the people in the system.

There have been numerous instances, when people have written about the deficiencies in the functioning of Indian Trademark Office and taking note of the same, the Government of India has tried to rectify the working of the office in order to bring it par to the offices around the world. The Indian Trademark Office has now become a transparent and efficient office where efficient disposal of applications are taking place and a new era of work culture is being followed. In this article we will discuss the corrective measures taken by the Indian Government in order to make trademark office an efficient and transparent office.

ADOPTION OF MADRID CONVENTION:

India had signed the Madrid Protocol on April 08, 2013 and hence became the 89th member of the Madrid Protocol. The signing of Madrid Protocol by India was a significant step towards the introduction of Madrid System for the registration of Trademarks in India. The introduction of Madrid protocol gave an option to an applicant to go for an international application based upon the basic application or registration and to apply in different member countries in one single application. A new chapter IVA was inserted with the title "Special provisions relating to protection of trademarks

through international registration under the Madrid protocol". This new chapter is corresponding to the Article 3, 3bis, 3ter and Article 4 of the Madrid Protocol. The introduction of Madrid Protocol for international filing was necessary to bring Indian Trade Marks practice in common parlance to the international standard. Madrid Protocol will not only help the local applicant to have a cost effective registration outside India but it also provide a strict timeline to complete the process of registration.

RECRUITMENT OF NEW STAFF AT INDIAN TRADEMARK OFFICE:

Trademark practitioners in India has seen the days when a trademark application were kept pending for a number of years waiting for examination. The most popular excuse provided by the official at the Trademark Office for the same was lack of staff and if anybody has seen the situation in the office then it is not incorrect to say that it was right. There were only 35 (Group A & B officers which includes examiners) regular staff working in the Trademark Office in the year 2007 and few examiners were hired on contractual basis. In the same year 109361 trademark applications were filed and 85185¹ applications were examined hence if we compare the same then we can say that they did a good job but these examined applications were from previous years as they were pending examination. Further the officers mentioned above were not only doing examination but other works as well such as renewal, assignments, hearing for objected applications, opposition etc.

Therefore it was although an excuse but genuine one as per the above figures and the government has tried to rectify the same by recruiting more examiners in Indian Trademark Office. The strength is now nearly six times than it was in 2007 and the examination of the trademark applications is now centralized and conducted at the Mumbai Trademark office which is the head office of Indian Trademark Office. This has

¹ As per annual report of CGPDTM for the year 2006-07



shown tremendous results as now application are being examined within 3 to 4 months of filing. This also have a lot to do because of introduction of Madrid convention in India as it required a time bound disposal of cases within 18 months.

DIGITIZATION OF INDIAN TRADEMARK OFFICE:

The digitization of Indian Trademark Office was introduced in the year 2009 when all the files related to the registration of trademarks were made available online. Further online filing facility was also introduced in order to make Trademark office a paperless office. Online filing also reduce the chances of errors in entries in the database of Indian Trademark Office as earlier entries were made for the application filed on counter by data entry operators which has more chances of errors. Further it also help in saving of time as entries are now directly made by the applicant in the database while filing of application and there is no need for any third party to make entries in the database.

Although it has been more than 6 years when the online filing facility for trademarks was introduced by Indian Trademark Office but then also it has not been used on a large scale and application filed at counter outnumbered the applications filed online till date. One of the most important reasons for the same is low level of digital literacy in India. The digital literacy rate in India is very low as people do not have access to the Internet apart from the metro cities. The current government has recently launched digital India Campaign which is a campaign launched to ensure that Government services are made available to citizens electronically by improving online infrastructure and by increasing Internet connectivity or by making the country digitally empowered in the field of technology².

One of the three key visions of this program is to Digital Empowerment of Citizens and same will be achieved by the below mentioned modes³:

- Universal digital literacy
- Universally accessible digital resources
- Availability of digital resources / services in

2 https://en.wikipedia.org/wiki/Digital_India

3 <http://www.digitalindia.gov.in/content/vision-and-vision-areas>

Indian languages

- Collaborative digital platforms for participative governance
- Citizens not required to physically submit Govt. documents / certificates

The more digital literacy will improve more it will help in improvement of services at Indian Trademark office. The digital platform for providing services will help in reducing the human intervention which reduces the chances of error and has less scope of corrupt practices. This will certainly help in reducing the workload and improvement in facilities at the Indian Trademark Office.

SPECIAL DRIVES TO CLEAR THE BACKLOGS:

In the recent past, Indian Trademark Office has started to take up the matters pending with them for a long time due to one reason or another, by calling up applicants in special drives to clear the backlog in various departments of Office. The Office has introduced last year special drive to clear the backlog of opposition matters and asked parties to approach them in case they have entered into a settlement with the opposite party or one of the party has shown its willingness to withdraw the case. The office has asked parties to submit the documents and update the records in relation to the opposition cases.

Further the trademark office had also started a special drive to clear the backlog in post registration section by calling people for hearing in the matters of recordal of assignment, renewal etc, if the matter is pending for a long time.

In the month of March 2016 Indian Trademark Office called the parties for a project in collaboration with Delhi State Legal Service Authority (DSLISA) for Mediation in cases pending before Registrar of Trade Marks, at the Trade Marks Registry Delhi. This project was introduced to accelerate the cases where matter is pending for a long time and parties are willing to settle the matter.

CONCLUSION:

It will take further corrective measures to make Indian Trademark Office, a state of the art office and at par with the other trademark offices of developed countries



but the emergence of above discussed corrective measures are correct steps in right direction. In the recent years, the efficiency of the Indian Trademark Office has improved a lot and the efficient work culture at the office has enhanced the faith of people in the working of the office. They are more willing now to indulge with the office for registration of their rights than in past and this has created a positive environment for the fraternity working for the protection of right. The recent abandonment of application, although a hasty decision but same will help further in enhancing the reputation of the office as it will keep applicants on their toes and they will follow the deadlines provided under the Indian Trademark Act with more caution in future. The working at the office is a two way process and if the practitioners follow deadlines efficiently then same will also make Trademark Office to do their part of the job with same efficiency.



END2END-ENCRYPTION

Martand Nemana

INTRODUCTION

In the past decade, numerous efforts have been made to develop technology beyond the ideas of a common man to facilitate better wellbeing. The world has made a remarkable leap from using Stenography to Cryptography. These innovations have constantly created multiple dimensions of evolutions focusing mostly on the aspects of Connectivity and Privacy. However, the newly developed technology may seem to be very reliable and secure, but the bigger picture speaks the contrary. The aspect of encryption was introduced as one such path-breaking evolution in the fields of communication making it a "must-have" criterion, instantly within a few days of its development.

Traditionally the process of communication was designed as a 3-step mechanism involving:

1. Service Provider
2. Host
3. End User.

The rate of dissemination was specifically noteworthy given the fact that, the end-users are not completely aware of the functional mechanism and subtly fall prey to the policies of the player up in the chain of hierarchy as an act of subterfuge.

WHAT IS ENCRYPTION?

Cryptography is a mechanism to convey information from amongst the confidantes in a secured manner, following the legatee of security and confidence. The process involves collecting the necessary information and data, then converting it into a secured format, and transmitting. The converted information upon reaching the correct designated recipient shall be de-secured and be open for access and use. The entire process is known as encryption.

Encryption is the most effective way to achieve data security. An encrypted file will appear scrambled to anyone who tries to view it, to read an encrypted file, one must have access to a secret key or password that enables the person to decrypt it. Unencrypted data is called "plain text"; encrypted data is referred to as cipher text and the key to opening such data is referred

to as decipher. Some encrypted files require a simple decipher to open, while others require a private/personalized key, which can be used to unlock files associated with the key.

The primary purpose of encryption is to protect the confidentiality of digital data stored on computer system or transmitted via the internet or other computer networks. Modern encryption algorithms play a vital role in the assurance security of IT Systems and communication as they provide not only confidentiality, but also the following essential elements of security:

- **Authentication:** The origin of a message can be verified
- **Integrity:** Proof that the contents of a message have not been changed since it was sent.
- **Non – Repudiation:** the sender of a message cannot deny sending the message.

Decryption is the inverse of encryption process, following the same steps but reversing the order in which the keys are applied. The encryption algorithms are divided into:

1. **ASYMMETRIC ENCRYPTION:** Also known as the public key encryption it can be opened and accessed by anyone in the general public who possesses the key. However, this process is used by general audience to ensure safety of transmitted data.
2. **SYMETRIC ENCRYPTION:** also known as private key encryption, it can only be opened and accessed by specific target people who has the authorization to open the data. This is mostly used by secured agencies and organizations which for transmitting secured data.
3. **ONE-WAY HASH FUNCTIONS:** One-way hash functions are mathematical algorithms that transform an input message into a message of fixed length. The key to the security of hash functions is that the inverse of the hash function must be impossible to prove.
4. **MESSAGE AUTHENTICATION CODES:** MACs are



data blocks appended to messages to protect the authentication and integrity of messages. MACs typically depend on the use of one-way hash functions.

- 5. RANDOM NUMBER GENERATORS:** An unpredictable sequence of numbers that is produced by a mathematical algorithm.

LEGAL CHALLENGES IN ENCRYPTION

Encryption Law or **Cryptography Law** deals with legislation ensuring that information is secure and transmitted confidentially, as well as policies designed to keep secure encryption schemes are out of the hands of unauthorized individuals and foreign powers. The agencies have implemented several tools to transform data via encryption technology to prevent unauthorized access or modification of sensitive governmental and public information.

EXPORT CONTROL LAWS

Export control laws restrict the export of cryptography methods within a country to other countries or commercial entities. These laws often relate to matters of national security, but can also relate to private or commercial matters. To protect cryptography for military use, there are international export control agreements such as the Wassenaar Arrangement which requires disclosures by member nations of any military technology exported to other countries, including cryptography technology.

IMPORT CONTROL LAWS

Import control laws pertaining to cryptography restrict the use of certain types of cryptography within a country. These laws are designed to go hand-in-hand with international agreements to discourage the importation of cryptography from other nations. It also helps to protect international business interests by allowing governments to prohibit the importation of private sector encryption technologies that could jeopardize legitimate business interests and allow for unfair competition.

PATENT ISSUES

Some cryptography law deals with the use of cryptography tools that are patented. These laws

pertain to protecting intellectual property that allows for different forms of encryption, such as technologies for securing electronic financial transactions, keeping E-mail communications private or authenticating web sites. These often go hand-in-hand with import laws designed to protect intellectual property from illegal import and use in another country without the permission of the inventor.

SEARCH AND SEIZURE

A final area of interest to cryptography laws are issues related to search and seizure. These are often criminal constitutional issues regarding under what circumstances a person can be compelled to decrypt data files or reveal an encryption key to allow investigators to compile a case against that individual. This is a hotly contested area of encryption law given the competing interests in protecting the public and national security versus the constitutional protections against self-incrimination and for due process.

KEY ESCROW

It is an arrangement whereby a copy of the key that enables the content of a document to be subsequently recovered, is held securely by a third party. Licensed key escrow refers to a system where a copy of the key is held by a trusted third party, who has satisfied the stringent regulations concerning maintenance and custody of client keys, generally – but not always – the company that is providing the encryption service.

ENCRYPTION IN INDIA

Encryption in India is a hotly debated and very confusing subject. The government has issued one standard, but individuals and organizations follow completely different standards. According to a note issued by the Department of Telecommunications (“DOT”) in 2007, the use of bulk encryption is not permitted by Licensees, but nevertheless Licensees are still responsible for the privacy of consumers’ data (section 32.1). The same note pointed out that encryption up to 40 bit key length in the symmetric key algorithms is permitted, but any encryption higher than this may be used only with the written permission of the Licensor. Furthermore, if higher encryption is used, the decryption key must be split into two parts and deposited with the Licensor. The 40 bit key standard was previously established in 2002 in a note submitted by the DOT:



“License Agreement for Provision of Internet Service (including Internet Telephony)’ issued by Department of Telecommunications” Though a 40 bit standard has been established, there are many sectors that do not adhere to this rule.

Below are a few sectoral examples:

1. **BANKING:** ‘Report on Internet Banking’ by the Reserve Bank of India 22 June 2001: *“All transactions must be authenticated using a user ID and password. SSL/128 bit encryption must be used as the minimum level of security. As and when the regulatory framework is in place, all such transactions should be digitally certified by one of the licensed Certification Authorities.”*
2. **TRADE:** The following advanced security products are advisable: «Microprocessor based SMART cards, Dynamic Password (Secure ID Tokens), 64 bit/128 bit encryption»
3. **TRAINS:** ‘Terms & Conditions’ for online Railway Booking 2010: *“Credit card details will travel on the Internet in a fully encrypted (128 bit, browser independent encryption) form. To ensure security, your card details are NOT stored in our Website.”*

The varying level of standards poses a serious obstacle to Indian business, as foreign countries do not trust that their data will be secure in India. Also, the differing standards will pose a compliance problem for Indian businesses attempting to launch their services on the cloud.

NATIONAL SECURITY AND ENCRYPTION

Encryption is a subject matter that causes governments a great deal of concern. For example in order to preserve foreign policy and in national security interests, the US maintains export controls on encryption items. This means that a license is required to export or re-export identified items. Though the Indian government currently does not have an analogous system, it would be prudent to consider one. Though the government is aware of the connection between encryption and national security, it seems to be addressing it by setting a low standard for the public which enables it to monitor communications etc. easily. It is important to remember though that today we live in a digital age where there are no boundaries. One cannot encrypt data at 40 bits in India and think it is safe, because that encryption

can be broken everywhere else in the world. Despite the fact that there are no boundaries in the digital age, users of the internet and communication technologies are subject to different and potentially inconsistent regulatory and self-regulatory data security frameworks and consequently different encryption standards.

One way to overcome this problem could be to set in fact a global standard for encryption that would be maximal for the prevention of data leaks. For instance, there are existing algorithms that are royalty free and available to the global public such as the Advanced Encryption Standard algorithm, which is available worldwide. The public disclosure and analysis of the algorithm bolsters the likelihood that it is genuinely secure, and its widespread use will lead to the expedited discovery of vulnerabilities and accelerated efforts to resolve potential weaknesses. Another concern that standardized encryption levels would resolve is the problem of differing export standards and export controls. As seen by the example of the US, industrialized nations often restrict the export of encryption algorithms that are of such strength that they are considered “dual use” – in other words, algorithms that are strong enough to be used for military as well as commercial purposes. Some countries require that the keys be shared, while others take a hands-off approach. In India joining a global standard or creating a national standard of maximum strength would work to address the current issue of inconsistencies among the required encryption levels.

CONCLUSION

Section 69 of the Information Technology Act, as amended by the Information Technology (Amendment) Act, 2008, empowers the central and state government to compel assistance from any “subscriber or intermediary person in charge of computer resource” in decrypting information. Failure to comply is punishable by up to seven years imprisonment and/or a fine.

There are no strict laws in the Indian Parlance, however there was a National Encryption Policy Draft, it has been withdrawn because of multiple issues which are yet to be resolved. The national policies are yet to be amended to incorporate a better standpoint.



JUDICIAL ANALYSIS OF ORDER OF ABANDONMENT

Martand Nemana

Liberty maybe endangered by the abuse of liberty, but also by the abuse of power.

INTRODUCTION:

The office of the Controller General of Patents, Copyrights and Trademark on 04.04.2016 issued a public notice abandoning nearly 200000 trademark applications which were due for processing at various stages. The said act by the TMR resulted in outrage amongst several TM Agents and Applicants. Despite having a well-established and detailed procedure which has been laid down elaborately in the in The Trade Marks Act, 1999 and The Trade Mark Rules, 2002; the actions taken by the TMR in the present situation is said to be erroneous.

The reasons for the mass abandonment of the applications have been cited in the order of Registrar published on the official website as:

"It was clearly mentioned in the examination report that if no reply is received or a request for a hearing is applied for within the above mentioned stipulated time, the said application shall be treated to have been abandoned for lack of prosecution under Section 132 of The Trade Marks Act, 1999"

The applications have been said to be abandoned in light of the Rule 38 (5) of the Trade Mark Rules which specifically speaks that "if no reply or correspondence to the examination report is received within one month from the date of issuance of the report, the application shall be deemed to have been abandoned".

The course of action undertaken in the present scenario is said to be wrong and erroneous as the opportune parties have not been given a proper scope to represent their matter. The India Constitution has provision which speak of equality before law and principle of natural justice. It has noteworthy that, this act of abandonment has been carried out without giving the applicants a chance of being heard and hence amounts to violation of law and basic fundamental principles.

In the course of Trademark registration, the next step after issuing of an Examination Report is to file a reply to it, then if the examiner is satisfied with the submitted

reply to the report he shall "advertise the application before acceptance" or schedule a hearing in case he is not satisfied with the examination report. On the contrary the act of abandonment has been carried out without notice which makes the entire system arbitrary and questionable. Another factor which seeks attention is that as per the procedure prescribed and established as per the Trade Marks Act, 1999 by the Examination Reports so generated by the Registrar have to be delivered by Post and upon receipt of the same, the reply to the said report has to be filed within one calendar month from the date of receipt of such application. It has been a common affliction of several Trademark Agents and Applicants that the examination reports were never delivered to them and that they're unable to further take any actions in the matters.

It has occurred on several instances that the applicant of the trademark is awaiting response from the registry of trademark in the pertaining matter and even after several months / years of waiting no response is being given. However, it is surprising to see the online records of several trademark applications being read that the examination report has been delivered and the notice of abandonment is served because no response was given from the applicant in relation to the examination report. The situation is so alarming that several trademark applications have to be vigilantly tracked online and yet no response from them is observed.

PROVISION RELATED TO ABANDONMENT OF APPLICATION:

The act of abandonment of trademark is an extreme step and has to be taken after keen perusal and in unavoidable circumstances. Before a mark can be abandoned, proper communication to the applicant/agent must be issued and ample opportunity must be given to reply to the objections/allegations raised in the said mark. Abandonment u/s 132 of the Trade Marks Act, 1999 reads:

"Where, in the opinion of the registrar, an applicant is in default in the prosecution of an application filed under this Act or any Act relating to trade marks in force prior to the



commencement of this act, the registrar may by notice require the applicant to remedy the default within a time specified and after giving him, if so, desired, an opportunity of being heard, that the application as abandoned, unless the default is remedied within the time specified in the notice"

The very reason of carrying out abandonment is to establish the purity of the register, i.e. to enhance the functioning and reliability of the office, but the actions taken here have been showcased rash and negligent behavior of the TM Registry which has caused unnecessary trouble and hardship to several applicants of the trademarks.

In case of **NWL France Services SAS vs. Deputy Registrar of Trademarks**¹, the Intellectual Property Appellate Board (IPAB) has criticized the Trademark Registry for their indifferent and irresponsible attitude towards the applicants. This case highlights the lack of transparency and failure to respond to the correspondence of the applicant. Discrepancies, ambiguities such words are not new or unusual to us when we talk about government offices. As appropriately described by the IPAB, this is a "Classic case of Official indifference". Such cases not only create annoyance and anguish in the minds of the general public but also adversely affect their faith in the administration. Apart from this, such irresponsible behaviour from the administrative authorities may result in severe financial losses and mental agony to the applicant.

In the case of **K S Raja VS The Registrar OF Trademarks**², adjudicated by the IPAB, the applicant had filed for an application, which upon further processing was advertised and subsequently opposed; however, the notice of opposition was not served the applicant did not submit any reply in the stipulated time period. Without giving any notice, communication, correspondence the application for the mark of the applicant was abandoned. The IPAB considering the facts and circumstances of the case was of the view that the notice of opposition was served, whereas no notice of any form was served. Upon further discussion IPAB reached upon conclusion that the order of Abandonment passed against the mark of the applicant in the given scenario was unsustainable.

Transparency and accountability at the administrative level are the key ingredients of a democracy like India, where the government is supposed to be ". . . of the people, for the people and by the people. . ." The purpose of the Trademarks Act itself provides ". . . to provide for registration and better protection of trademarks for goods and services and for the prevention of the use of fraudulent marks. . ." "The objective for a procedure to be established is to maintain a protocol and to stimulate equality. Like goodwill of a trademark the trust and belief of the people is vested in the law as long as it keeps functioning as per the established guidelines. Any violation or misuse shall cause an irreparable dent and erode the trust and faith vested by the people in the said process. Being internationally compliant is necessary but secondary to the primary responsibility of functioning in an error free manner at the national level.

In the case of **Institute of Cost Accountants of India (ICAI) V The Registrar of Trade Marks, Mumbai & the Registrar of Trade Marks Kolkata**³ the Hon'ble Bombay High Court held that "*the Registrar of Trademarks (Respondent) was bound to communicate any objection or proposal in writing to the Applicant. However The Respondent admittedly did not do so. Placing the notice on the web site does not constitute compliance with Rule 38 (4) of Trade Mark Rules, 2002. The Respondents had not indicated anything that obliged the Petitioner to inspect the web site on a daily basis. Nor did they indicate any rule or practice by which the Petitioner was bound legally to take notice of anything that is posted on the Respondents' webs ite. Rule 38 (4) by itself does not require an Applicant for registration to inspect the Respondents' web site. The Petitioner therefore could not be imputed with the knowledge of the said letter dated, 19th September, 2011. Mere posting of the letter on the web site does not constitute communication of the objection or proposal in writing as required by Rule 38 (4).*"

Therefore it is not wrong to say that the order of Registrar of Trademarks abandoning the numerous applications with providing an opportunity of being heard was not only harsh but also bad in law.

Incorporating and rectifying the internal laws and processes are more important than encompassing to global changes. But with such cases arising every other day we can say that merely setting up goals is not sufficient but the actual spirit of the legislation enacted

1 *In the Intellectual Property Appellate Board, M.P.No. 105 of 2013 in SR.No. 340 of 2012/TM/MUM.*

2 *SR.NO.346/2013 INOA/44/2012/TM/CH, (No.222/2013)*

3 *(AIR 2013 BOM 107)*



should also be incorporated and visible in the actions of the offices as well. Then only can we reach the expectations of our legislation and strengthen the faith of the general public in the administration.

CONCLUSION:

The objective for a procedure to be established is to maintain a protocol and to stimulate equality. Like goodwill of a trademark the trust and belief of the people is vested in the law as long as it keeps functioning as per the established guidelines. Any violation or misuse shall cause an irreparable dent and erode the trust and faith vested by the people in the said process. Being internationally compliant is necessary but secondary to the only primary responsibility of functioning in an error free manner at the national level. Incorporating and rectifying the internal laws and processes are more important than encompassing to global changes.

But with such cases arising every other day we can say that merely setting up goals is not sufficient but the actual spirit of the legislations enacted should also be incorporated and visible in the actions of the offices as well. Then only we can reach the expectations of our legislations and strengthen the faith of the general public in the administration.



DOCTRINE OF FOREIGN EQUIVALENTS: A PRAGMATIC APPROACH

Himanshu Sharma

"A different language is a different vision of life": Federico Fellini

A language is the mirror through which you can see and learn the soul of a nation. The language breaks the barrier of communication and established an atmosphere where the welfare of people flourishes. The language may also some time create confusion in case of trademark registration as there are various words which may be generic in one language and applied for registration in a country where people are not familiar with the language or vice versa. In this kind of situation the doctrine of foreign equivalent comes into picture wherein foreign words from common languages are translated into English to determine genericness, descriptiveness, as well as similarity of connotation in order to ascertain confusing similarity with English word marks.

The use of doctrine in US:

The doctrine is prevalently used time and again by US Courts when the questions were raised regarding the registration of trademarks which is in a foreign language.

In ***Palm Bay Imports, Inc v. Veuve Clicquot Ponsardin Maison Fondee EN 1772***¹, in the original case the Board held that Palm Bay's VEUVE ROYALE was confusingly similar to VCP's mark THE WIDOW, in part because under the doctrine of foreign equivalents, an appreciable number of purchasers in the U.S. speak and/or understand French, and they "will translate" applicant's mark into English as "Royal Widow."

In appeal Court held that "Under the doctrine of foreign equivalents, foreign words from common languages are translated into English to determine genericness, descriptiveness, as well as similarity of connotation in order to ascertain confusing similarity with English word marks. When it is unlikely that an American buyer will translate the foreign mark and will take it as it is, then the doctrine of foreign equivalents will not be applied".

The court affirmed the Board's decision that a likelihood of confusion exists between applicant's VEUVE ROYALE mark and opposer's marks VEUVE CLICQUOT

PONSARDIN and VEUVE CLICQUOT and affirmed the Board's refusal to register Palm Bay's VEUVE ROYALE mark.

The above case was regarding a situation wherein the trademark applied was not a generic word in the language in which it is applied and customer can translate the word in English and can get confused.

WORDS WHICH ARE GENERIC IN ONE LANGUAGE:

Apart from the above mention situation discussed in above case there may be a situation wherein a word which is generic in one language and applied for registration in a country wherein a different language is used by the people of country. The businesses today are not country centric but they are planned for the international expansion when opportunity arrived. Therefore to tackle the problems which may arise in future by the use of generic words as trademark in different language the courts have adopted a separate view in these cases.

In ***Otokoyama Co. v. Wine of Japan Import Inc***², in the original suit for injunction the U.S. District Court for the Southern District of New York rejected the contention of the defendant that the word Otokoyama is a generic term in Japanese language and hence not capable of being registered as a trademark. The trial court also refused to consider evidence that the Japanese trademark office had denied trademark protection for the plaintiff's mark, based on the generic nature of the word otokoyama and provided injunction to Plaintiff against the use of trademark by the defendant. The defendant appealed to the Second Circuit, stating that the trial court's decisions in both instances were in error Second Circuit vacated the preliminary injunction, declaring that the validity of the plaintiff's trademark was cast into doubt by evidence that the underlying term was generic in Japan.

¹ 396 F.3d 1369 (2005)

² 175 F.3d 266 (1999)



The circuit court held that *“the same rule applies when the word designates the product in a language other than English. This extension rests on the assumption that there are (or someday will be) customers in the United States who speak that foreign language.”*.... *“[b]ecause of the diversity of the population of the United States, coupled with temporary visitors, all of whom are part of the United States’ marketplace, commerce in the United States utilizes innumerable foreign languages. No merchant may obtain the exclusive right over a trademark designation if that exclusivity would prevent competitors from designating a product as what it is in the foreign language their customers know best.”*..... *“Courts and the U.S. PTO apply this policy, known as the doctrine of ‘foreign equivalents,’ to make generic foreign words ineligible for private ownership as trademarks.....*

Second Circuit further held that *“Whether a foreign decision is relevant in a trademark case in our courts depends on the purpose for which it is offered. The fact that a litigant has been awarded or denied rights over a mark in a foreign country ordinarily does not determine its entitlement to the mark in the United States. The foreign court decision is not admissible if that is the purpose of the offer. But if . . . the foreign decision is competent evidence of a relevant fact, it is relevant and admissible to prove that fact.”* The defendant had offered the Japanese Patent Office’s decision to prove that the word *otokoyama* in Japanese refers to a type of sake. The circuit court held that it was error for the district court to have excluded the Japanese Patent Office’s decision, under these circumstances.

Therefore a completely different approach is adopted by the courts in case where a trademark applied is generic in different language and applied for registration in a different country. In these cases courts are of the view that a word which is generic in nature and is the only way to describe a product even though in a different language then also the monopoly rights cannot be given to anybody. It will certainly hamper the business of others as they would not be able to describe their products with that word.

INDIAN PERSPECTIVE:

In India the doctrine is not used in many cases but the same is borrowed by the Indian Courts whenever a similar question is raised regarding the registration and infringement of trademarks.

In case of ***Aktiebolaget Volvo of Sweden vs . Volvo Steels Ltd . of Gujarat (India) (MANU/MH/0076/1997)*** the Hon’ble High Court of Mumbai had discussed the doctrine and its application in following terms.

The dispute in this case was regarding the use of the trademark VOLVO by the defendant. One of the contentions of the defendant in favour of adoption of the mark was that the word ‘Volvo’ is not an invented word of the plaintiffs and it being a Latin word meaning thereby; ‘re-rolling’, ‘to roll up’, ‘to roll together’ and ‘form by rolling’ and since defendants’ products were ultimately to be used for rolling the word ‘Volvo’ was selected by the defendants as part of their corporate name.

Court applied the doctrine of foreign equivalent and discussed the same as below:

Under the ‘doctrine of foreign equivalents,’ foreign words are translated into English and then tested for descriptiveness or genericness. However, the ‘doctrine of foreign equivalents’ is not an absolute rule, for it does not mean that words from dead or obscure languages are to be literally translated into English for descriptive purposes. The test is whether, to those buyers familiar with the foreign language, the word would have a descriptive connotation. Foreign words from dead languages such as Classical Greek, or from obscure languages such those of the Hottentots or Patagonians might be so unfamiliar to any segment of the buying-public that they should not be translated into English for descriptive purposes. However, words from modern languages such as Italian, French, Spanish, German, Hungarian, Polish etc. will be tested for descriptiveness by seeing whether the foreign word would be descriptive to that segment of the purchasing public which is familiar with that language.”

Further it was held that “A rigid, unthinking application of the ‘doctrine of foreign equivalents’ can result in a finding quite out of phase with the reality of customer perception. The ‘doctrine should be viewed merely as guideline and applied only when it is likely that the ordinary purchaser would stop and translate the word into its English equivalent. Thus, use of a term such as ‘LA POSADA motor hotel’ would not be generic or descriptive even though ‘la posada’ is roughly equivalent to the English word ‘the inn’

If the foreign word is very similar to English equivalent such as OPTIQUE for eyeglass, AROMATIQUE for toilet water or SELECTA for beer, it would be descriptive under the rationale of the misspelling rule. Or, for some products,



customers are familiar with an often used foreign term, such as 'Blanc' for white wine and champagne. Similarly, if the product is specifically directed to an ethnic customer group in the United States, such customers are may be likely to take the foreign word in its original meaning such that translation for trade mark purposes is appropriate. Thus, if canned ham is directed at a Polish speaking market, use of the phrase MARKA DOBRA SZYNKA meaning mark of a good ham would be treated as descriptive."

On the basis of the above discussion the court rejected the contention of the defendant and provided relief to the plaintiff.

The doctrine is used in case of the words applied for trademark registration, which are from the language known by the contemporary society not for the words which are from the ancient and extinct languages. It is not a general rule to use this doctrine in all cases and it is to be used when there is likelihood the customers may translate the word easily and get confused with the meaning of the word in English.

CONCLUSION:

On the basis of above discussion and cases we can conclude that the doctrine of foreign equivalents is to be used on the basis of facts and circumstances of each case. It should not be used as a general rule and should not be applied blindly in each and every case. The first and foremost criterion for applying the doctrine is to look into the knowledge of the consumer of the area where the mark is to be applied. If the people know the language and can translate the trademark then the question of likelihood of confusion is to be considered. In case the word in question is generic in one language and is only one expression by which the goods can be acknowledged then the protection may not be provided even if the language is not know to the people of the country. Further with the liberalization and migration of people, there is likelihood that the population of the country certainly contains people from different countries knowing different language hence the possibility of confusion may arise.



MINIMUM CONTACT THEORY

IPR Team

INTRODUCTION

The Black's Law Dictionary defines *Personal Jurisdiction* as "A court's power to bring a person into its adjudicative power; jurisdiction over a defendant's personal rights, rather than merely over property interests." In *Personam Jurisdiction* refers to the power of the court to enter a binding judgment against a person or other legal entity. A court must be able to exercise the personal jurisdiction over a party for the party to be bound by the order of the court. A court that lacks personal jurisdiction is without power to issue an in personam judgment i.e. judgment against the individual or corporation¹.

The Minimum Contact theory comes into picture when either or both of the parties seem to be outside the Court's territorial jurisdiction. It is used as a method to establish the Court's jurisdiction over the parties to a case by determining their quality and intensity of their contact i.e. services or transactions with the Forum State². In India, it has been incorporated by giving a liberal interpretation to Section 20(c) of the Code of Civil Procedure, to expand jurisdiction especially in cases of trademark infringement, passing off of trademarks, domain name infringements.

ORIGIN OF THE THEORY

In America, the concept of personal jurisdiction and fairness and due process were not on the same page traditionally. Non-residents could be brought to court while they were in State, however fortuitous or brief presence it might be³. With the *International Shoe v. Washington*⁴, modern jurisdictional analysis stepped in, imbibing Fair play and substantial justice in exercising of personal jurisdiction by courts. Incorporating the spirit of the Fourth and Fifteenth Amendments to the United States Constitution that talk about substantive due process and procedural due process, the core meaning of due process of law is to secure the principle of legality by ensuring that executive and judicial deprivations are grounded in valid legal authority⁵. In

1 *India TV Independent News Service Pvt. Limited V. India Broadcast Live LLC and Ors.*, (2007)ILR 2Delhi1231

2 *Forum State is the State where the case has been instituted*

3 *Burnham v. Superior Court*, 495 U.S. 604 (1990)

4 326 U.S. 310, 1945

5 www.law.nyu.edu/idcplg?IdcService, accessed on 21st July, 2013

this case, a suit to recover payments due to the unemployment fund by a Corporation which did not even have an office or shop in the State was questioned on the basis of personal jurisdiction. Service of process upon one of the corporation's salesmen within the State, and notice being sent by registered mail to the corporation at its home office was challenged as not satisfying the requirements of due process⁶. The Supreme Court of Washington was of opinion that the regular and systematic solicitation of orders in the state by appellant's salesmen, resulting in a continuous flow of appellant's product into the state, was sufficient to constitute doing business in the state so as to make appellant amenable to suit in its courts.

Earlier the parties' presence within the territorial jurisdiction of a court was prerequisite to its rendition of a judgment personally binding him⁷. Later the position developed that due process required only that, in order to subject a defendant to a judgment in personam, if he be not present within the territory of the forum, **he have certain minimum contacts** with it such that the maintenance of the suit does not offend "traditional notions of fair play and substantial justice"⁸. It was held *supra*, that, to the extent that a corporation exercises the privilege of conducting activities within the State, it enjoys the benefits and protection of laws of the State and obligations arising out of these which require the Corporation to respond to a suit brought to enforce them can, in most instances, will be held binding on it. Hence, the Corporation is bound by its purposeful availment in that forum.

DEVELOPMENT OF THE THEORY IN THE INTERNATIONAL ARENA

Shoe (Supra) lay down that Courts could exercise general personal jurisdiction as well as specific personal jurisdiction, depending on the level of contact. If contact is so continuous and substantial that the subject can be sued for anything within the State, it's the former, but if the contact is only sufficient for jurisdiction over claim arising from those contracts, it's

6 <http://supreme.justia.com/cases/federal/us/326/310/case.html>, accessed on 20th of July, 2013

7 *Pennoyer v. Neff*, 95 U. S. 714, 95 U. S. 733, 1878

8 *Milliken v. Meyer*, 311 U. S. 457, 311 U. S. 463



the latter⁹. With the development of Internet and globalization of business, businesses spread worldwide had the risk of being sued anywhere, which mandated stricter norms in determining "Purposeful Availment", also known as Sliding Scale test¹⁰. The case of *Asahi Metal Industry Co. v. Superior Court*¹¹ questioned if the mere awareness that a product may reach a remote jurisdiction when put in the stream of commerce was sufficient to satisfy the requirement for minimum contacts under the Due Process Clause. The courts here and in *World-Wide Volkswagen Corp. v. Woodson*¹² held that a party must do more than intentionally put goods in the stream of commerce even if it expected its products to reach the forum state. Foresight alone wasn't enough to establish personal jurisdiction over the defendant Corporations here as neither party deliberately took steps to see their products in the forum markets¹³. The substantial connection with the forum state necessary for a finding of minimum contacts must come about by an action of the defendant purposefully directed toward the forum state¹⁴. Even after that, fair play and justice will have to be satisfied i.e. reasonableness of the party to be sued in that forum.

The cases of *Cybersell Inc v. Cybersell Inc and Ors*¹⁵ and *Chloe v. Queen Bee of Beverly Hills, LLC*¹⁶ gave a three step test to exercise personal jurisdiction in matters dicey in territorial jurisdiction.

- 1) The non resident defendant must do some act or consummate some transaction with the forum or perform some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections of its laws.
- 2) The claim must be one that arises out of or results from the defendant's forum related activities.
- 3) Exercise of jurisdiction must be reasonable

⁹ www.law.nyu.edu/idcplg?ldcService, accessed on 21st July, 2013
¹⁰ *Zippo Mfg. Co. v. Zippo Dot Com, Inc.* 952 F.Supp. 1119
¹¹ 480 U.S. 102 (1987)
¹² 444 U.S. 286 (1980)
¹³ <http://supreme.justia.com/cases/federal/us/444/286/case.html>, accessed on 21st of July, 2013
¹⁴ <http://www.lacrosselaw.com/purposeful-availment-test-limited/>, accessed on 21st of July, 2013.
¹⁵ Case No. 96-17087 D.C. No. CV-96-0089-EHC
¹⁶ 616 F.3d 158 (2nd Cir. 2010)

But the case of *Panavision International LP*¹⁷ brought out the loophole in application of existing rules of personal jurisdiction to conduct that took place in part in cyberspace - it was observed that simply registering someone else's trademark as a domain name and posting a website on the Internet is not sufficient to subject a party domiciled in one state to jurisdiction in another. Even a passive website cannot be the subject of a Court's personal jurisdiction, until it harms the other. The Minimum Contact Theory wasn't sufficient to determine such cases wherein the level of contact or interactivity of the domains couldn't be defined. This brought in the aspect of 'active intention of the party to establish contact with the forum state, economically benefit itself and harm the interests of the plaintiff by targeting the latter's market. It led to the development of Calder test¹⁸ (effect test) i.e. exercising jurisdiction by objective territoriality.

In the case of *Burger King Corp v. Rudzewicz*¹⁹, it was held that the court could exercise jurisdiction over a non-resident despite his physical absence, where an alleged injury arises out of or relates to actions by the Defendant himself that are "purposefully directed towards residents of the forum State". It was also held that "purposeful availment" would not result from "random" or "fortuitous" contacts by the defendant in the forum state, the plaintiff was required to show that such contacts resulted from the "actions by the defendant himself that created a substantial connection with the forum State" i.e. he must have engaged in "significant activities" within the forum state or have created "continuing obligations" between himself and residents of the forum state.

Summarizing the position in the US, to establish personal jurisdiction of the Court, even when a long-arm statute existed and Effects test proved, plaintiff would have to show that the defendant purposefully availed of jurisdiction of the forum state by "specifically targeting" customers within the forum state.

In England, until the passive display is advertisement, it wouldn't be viewed as targeting. Countries like Australia and Canada are supported by their long-arm statute, which though decreases the importance of Minimum Contact theory, doesn't diminish the importance of due process

¹⁷ 141 F.3d 1316
¹⁸ *Calder v. Jones* 465 U.S. 783 (1984)
¹⁹ 471 U.S. 462



requirements, including reasonability. Reasonableness of exercise of jurisdiction can be gauged by considering the following measures- the burden on the defendant of coming for a trial in that forum state, the interests of the forum State, the plaintiffs interest in obtaining relief, the interstate judicial system's interest in obtaining the most efficient resolution of controversies and the shared interest of the several States in furthering fundamental substantive social policies

USE IN INDIA

As the businesses in India are extending their horizons globally hence the use of Minimum Contact Theory was used to expand jurisdiction of Courts in cases trademark infringement through domain name and when some non-residents are involved. In the case of (*India TV Independent News Service Pvt Limited Vs. India Broadcast Live LLC and Ors*²⁰ and *Banyan Tree Holding (P) Limited vs. A.Murali Krishna Reddy and Anr.*²¹, the foreign precedents were rushed to provide the justification for exercising jurisdiction over the defendants. As jurisdiction in our courts is defined by territorial and pecuniary jurisdiction, a liberal interpretation of Section 20(c) of Code of Civil Procedure by the Courts allowed this.

In *India TV* case, the court established minimum contact of the defendant with the forum state to exercise jurisdiction. It was found out that the website could not only be accessed from but also subscribed to from Delhi and it was thus contended that the defendant was carrying on business with deliberative effort for profit or gain from India. As the plaintiff was a corporation based in India in the same field, its economic interests were being hampered. Hence, according to the *Cybersell* case, court held that defendant in this case had directed his activity toward the forum state i.e. Delhi and held defendant liable for passing off.

In *Banyan Tree* case, it was held that creating a site, was like placing a product into the stream of commerce, which may be felt nationwide or even worldwide but, without more, it was not an act purposefully directed towards the forum state". Purposeful Availment means that it has to be actively intentional²². The Courts in order to ensure that this method of exercising jurisdiction didn't violate the codified method of territorial jurisdiction, the Courts, in both these cases

used Section 20(c) of the Code of Civil Procedure, i.e. the case can be instituted where the cause of action arises. Courts held that even if neither the plaintiff, nor the defendant were within the local jurisdiction of the Court where the case was instituted, but it was proved that the domains of the defendant were accessed by the people belonging to the plaintiff's market under the impression of the defendant being the plaintiff, because of similar trademarks or domain names, then cause of action will deemed to have arisen in that market and the case could be instituted there. Mere avoidance to restrict the access of their sites outside the defendant's local jurisdiction could not be an excuse if people would take services from it, thus harming the other similar Corporation.

CONCLUSION

Thus, from mere establishment of contact with the forum state, the theory gradually required deliberate direction from the defendant and harm to the plaintiff in order to be applicable in modern times. The difference in Indian use of this theory and International use is that here, it is restricted by territorial jurisdiction and cause of action needs to arise at the place where case is instituted. Whereas, international use of the theory shows how objective territorial application of jurisdiction without the restrictions of territorial application helps in extending jurisdiction of courts to a wide degree, thus serving the interests of justice in the society.

Restriction of territorial jurisdiction being placed by codified laws, further expansion of personal jurisdiction beyond those lines require appropriate amendments in Section 19 and 20 of the Code of Civil Procedure to incorporate the Objective territoriality principle, i.e. the Effects test. This is so because judicial precedents of lower courts and foreign courts do not have binding authority on the Indian Courts and considering the growing involvement of non-residents in cases of trademark infringement, passing off and domain names owed to the ever-increasing horizon of globalization of businesses and internet connectivity, we need definitive law in this matter. Continued dependence on case laws and International law principles, without incorporation in domestic law will keep the law regarding this matter vulnerable to dismissal by the higher courts and leave unprotected the valid interests of the members of the society.

²⁰ (2007)ILR 2Delhi1231

²¹ 2010(42)PTC361(Del)

²² *Ballard v. Savage* 65 F.3d 1495 (1995)



SHIFTING OF ONUS

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INTRODUCTION

Burden of Proof is the legal obligation on a party to prove the allegation made by him against another party. The burden of proof in a case lies with the plaintiff unless defendant counter with a factual claim based on the allegation, that is when categorical acceptance is made by the defendant and he is disputing a factual position.

The burden of proof is often associated with the Latin maxim "*semper necessitas probandi incumbit ei qui agit*," which means "the necessity of proof always lies with the person who lays charges." This is a statement of a version of the presumption of innocence that underpins the assessment of evidence in some legal systems, and is not a general statement of when one takes on the burden of proof. The burden of proof tends to lie with anyone who is arguing against received wisdom, but does not always, as sometimes the consequences of accepting a statement or the ease of gathering evidence in its defense might alter the burden of proof its proponents shoulder. The burden may also be assigned institutionally¹.

As per section 101 of the Indian Evidence Act 1872 "Whoever desires any Court to give judgment as to any legal right or liability dependent on the existence of facts which he asserts, must prove that those facts exist. When a person is bound to prove the existence of any fact, it is said that he burden of proof lies on that person". Burden of proof can define the duty placed upon a party to prove or disprove a disputed fact, or it can define which party bears this burden. In criminal cases, the burden of proof is placed on the prosecution, who must demonstrate that the defendant is guilty before a jury may convict him or her. But in some jurisdiction, the defendant has the burden of establishing the existence of certain facts that give rise to a defense, such as the insanity plea. In civil cases, the plaintiff is normally charged with the burden of proof, but the defendant can be required to establish certain defenses. Difference between Burden of proof and onus of proof Here it is pertinent to mention that even though terms 'Burden of proof & Onus of proof' are used interchangeably but there is a difference between the

burden of proof and onus of proof. The rule regarding the Burden and onus of proof can be summarized as below:

- Burden of proof lies upon the person who has to prove a fact and it never shifts, but the onus of proof shifts.
- Burden of proof would be on a party whose suit would fail if no evidence was let in.
- Burden of proof on the pleadings of a party never shifts to the other party.
- Onus of proof by a party would cease the moment opposite party admits the transaction.
- When a party produces evidence in support of his statement, onus would shift on the opposite party to adduce rebutting evidence to meet the case made out by the other party.
- In civil cases, onus of proof is never fixed permanently, but it would fluctuate very frequently.

There are numerous cases wherein the 'burden of proof' has been used in place of 'onus of proof' interchangeably.

BURDEN ON THE CASES OF TRADEMARK INFRINGEMENT

The Indian Courts on the numerous occasions dealt with the question of burden and onus of proof and shifting of the same during the proceeding. Dealing with the question of burden of proof in an action for infringement of trade mark, in **Kaviraj Pandit Durga Dutt Sharma v. Navratna Pharmaceutical Laboratories**², the Supreme Court observed as follows:

"...In an action for infringement the onus (burden of proof) would be on the plaintiff to establish that the trade mark used by the defendant in the course of trade in the goods in respect of which his mark is registered, identical or is deceptively similar."

Once the fact, that the defendant is infringing his trademark is established by the plaintiff, the onus shifts

¹ http://en.wikipedia.org/wiki/Legal_burden_of_proof

² [1965]1SCR737



on the defendant to negate the claim. The burden to prove his case remains with the plaintiff but it is the onus that does keep on shifting during the infringement proceeding.

IN THE PROCEEDING FOR TRADEMARK OPPOSITION

In opposition proceedings if the Opponent case is based upon his registered trademark or the use of the same and the reputation then these facts has to be established by the Opponent and once these facts are established by the proper evidence then onus shift to the Applicant to prove that his adoption was honest and the trademark applied is not similar to the Opponent's trademark and will not create any confusion and deception in the market.

In case of **Gupta Enterprises Vs. M/s Gupta Enterprises and Anr**³ it was held by the Hon'ble High Court of Delhi that "It is well settled principle of law that in an opposition proceeding the burden is ultimately upon the applicant to establish that he is entitled to the registration of the trade mark applied for. Where the opposition is based on the alleged registration of the trade mark or the use and reputation of the opponent's trade mark or on any other fact, the burden of establishing those facts lies upon the opponent. It is only when the opponent initially discharges his burden that the onus shifts to the applicant. In this case opponent miserably failed to discharge his initial burden. Hence, Registrar was not justified in allowing the opposition".

In **Paras Corporation vs. Khemraj Devaramji Sudvesa (Shree Charbhuj Products) & the Joint Registrar of Trade Marks**⁴: There was an issue about confusion and deception since the mark 'FEMINA' used by both the Petitioner & Defendant were identical. It was held in such cases when the marks are identical; there is every possibility of confusion and deception being caused. The burden to prove that the registration will not cause confusion or deception will be on the petitioner by user and reputation; the burden will shift to the applicant/defendant, if discharged by the Petitioner.

In **Metropolitan Trading Company, Vs. Shri Mohanlal Agarwal (Shri Ram Baboo Garg), Mrs. Kusumlata Garg, Anil Kumar Garg, and Registrar of Trade Marks**⁵ It was held that "Once the opponents have proved that they are the prior users of the mark in question then the burden (onus) shifts on to the applicant to prove that there will be no confusion or deception by use of the mark by them."

The rules related to the opposition under the Trade Marks rules, 2002 provides the equal opportunity to both opponent and applicant to prove their case but the ultimate burden remains with opponent to prove that the registration of the trademark of the applicant will create the confusion and deception in the market and would cause irreparable loss to reputation of his business.

RECTIFICATION PROCEEDINGS:

In cases of rectification the burden of proof is on the party challenging the validity of a trademark. The plaintiff has to prove that registered trademark not deserve to be on register due to violation of one or more provision of the Act. A mark that has been registered under the provision of the Act is presumed to be valid until the contrary is proved as per the Section 31.

In case of **Shri Anand Bansal, (Sole Proprietor Ansul Industries) Vs. Shiva Tobacco Co. and Registrar of Trade Marks, Trade Marks Registry**⁶ It was held by the court of law that an applicant who seeks relief under Clause (b) or Clause (c) of Section 32 of the Act, the onus (burden) of proof is on him to show that the trade mark attracts either of those provisions. The observations of Justice B. Mukherjee made in Formica case (1971) 75 CWN 663 were quoted:

"Mark on the register, you want to take off the Register? The onus (burden) is then upon you to prove that the mark deserves to be taken of so. This is plain common sense too. I am on the register. Sure enough, it is not for me to prove that I should be where I am and that the entry in my favour is valid. Were I to prove so, why register? Registration becomes valueless."

³ AIR1998Delhi232

⁴ MIPR2008(1)13

⁵ MIPR2008(1)24

⁶ MIPR2007 (1)90



The applicant, as mentioned earlier, has not stated anything about this in his pleadings. Further, the burden of proof is on the applicant who comes to the Board for rectification of the mark on the ground that the trade mark was not distinctive of the goods of the registered proprietor on the date of filing of the petition. A trade mark must be removed from the register on an objection under Section 11 if on the date of registration the use of mark was likely to cause deception or confusion or registration was otherwise obtained in contravention of that section.

In cases of infringement where the validity of a mark comes into question the court as per section 124 stay the suit for the time and provide the time to the party to initiate the rectification proceeding against the mark alleged to be invalid. In these cases the party alleging the mark to be invalid has the burden to prove the same. The alleged mark would be presumed to be valid until proven contrary.

CONCLUSION

The burden of proving a fact lies with the person alleging the same and it does not shift. It is the onus which keeps on shifting in a case. In cases related to the trademark law the onus keeps on shifting from the plaintiff to defendant. In opposition proceedings, it is the Opponent who has to prove that the registration of the trademark would be against the law but once the same is established by the opponent the onus shifts on the applicant to negate the claim. In rectification proceedings, it is on the person alleging the mark to be the one that is not capable to remain in the register due to one reason or another and when the same is established by the applicant the onus shift to the registered proprietor to prove the contrary. Whereas in the infringement case the burden remains on the Plaintiff to prove that the impugned mark is similar to his mark and use of the same is causing the injury to his business once it is established by the plaintiff the onus shifts to the defendant to deny the said claim.



MOVIE TITLE: PROTECTION UNDER LAW OF TRADEMARK

Himanshu Sharma & Shradha Deb¹

Name and title of the work creates the sense of identity. Film makers all over the world are specific about choosing an exclusive and distinctive name for their movies for viewers to associate with the producers. One of the issues under the ambit of trademark protection is the subject related to the protection granted to the title of cinematographic film. Consequently, registration of title turns out to be prerequisite for every producer.

Before discussing about any case laws it is necessary to highlight about how film titles are protected in India. Customary way of getting the film title registered is with the association such as Indian Motion Picture Producers' Association (IMPPA), the Association of Motion Pictures and Television Programme Producers (AMPTTP) and the Film and Television Producers' Guild of India (Guild). These associations are constantly working with the purpose of endorsing and encouraging the production of films and protecting the commercial interest of films produced in India. The film industries customarily functions through these associations. Before registering the title, the association generally substantiates with other associations as to whether the same or deceptively similar title has been registered with another association. However such registration only establishes priority in the adoption of title of film and authorship of the script.

Moreover, film titles are also registered as a trademark under the Trademark Act, 1999 with limitations.

LIMITATION ON THE PROTECTION OF TITLE OF CINEMATOGRAPHIC FILM UNDER THE LAW OF TRADEMARK IN INDIA.

Under two main circumstances Trademark Law protects the title of the cinematographic film:

Firstly, the title of the series of literary work where the title of the series of the film enjoys standard trademark protection to indicate that each edition comes from the same source as the others and can therefore be registered as a trademark. Therefore, in India the producers seeks or apply for registration of

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film titles under Schedule 4, class 41 of Trademarks Act, 1999 that incorporates number of services including entertainment.

Secondly, with respect to the title of single literary work where in order to be entitled to the protection of trademark, the title need to have acquired secondary meaning to qualify as registrable trademark. The fundamental assumption behind this is that the question of likelihood of confusion of source, affiliation, sponsorship or connection in the minds of potential buyers/users would arise and can be contended only if the disputed title has acquired the secondary meaning and is capable of associating itself with the particular work or source. Even if the work has not been released, a sufficient amount of pre-release publicity of the title may cause a title to acquire recognition, sufficient for protection under the proviso clause stated under clause (1) of Section 9 of Trademark Act, 1999 which specifically gives trademark registration to well known mark or mark which acquired distinctive character as a result of the use made of it.

SEVERAL CASE LAWS WHERE TRADEMARK LAW RECOGNIZES THE REGISTRATION OF MOVIE TITLE IN INDIA

Sholay Media and Entertainment Pvt Ltd. v. Parag M. Sanghavi² before the Delhi High Court in which the Ram Gopal Verma film Ram Gopal Verma Ke Sholay was restrained from release due to copyright and trademark infringements in relation to the cult film Sholay. One of the basic issues raised was whether trademark protection could be granted to the tile of the film. The Delhi High Court issued an *ex parte* injunction to restrain the defendants from infringing the plaintiff's rights and recognised rights in the title of the film after a series of hearings and the defendant gave an undertaking that it would not infringe the plaintiff's rights.

Biswaroop Roy Choudhary v. Karan Johar³

Under this case the plaintiff sought an interim injunction

2 CS (OS). 1892/2006

3 2006(33)PTC381(Del)



from the Delhi High Court to use title of film which plaintiff had registered with Registrar of Trade marks to restrain the defendant from using the tile "Kabhi Alvida Naa Kehna" for the defendant's movie. However, Delhi High Court was of the opinion that although the defendant had not registered the title with the Registrar of Trademarks (as was done by the plaintiff), the defendant was the actual user of the mark, and in fact had completed the production of the film which was ready for release. Accordingly, Delhi High Court further opined that the actual use of the trademark was always a relevant factor which would deter the Court from granting injunctory relief. Hence, the Court resulted in denial of interim relief to the plaintiff were that Kabhi Alvida Naa Kehna was a phrase in common parlance and therefore could not be used with exclusivity and furthermore there was delay in approaching the Court.

Kanungo Media (P) Ltd v RGV Film Factory⁴

This case is a commendable attempt by the judiciary to fill the gap and establish a position that even a single title of the film can acquire trademark protection under the Trademark Act, 1999. The court opined that film titles fall into two categories firstly, titles of series of film and secondly titles of single copyrighted works. Protection is certain as regards titles of series of film, and such titles enjoy standard trademark protection. However, the court found that in order to extend this protection to the title of a single copyrighted work, it must be proven that such title has acquired a wide reputation among the public and the industry that is, has acquired secondary meaning. Therefore, in order to obtain an injunction the onus is on the plaintiff to establish that its film title has acquired secondary meaning. And had also concluded that the law with respect to the protection of move title under trademark in India is similar to the law of trademark in United States

THE UNITED STATES TRADEMARK LAW ON THE PROTECTION OF MOVIE TITLE

Motion Picture Association of America (MPAA) is first and foremost association introduced in 1922; the organization represents the interests of the American motion picture, home video and television industries both in the US and internationally through Motion Picture Association (MPA). The organization works with the purpose of endorsing and encouraging the

⁴ 2007(34)PTC591(Del)

production of films, protecting the commercial interest of films produced and protection from any copyright theft. However, the trademark protection is also available related to movie title subjected to limitations stated below.

Registration of titles as trademarks with the United States Patent and Trademark Office requires that the work designated by the title is not a single film, television show, or book. If it is being used on a television series, book series or other continuing work, registration is possible and recommended. The USPTO refuses registration of a proposed mark related to the title of a single book and/or movie including marks being: a surname; geographically descriptive of the origin of the goods/ services; disparaging or offensive; a foreign term that translates to a descriptive or generic term; an individual's name or likeness.⁵

⁶A portion of the title of any single creative work is registrable only if the applicant can show that the portion of the title meets the following criteria:

- a) creates a separate commercial impression apart from the complete title;
- b) is used on series of works; and
- c) is promoted or recognized as a mark for the series.

Therefore the law of trademark under USPTO implements the refusal to register titles of a single work regardless of whether it is a book, television program or a movie.

In **Paramount Pictures Corporation v. Pete Gilchrist⁷** the Courts in the United States of America uniformly have given trademark protection to literary title of single works only upon a showing of secondary meaning, even where the title may not be merely descriptive of the contents of the work. The Panel finds that the Respondent registered the disputed domain names primarily with the intention of taking advantage of the Complainant's trademark rights. The panel determine that the movie title acquired secondary meaning and thus the use of complainant's trademark is confusingly similar does not constitute a legitimate

⁵ <http://www.uspto.gov/trademarks/basics/BasicFacts.pdf>

⁶ <http://www.uspto.gov/trademarks/resources/exam/examguide4-06.jsp>

⁷ Administrative Panel Decision Case No. D2007-0128



noncommercial or fair use of the domain names. Accordingly respondent was restrained from using the disputed domain name.

In ***Warner Brothers Entertainment v. The Global Asylum, Inc***⁸

Plaintiff owns various trademarks that include the word "Hobbit," filed a trademark infringement suit against defendant seeking a temporary restraining order against the distribution of defendant's film *Age of Hobbits*. The court established four factor test for injunctive relief that is

- (1) likelihood of success on the merits,
- (2) likelihood of irreparable harm to them if the injunction were not granted,
- (3) a balance of hardships favoring plaintiffs and
- (4) that an injunction would benefit the public.

Whereby the plaintiff satisfies the four factor test and the court found that plaintiff had protectable interest in the HOBBIT mark and that the defendant's use of the mark was likely to cause consumer confusion. The court also explored whether the "Hobbit" mark had gained secondary meaning in the marketplace, and concluded that plaintiffs had extensively used the word "Hobbit," including in three prior series of *Lord of the Rings* films, constituted additional evidence of secondary meaning. The court found the balance of hardships also weighed in favor of plaintiffs, rejecting defendant's contention and granted injunction on the basis of public interest.

CONCLUSION:

India recognizes trademark rights to the title of the movie even in case of single literary work under the Trademark protection in India. The title that acquires secondary meaning and the use of the same by another may cause overlapping of the source and likely to create confusion in the mind of the consumer. The comparative analysis of law related to trademark protection in India and U.S. provides that unlike India, U.S. laws grant protection to series of movie title but no such protections are being given to the single literary work. Where, USPTO treats all single title work as inherently descriptive unless the single title has had wide promotion and great success. The registration not only imparts an exclusive right to the registrant to use the

title and restrain the unauthorized use/ adoption or infringement of title but also in case of suits of infringement or passing off, the registrant can seek permanent injunctions and damages.

⁸ CV 12-9547 PSG (CWx) decided on 12 December, 2012



“TACKING-ON”- A RATIONALE BEHIND PERSISTENCE

Himanshu Sharma

A trademark is an asset, value of which increase with each passing day hence the use of a trademark is of great importance. Once a trademark is put to use, the subsequent period is counted as a critical period for the survival and the success of a trademark. At the initial stages of the business, the management takes various business decisions which sometimes have to be revoked keeping in mind the current market position. Sometime various trademarks, which are introduced at the launching of business, have to be revoked or changed as the same does not get success among the public due to the change in the market conditions. For taking the advantage of the initial use of the original trademark, which has to be amended later in order to be in line to the current market conditions, the applicant would file application for the amended trademark taking advantage of the previous use of the similar trademark by them earlier. A legal technicality that allows a trademark owner to make slight alterations in a trademark, without abandoning ownership in the original trademark is known as ‘tacking-on’ of a trademark.

Tacking as a legal term in the trademark field is not eminent in India but the same is very much in use. An applicant can claim the use of a trademark from the date when he started using the trademark for the very first time even though the appearance of the initial trademark is not same to what is subsequently applied for. Further with the passage of time a trademark is changed to keep pace with the change in time but the use of the same is claimed from the time when the trademark is first used in its initial form.

ORIGIN OF THE CONCEPT:

The ‘tacking-on’ concept has its roots to the well developed western trademark laws. A number of federal courts have recognized the doctrine of “tacking-on” in trademark cases, pursuant to which a trademark owner can claim priority in a mark based on the first-use date of a similar, but technically distinct mark. Under this constructive-use theory, the trademark owner seeks to tack his first-use date in the earlier mark onto the subsequent mark. ‘Tacking-on’ as a concept is famous as the same can help a user to claim the use of his trademark from the date on which he has used his previous similar trademark and the amount of time &

money invested on that previous trademark can be used for the subsequent trademark. This can prove beneficial to the business in a long run as it can minimize the cost of launching a new mark/business. Tacking does not apply when a plaintiff does not assert priority of use in connection with a new mark. When tacking applies, it provides an effective defense to a claim of abandonment. Sound policy considerations support the notion of tacking by allowing the use of the previously created goodwill of the earlier trademark. Absent the doctrine, a trademark owner’s priority in his mark “would be reduced each time he made the slightest alteration to the mark, which would discourage him from altering the mark in response to changing consumer preferences, evolving aesthetic developments, or new advertising and marketing styles. Further, granting a trademark owner the same rights in a new mark that he has in an old mark helps to protect source-identifying trademarks from appropriation by competitors and thus furthers the trademark law’s objective of reducing the costs that customers incur in shopping and making purchasing decisions. Courts have frequently specified that the standard for tacking is very strict.

In case of ***One Industries, LLC v. Jim O’Neal Distributing, Inc***¹

O’Neal, a leader in the motocross racing industry, began using a stylized “O” as a mark in 1991 and experimented with additional versions in 1992, 1993, 1997 and 2003. In 1999, its competitor One Industries developed and registered the “One Icon,” comprising two interlacing number “1”s that form an “O.” When O’Neal accused One Industries of infringing GITS 2003 mark, One Industries countered that the One Icon, registered in 1999, was senior to the 2003 mark. On appeal, O’Neal argued that its 2003 mark should have been tacked back to an earlier version, which would establish priority. Because the One Icon was first used in 1999, the court focused on the O’Neal marks that were developed in 1997 (the “Rounded O’ mark”) and 2003 (the “Angular O’ mark”). The court noted that tacking is allowed only in narrow circumstances in which the marks create the “same, continuing commercial impression and the later mark does not materially differ from or alter the character of

¹ No.08-55316, 2009 (9th Cir)



the mark attempted to be tacked.” Here it found that O’Neal’s two marks did not satisfy the standard for tacking, because they differed in several material respects. For example, though both consisted of a stylized “O” followed by an apostrophe, the apostrophes were markedly different. In the 1997 mark, the apostrophe was entirely separate from the “O” and appeared as a standard apostrophe. In the 2003 mark, the apostrophe was connected to the main image and looked like a triangle. In addition, while the 1997 mark was boxy, the 2003 mark looked like the outline of a lemon.

The court cited cases from other circuits and from the Trademark Trial and Appeal Board confirming that tacking is allowed only if the marks are virtually identical. As the Ninth Circuit drove home, the standard for tacking is “exceedingly strict.”

A claimant to trademark or service mark rights may rest its claim, in part, upon use of the same mark at an earlier date for a purpose which permits the earlier use to be “tacked” onto the later use, to give the later use a priority over a competing use by a third party which the later use might not otherwise have.

In a more recent decision in case of *In re Nielsen Business Media, Inc*² the Trademark Trial and Appeal Board (TTAB) of the United States Patent and Trade Mark Office have refused registration to the mark THE BOLLYWOOD REPORTER for entertainment-related publication. The TTAB, in its precedential decision, held that Nielsen Media (the Applicant) could not rely on its registrations for the mark THE HOLLYWOOD REPORTER to establish rights of acquired distinctiveness over the BOLLYWOOD REPORTER. The applicant claimed “tacking-on” and claimed that it could transfer distinctiveness to the new mark by virtue of its rights in the previously registered marks.

The TTAB refused to entertain these arguments, and pointed out that the marks were not legal equivalents:

“The marks at issue are not legal equivalents because they have different meanings and engender different commercial impressions. “Bollywood” is “the extravagantly theatrical Indian motion picture industry.” “Hollywood” is “the center of the American motion picture industry located in Hollywood, California.” THE BOLLYWOOD REPORTER means and creates the

commercial impression of a news source regarding the Indian movie industry while THE HOLLYWOOD REPORTER means and creates the commercial impression of a news source regarding the American movie industry.”

Hence it is clear that to claim Tacking-on there has to be a similar impression of the new mark to that of old mark. If the new mark is depicting an entirely new idea than claiming tacking would be difficult as the Applicant cannot claim the use of a mark which is not quite similar in nature and ocular expression.

CONSTRUCTIVE USE:

In trade and commerce the initial use of a trademark is according to the prevailing market conditions. The condition may decide the use of the trademark or the promotion of trademark or even the design of a trademark. Even though this initial use of the trademark is according to the prevailing conditions but this use is design to constructively working towards the future use of the trademark. The constructive use of a trademark can said to be done when the present use of a mark is done to take advantage of the same in future. For example the initial use of the brand TATA was in regards to the iron and steel but that initial use has been constructively used till date. Presently TATA is in numerous businesses but the brand is using the goodwill created by it in the past. A new business started under the brand TATA does not need a kind of promotion as needed initially by any other trademark. “Tacking on” of trademark is done to take the advantage of the initial use and constructively using the image and goodwill of a trademark already established.

CONCLUSION

The tacking of trademark is not prevalent in India in express terminology but the same can be deduced from some of the provisions wherein the use of a trademark is given relevance for getting it registered.

Various provision in Indian Trademark Act, 1999 related to the trademark does give preference to the use of the same in past. The use of trademark would help a trademark in acquiring the distinctiveness based upon the use of the trademark known as acquired distinctiveness. The mark use in the beginning of the business may be different sometime from the mark which is applied for the registration.

² 93 USPQ2d 1545 (TTAB 2010).



Proviso to section 9(1) provides that “provided that a trademark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well known trademark”

But more importantly the provision has not been used expressly in Indian Intellectual Property field. Even though scope of using the same is very much present, in order to provide the safeguard to the marks which are used for a long period of time but there has been continuous change in the visual representation of these marks. If the mark would not be protected from the first use of the same then the distinctiveness created by it till that point will go waste. Through the concept of “tacking on”, the goodwill created by one mark would also be taken into consideration for another mark which is visually similar to the first mark of the same Applicant.



UBIQUITY THEORY OF TRADEMARK LAW

IPR Team

INTRODUCTION:

Ubiquity refers to the state or capacity of being everywhere, especially at the same time and also means omnipresence. In terms of trademark law ubiquity has been a myth till date. The ubiquity in trademarks refers to the multiple use of the trademark for the various goods and services. The debate on significance of ubiquity on the loss of distinctivity of a trademark is still a debatable topic. The nature of effect of ubiquity on the trademark is still an unsolved problem after more than 80 years of research and development of trademark law world over.

The real problem which lies in identifying the effect of ubiquity on trademark is that, it is still not clear whether the ubiquity is good or bad for a trademark. There are scholars who had identified ubiquity as a destroyer of the distinctivity of the trademark whereas it is also been said that the omnipresence of trademark is also good for a trademark.

CONCEPT OF UBIQUITY OF TRADEMARK AND ITS ORIGIN

Ubiquity theory owes its origin to the concept of dilution of trademark. In the year 1927 dilution theory was originated in US when an article was published in Harvard Law Review in which author Frank Schechter, written about the concept of dilution in reference to the danger a trademark can have from the use of the same by some other person for unrelated goods for which the original mark is used. In the initial period the courts and scholars were not ready to buy this argument but with the passage of time as the use of trademark developed and so developed the remedies of protection to the trademark. Frank Schechter, who is said to be the originator of the theory of dilution, was in reality talking about the danger of ubiquity which a trademark can have from multiple use of trademark by the owner himself and not about the dilution in which the danger is from the use of trademark by some other person but at that point of time trademark was not seen as a commodity in itself but seen as the instrument which help in recognizing the originator of the product. The author wrote his theory not about all famous trademarks but about some very selective distinctive trademarks

that are related to a single product or product class. The theory talks about the loss of identity from which a very distinctive trademark would suffer if the same is used for some unrelated goods by the owner of the trademark himself. For example, trademarks like 'Horlicks', which is famous in Indian as a drink for the children which help them in growing up. This mark is only famous for a single product and if the same is used by the owner for wines or alcoholic drinks it would lead to the disturbance of the myth surrounding the trademark that it helps children in growing up. It is the myth that a very distinctive trademark has, which gives that trademark advantage in the market. Hence a unique or very distinctive trademark posses two kind of association in the mind of the consumer i.e. a source of association with the trademark (Horlicks) and association with the product itself (drink for growing up).

DIFFERENCE BETWEEN UBIQUITY AND DILUTION

Dilution refers to the unauthorized use of a famous trademark by another person for the goods and services that are unrelated to the mark for which it is famous for. The dilution principle is included in the Indian Trademark Act, 1999 under S. 29(4) as:

A registered trademark 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-

- (a) *is identical with or similar to the registered trade mark and*
- (b) *is used in relation to goods or services which are not similar to those for which the trade mark is registered : and*
- (c) *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.*

Dilution is taken as the infringement of the trademarks owners rights. If anybody tries to use a famous trademark without the permission of the owner of the trademark, it is treated as the infringement of the



trademark.

Ubiquity theory in relation to a trademark refers to a situation wherein a famous trademark is used for unrelated goods or services by the proprietor of the trademark himself. According to the Frank Schechter, ubiquity is not good for a trademark as the same decreases the distinctivity of the trademark in reference to the particular goods/services for which the trademark is used till date. The myth surrounding the trademark which is the most important element of the uniqueness of the trademark is lost due to use of trademark for various products as discussed earlier. But the courts, Judges, lawyers, and even scholars appear to have assumed that trademark owners are incapable of diluting their own trademarks—that trademark owners are perfectly free to engage in acts that, if perpetrated by others, would be held to cause dilution or the likelihood thereof, even under the doctrine as presently applied. As per popular belief the ubiquity adds to the distinctivity of the trademark.

ADVANTAGES AND DISADVANTAGES OF UBIQUITY THEORY

Till date the ubiquity question has not arisen in front of any Indian court in relation to the trademark. Also as per popular belief owner of trademark is not capable of diluting his own trademark due to use of his trademark for the unrelated goods and services. It is only the unauthorized use of the trademark by some other person for some unrelated goods or services that is capable of diluting the image or distinctivity of the trademark hence it is difficult to foresee whether the ubiquity has advantages or disadvantages.

The popular belief till date is that ubiquity has advantages in reference to a trademark. It provides the multifaceted image to a trademark which improves the marketability of a trademark. In the contemporary times the use of trademark is not only for the purpose of recognizing the origin of the trademark but it is also portrayed as a commodity which can individually be sold or purchased. If the trademark assumes the capability of being used for the multiple products then it can also provide the economic benefits in terms of assignment or licensing of trademark. But as the trademark is also attached with the quality of a product hence in case of licensing of the trademark it is important to include the clauses for the quality check. The naked licensing of a trademark should be checked. Various countries have

included the provision related to the naked licensing in their enactment so that the ultimate consumer should not be affected by the lack of quality of the product offered to him. The ubiquity of trademark therefore can also give rise to a situation wherein the product offered under a popular trademark by a license holder is of inferior quality in cases wherein the law of country does not have provision related to the naked licensing.

CONCLUSION

Ubiquity theory even though has been in existence since long but the legal effect of the same in terms of Indian Judicial scenario is still not in existence. The theory has to be used and specifically in terms of the effect of the same on the use of a trademark for different goods and services. The theory would be at same time is a lengthy topic of research and discussion for the researchers and trademark experts. Even though till date the multifarious use of the trademark is seen to be good for the distinctivity of a trademark but the theory of ubiquity as described by the Frank Schechter have various elements which are neither used nor interpreted by any Indian Court.



ENFORCEMENT OF FOREIGN DECREES AND AWARDS IN INDIA

Aayush Sharma

INTRODUCTION

Globalization of the economy has opened new horizon for the businesses which were a distant dreams earlier in closed economy. With the business transaction has taken a whole new dimension across the border, there were various problems which were earlier not faced by the people. The emergence of disputes across the border is also a genre of globalization of business. In these disputes, jurisdiction may also be outside India and when a decree is passed by a foreign court, its execution or validity is also a question which was not easy to answer.

This article focuses on the binding nature of the foreign decrees given by courts of reciprocating foreign territories. It also talks about the ambit of section 13 of C.P.C with respect to section 44A and the enforcement of foreign arbitral awards.

LAW RELATED TO ENFORCEMENT OF FOREIGN DECREE:

Multilateral trade and international commercial transactions have led to a steep rise in international commercial disputes. India is a major global player in the world economy; therefore laws related to enforcement of foreign judgments are of utmost importance to the foreign investors interested in entering the Indian market. Foreign decrees in India are enforced solely according to the provisions of the Code of Civil Procedure, 1908 (CPC).

A decree is defined in section 2(2) of the CPC and judgment is defined in section 2(9). A judgment decides the rights and liabilities of the parties, whereas a decree follows the judgment and is its operating part. The civil procedure code also provides for the definition of a foreign judgment under section 2(6). The bare perusal of this section suggests that, a 'Foreign judgments' is a judgment given by a court that is situated outside India or where the cause of action in a case arises out of India.

A foreign judgment in India can be enforced in the following ways:

- Decrees from Courts in "reciprocating territories" can be enforced directly by filing

before an Indian Court an Execution Decree.

- Judgments from "non-reciprocating territories," such as the United States, can be enforced only by filing a law suit in an Indian Court for a Judgment based on the foreign judgment. The foreign judgment is considered evidentiary. - The time limit to file such a law suit in India is within three years of the foreign judgment.

Execution of foreign Decrees by reciprocating territories in India is governed by section 44A, CPC. The said section explains the execution of any decree passed by a reciprocating territory, i.e. any country or territory outside India which is declared to be a reciprocating territory by the central government.

RECIPROCATING TERRITORY:

"Reciprocating Territory" is defined in explanation 1 to Section 44A of Civil Procedure Code as:

"Any country or territory outside India which the Central Government may, by notification in the Official Gazette, declare as a reciprocating territory."

The List of Reciprocating Territories under the Civil Laws in India are United Kingdom, Singapore, Bangladesh, UAE, Malaysia, Trinidad & Tobago, New Zealand, the Cook Islands (including Niue) and the Trust Territories of Western Samoa, Hong Kong, Papua and New Guinea, Fiji, Aden.

In case of R.I. Ltd. vs. I.G Ltd¹ it was held by Hon'ble Supreme Court that *"Where People's Republic of Bangladesh was declared as the reciprocating territory for the purpose of section 44A, the decree passed by courts of district and subordinate judges in Bangladesh specified as superior courts could be filed and executed under section 44A"*

JUDICIAL APPROACH:

The essence of section 44A was best explained by the Supreme Court in the case, **M. V. AL. Qumar v. tsaviliris salvage (international) Ltd²**, where the court held that, *"S.44A is an independent provision enabling a set of*

¹ AIR 2005 Cal 47 (50)

² AIR 2000 SC 2826



litigants whose litigation has come to an end by way of a foreign decree and who is desirous of enforcement of the same. It is an authorization given to the foreign judgments and the section is replete with various conditions and as such independently of any other common law rights and is an enabling provision for a foreign decree-holder to execute a foreign decree in this country."

Further, in the case of **M.V AL. Qumar** that, "Section 44A gives a new cause of action irrespective of its original character and as such, it cannot be termed to be emanating from the admiralty jurisdiction as such....and also that, enforcement of a foreign decree is different from scheme of domestic execution"

Enforcement under section 44A is barred by the exceptions enshrined in section 13 of the CPC. These exceptions are:

- a) Where it has not been pronounced by a Court of competent jurisdiction; Where it has not been given on the merits of the case;
- b) Where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable;
- c) Where the proceedings in which the judgment was obtained are opposed to natural justice;
- d) Where it has been obtained by fraud;
- e) Where it sustains a claim founded on a breach of any law in force in India.

Thus, "A combined reading of section 13 and 44A makes it clear that a decree of a reciprocating territory can be executed through a district court, and the judgment debtor is entitled to contest the execution petition if it can be shown that the judgment is not conclusive, i.e., it comes within any of the exceptions under section 13 (a) to (f).³"

ARBITRATION AND CONCILIATION ACT, 1996:

In India, Arbitration and Conciliation Act, 1996 provides for a statutory framework for the enforcement of

foreign arbitral awards under Part II of the act. India is also a signatory to the New York Convention (1960) and the Geneva Convention (1924), which governs the execution of foreign arbitral awards in India.

Foreign award by definition means an award passed in such territory as the Central Government by notification may declare to be a signatory to the Geneva and New York convention. About 40 countries have been notified so far by the Indian government. The United States of America, United Kingdom, France, Germany, Japan and Singapore are among the countries notified by India. A foreign award is enforceable in India if, it involves a dispute of commercial transaction and there is a valid and written agreement between the parties. Such an award must also not be ambiguous. One interesting feature of enforcement of a foreign award is that there is no statutory appeal provided against any decision of the court rejecting objections to the award. An appeal shall lie only if the court holds the award to be non-enforceable. Hence, a decision upholding the award cannot be appealed against. However a discretionary appeal would lie to the Supreme Court of India under Article 136 of the Constitution of India. Such appeals are entertained only if the Court feels that they raise a question of fundamental importance or public interest. This is a positive approach adopted as it allows fewer opportunities to a judgment debtor to delay the enforcement of an award, much to the relief of many foreign clients.

CONCLUSION

Thus, analysis of the legal provisions involved in enforcement of foreign decrees in India emphasizes the need for the Indian courts not to treat the summons received from foreign courts casually and to efficiently adjudicate whether; the foreign courts had decided that matter judiciously or not. Lastly, it can be concluded that foreign decree in India can only be executed if the same is passed by the courts of reciprocating territory and should pass the tests as laid down in Section 13 of the Code of Civil Procedure, 1908.

³ *Yazman Hume Quarries S.D.N, B.H.D vs. Chellappan, (1998-1) 122 Mad 141 (DB)*



PROTECTION OF BIOTECHNOLOGY UNDER INDIAN LAWS

Priyanka Rastogi

According to the eighth annual survey conducted by the Association of Biotechnology-Led Enterprises (ABLE) and Bio Spectrum, the Indian biotech industry grew threefold in just five years to report revenues of US\$ 3 billion in 2009-10, a rise of 17 per cent over the previous year. Maintaining the momentum of the previous years, the Indian biotech industry grew 16.28 per cent in FY2014; the total industry size was US\$ 5 billion at the end of the financial year and it reached US\$ 7 billion in FY2015. Fast-paced growth is likely to continue; the industry is expected to increase in size to USD11.6 billion by 2017, driven by a range of factors such as growing demand, intensive R & D activities and strong government initiatives¹

BIOTECHNOLOGY AND IPR

Biotechnology today plays a key role in virtually all areas of pharmaceutical science, genetics, molecular biology, biochemistry, immunology, stem cell related research embryology and cell biology, bioremediation and biodegradation.

The development of the genetic resources of biodiversity is known as biotechnology. Broadly defined, biotechnology includes any technique that uses living organisms or parts of organisms to make or modify products, to improve plants or animals, or to develop microorganisms for specific uses (Congress of the United States, Office of Technology Assessment, 1990). Mankind has used forms of biotechnology since the dawn of civilization. However, it has been the recent development of new biological techniques (e.g., recombinant DNA, cell fusion, and monoclonal antibody technology) which has raised

fundamental social and moral questions and created problems in intellectual property rights.²

Apart from Pharmaceutical sectors, the biotechnology innovations and research are instrumental in health care systems, agricultural industry, polymers & materials sectors, etc. Research & development in this area is relatively time consuming and involves huge

investment with risk involved with the outcome. To promote such results much more importance is affixed with respect to patenting the inventions in said field, and enabling the growing research sector to monetarily sustain itself.

In order to help the patent seekers, a Biotechnology Patent Facilitation Cell (BPFC)² was established by the Department of Biotechnology (DBT) in July'1999. BPFC has been catering to the need of promotion of biotech research by:

1. Creating awareness and understanding among biologists and biotechnologists, relating to patents and the challenges and opportunities in this area
2. Providing patenting facilities to biologists and biotechnologists in the country for filing Indian and foreign patents on a sustained basis.
3. Keeping a watch on development in the area of IPR and make important issues known to policymakers, bio-scientists, biotech industry, etc.

Another government authority working for the same cause is the Council of Scientific and Industrial research (CSIR) which has moved from their earlier mantra of "publish or perish" to "patent or perish". The Indian Government has under its "Science and Technology Policy-2003" highlighted below aspects:

1. Science and technology governance and investments
2. Optimal utilization of existing infrastructure and competence by networking of existing infrastructure.
3. Strengthening of infrastructure of Science and Technology in academic institutions.
4. New funding mechanism for basic research
5. Human resource development.
6. Technology development, transfer and diffusion
7. Promotion of innovation.
8. Autonomous Technology Transfer organizations would be created in academic

¹ <http://www.ibef.org/industry/biotechnology-india.aspx> last accessed dated 30/04/2016

² <http://www.ciesin.org/docs/008-265/008-265i.html> last accessed dated 30/04/2016



institutes to facilitate transfer of know-how generated in industry.

9. Indigenous resources and traditional knowledge: Development of technologies that add value to India's indigenous resources would be supported and the Indian share in the global herbal product market would be increased.
10. Technologies for mitigation and management of natural hazards
11. Generation and management of intellectual property: The fullest protection to competitive intellectual property from Indian R&D programs would be made.
12. Public awareness of science and technology
13. International science and technology cooperation:
 Those international collaborative programs contributing directly to India's scientific development and security objectives would be encouraged.
14. Fiscal measures: Innovative fiscal measures are planned and strategies for attracting higher levels of investments both public and private in science and technological development.

One of the significant sections of the Patents Act, 1970, which plays an important role in the patenting of the inventions in the field of biotechnology (more in the pharmaceutical sector) is Section 3(d) of the Patents Act, 1970. The said sections excludes the below from being invention under the Act, the mere discovery of new form of known substances which does not result in enhancement of the known efficacy of that substance or the mere discovery of any new property or new use for a known substances or the mere use of a known process, machine or apparatus unless such known process, machine or apparatus results in a new product or employs at least one new reactant. Hence while proceeding with the patent application for the biotechnological innovation the applicant might be called upon to establish that the applied invention has enhancement in efficacy and difference in properties over the existing product/ substance.

Further Section 3(i) of the Indian patent Act excludes medical treatment methods from being an invention. Section 3 (i) states that any process for the medicinal, surgical, curative, prophylactic (diagnostic, therapeutic) or other treatment of human beings or any process for a similar treatment of animals to render them free of

disease or to increase their economic value or that of their products shall not be considered as invention and hence is not patentable.

THE GOVERNMENT POLICIES IN PATENTING

Ministry of Science and Technology has issued the guidelines "Instructions for Technology Transfer and Intellectual Property Rights"³, which would help in enhancing the motivation of scientists, research institutions and universities in projects funded by the Department of Science and Technology, Department of Biotechnology, Department of Scientific and

Industrial Research and Department of Ocean Development. The salient features of the guidelines are reproduced below from the official website:

1. **Ownership of Intellectual Property:** Institutions shall be encouraged to seek protection of intellectual property rights in respect of the results of R&D. They may retain the ownership of such IPR. 'Institutions' would mean any technical, scientific or academic establishment where research is carried out through funding by the central/state government.
2. **Transfer of Technology:** The institutions shall take the necessary steps to commercially exploit patents on exclusive or non-exclusive basis.
3. **Royalty to Inventors:** The owner institution is permitted to retain the benefits and earnings generated out of the IPR. The institution may determine the share of inventor(s) and other persons from such actual earnings. However, such share(s) shall be limited to one third of the actual earnings.
4. **Norms for Private Industry:** IPR generated through joint research by institution(s) and industrial concern(s) through joint efforts can be owned jointly by them as may be mutually agreed to by them through a written agreement. The institution and industrial concern may transfer the technology to a third party for commercialization on exclusive/non-exclusive basis. The third party, exclusively licensed to market the innovation in

³ http://www.pfc.org.in/info/tt_ipr.htm last accessed dated 30/04/2016



India, must manufacture the product in India. The joint owners may share the benefits and earnings arising out of commercial exploitation of the IPR. The institution may determine the share of the inventor(s) and other persons from such actual earnings. Such share(s) shall not exceed 1/3rd of the actual earnings.

5. **Patent Facilitating Fund:** The owner institution(s) shall set apart no less than 25% of the revenue generated from IPR, to create a Patent Facilitating Fund. The fund shall be utilized by the owner for updating inventions, filing new patent applications and protecting the IP rights against infringement and for building competency in the area of IPR and related issues.
6. **Information:** The institutions shall submit information relating to the details of the patent obtained the benefits and earnings arising out of IPR and the turnover of the products periodically to the department/Ministry which had provided funds.
7. **March in Rights:** The Government shall have a royalty-free license for the use of intellectual property for the purposes of the Government of India

LEGISLATIVE FRAMEWORK AND POLICIES FOR THE PROTECTION OF BIOTECHNOLOGY

- **Environment Protection Act, 1986-** The Environment Protection Act, 1986- The Rules for the Manufacture, Use, Import, Export and Storage of Hazardous Microorganisms/ Genetically Engineered Organisms or Cells 1989 (Rules, 1989) were first notified under the Environment (Protection) Act, 1986.
- **EXIM Policy-** Units undertaking to export their entire production of goods and services may be set up under Bio-Technology Park (BTP) scheme for manufacture of goods.
- **Recombinant DNA Safety Guidelines established by The Department of Biotechnology-** The guidelines cover areas of research involving genetically engineered organism. It also deals with

genetic transformation of green plants, r DNA technology in vaccine development and on large scale production and deliberate/ accidental release of organisms, plants, animals and products derived by r DNA technology into the environment. The issues relating to Genetic Engineering of human embryos, use of embryos and foetus in research and human germ line gene therapy are excluded from the scope of the guidelines.

- **Guidelines for Research in Transgenic Plants & Guidelines for Toxicity and Allergenicity Evaluation of Transgenic Seeds, Plants and Plant Parts, 1998** were given by Department of Biotechnology, Ministry of Science and Technology- The current guidelines cover areas of recombinant DNA research on plants including the development of transgenic plants and their growth in soil for molecular and field evaluation. The guidelines also deal with import and shipment of genetically modified plants for research use only.
- **National Seed Policy, 2002-** This policy aims and objects as, biotechnology will be a key factor in agricultural development in the coming decades.

Genetic engineering/modification techniques hold enormous promise in developing crop varieties with a higher level of tolerance to biotic and abiotic stresses. A conducive atmosphere for application of frontier sciences in varietal development and for enhanced investments in research and development is a pressing requirement. At the same time, concerns relating to possible harm to human and animal health and bio-safety, as well as interests of farmers, must be addressed.

- **Seeds Act, 1966-** This Act provides for compulsory registration of seed on the basis of their performance, deregulation/ decontrol of seed industry/ processing units and imposition of more stringent penalties to check the sale of the spurious seeds.
- **Drugs & Cosmetic Act 1940-** An Act to regulate the import, manufacture, distribution and sale of drugs and cosmetics.



- **Drug Policy, 2002-**

The main objectives of this policy are:-

- (a) Ensuring abundant availability at reasonable prices within the country of good quality essential pharmaceuticals of mass consumption;
 - (b) Strengthening the indigenous capability for cost effective quality production and exports of pharmaceuticals by reducing barriers to trade in the pharmaceutical sector;
 - (c) Strengthening the system of quality control over drug and pharmaceutical production and distribution to make quality an essential attribute of the Indian pharmaceutical industry and promoting rational use of pharmaceuticals;
 - (d) Encouraging R&D in the pharmaceutical sector in a manner compatible with the country's needs and with particular focus on diseases endemic or relevant to India by creating an environment conducive to channelizing a higher level of investment into R&D in pharmaceuticals in India;
 - (e) Creating an incentive framework for the pharmaceutical industry which promotes new investment into pharmaceutical industry and encourages the introduction of new technologies and new drugs;
- **Biological Diversity Act, 2005-** Provides for conservation of biological diversity, sustainable sharing of the benefits arising out of the use of biological resources, knowledge and related matters;
 - **National Guidelines of Stem Cell Research and Therapy 2007** were established by Department of Biotechnology and Indian Council of Medical research -

The main objectives are:

- (a) To lay down general principles for stem cell research and therapy keeping in view the ethical issues;
- (b) To formulate specific guidelines for derivation, propagation, differentiation, characterization, banking, and use of human stem cells for research and therapy;

These guidelines provide a mechanism to ensure that research with human stem cells is conducted in a responsible and ethically sensitive manner and complies with all regulatory requirements pertaining to biomedical research in general and stem cell research in Particular;

- India is one of the first Asian countries to invest in agricultural biotechnology research and to set up a **bio-safety system to regulate the approval of genetically modified (GM) crops**. This provides the base for Agri-biotech companies⁴;
- The **Indo-Australian Biotechnology Fund-** to develop and support collaborative research activities and workshops;
- **APIDC Venture Capital** launched India's first biotechnology focused VC Fund of 37 million USD with investors Like IFC, Washington, APIDC, LIC, Andhra bank, Technology Development Board.

⁴ International Food Policy Research Institute – Publication “Economic Considerations of Biosafety and Biotechnology Regulations in India”



INDIAN PATENT OFFICE REJECTS CIPLA'S PATENT APPLICATION FOR HIV DRUG

Saipriya Balasubramanian

The Indian Patent Office on April 1, 2016 denied Cipla (Applicant) limited a patent for its HIV drug comprising "ritonavir" and "darunavir" involving the patent application **1399/MUMNP/2010** entitled, "**Anti-retroviral Combination**". The IPO rejected the Patent Application on the grounds of lack of inventive step in view of the prior published documents as well as on basis of Section 3(d) of the Patents Act.

BRIEF BACKGROUND

Cipla Limited filed Indian patent application **1399/MUMNP/2010** entitled "**Anti-retroviral Combination**" in the Indian Patent Office (IPO) on June 30, 2010. The '1399 application describes a pharmaceutical composition comprising of ritonavir and darunavir for treating HIV or AIDS. The application was filed with 22 claims. A request for examination was filed for the '1399 application on November 22, 2011, and a first examination report was issued on October 27, 2014. In the examination report, all twenty-two claims were found to lack novelty and inventive step over the prior art.

The examiner cited the prior art documents as follows¹, D1 (WO 2006/055455), D2 (WO 2006/005720), D3 (Sekar, V. J. et al, *Antimicrobial Agents Chemotherapy, American Society for Microbiology* (2007); 51(3):958-961), D4 (US 2005/084529), D5 (WO 2006/091529).

According to the examiner, D1 discloses a single solid dosage comprising of darunavir, tipranavir and optionally ritonavir. D2 discloses an anti-HIV combination comprising tenofovir or its disoproxil fumarate derivative, ritonavir and TMC 114(darunavir) useful for the treatment or prevention of HIV infections. Considering D1 and D2, the claims 1, 8, 10, 12 and 22 of the present invention lacked novelty in view of the examiner.

D3 discloses the co-administration of ritonavir and darunavir for the treatment of HIV. Though D3 does not

disclose a bi-layer tablet or the use of a polymer as excipient but only refers to the combined application of drugs. D4 and D5 mention that pharmaceutical compositions comprising one or more HIV protease inhibitor can be prepared in form of bi-layer tablets with a polymer as excipient.

The examiners in view of the aforementioned disclosures declared that it would have been obvious for any skilled person to combine the teachings of D3 with that of D4 and D5 to arrive at the present invention. Therefore the claims 1 to 22 were rejected due to lack of inventive step and do not constitute an invention u/s 2(1)(j) of the Patents Act 1970. Further the examiner pointed that Claims 10 and 22 are **use claims**, which are not permissible u/s 2(1)(j) of the Act. Claim 12 is directed to methods of treatments which are barred from being patentable u/s 3(i) of the Indian Patents Act.

The applicant filed a response with amended claims. In response to the examination report, the Applicant argued that the counterpart European Patent (EP2242482 B1) had been issued after taking into consideration all of the cited documents listed above (excluding D2), and after the insertion of the limitation of original claim 2 into original claim 1, such that the new independent Indian claim read like the granted claim in the corresponding European application:

"1. A pharmaceutical composition comprising a solid dosage form comprising:

- (i) ritonavir or a pharmaceutically acceptable salt and ester thereof;
- (ii) darunavir or a pharmaceutically acceptable salt and ester thereof;
- (iii) Optionally, at least one pharmaceutically acceptable excipient, which composition is a tablet formulation comprising said ritonavir in a first layer of the formulation and said darunavir in a second layer of the formulation."

¹ http://ipindiaservices.gov.in/patentdecisionsearch/Vlewdoc.aspx?application_number=/KNSylmn9/JQrFrkvodCFzmmRThoHDPFUArb/7ZWPpzbY8z1fFZBNngfGDGag6oVbl/Zou2iXODnygMuSH3HfQ==



APPLICANT'S ARGUMENTS

The applicant argued that the present invention relates to a solid, unit dosage form comprising ritonavir in a first layer and darunavir in the second layer. The applicant submitted that none of the cited prior art documents disclosed such dosage forms hence there exist a novelty. Further, the applicant identified that D3 is the closest cited prior whose teachings were directed to a clinical trial involving administering the combination of darunavir and ritonavir, thereby supervising the administration of actives. The applicant argued that though HIV protease inhibitors taken in combination with cytochrome P450 inhibitors such as ritonavir and darunavir have improved pharmacokinetics as compared to taking HIV protease inhibitors alone, it becomes impractical to supervise the administration of active compounds involving different dosage schedules. Such administration and supervision would result in an increase of "pill burden" and poor patient compliance.

It was further argued by the Applicant that in order to overcome the above said, the present invention provided a single unit dosage form comprising darunavir and ritonavir that simplify the dosage schedule and decreases the 'pill burden'.

The Applicant submitted that D1 and D2 do not provide any further information regarding the incompatibility of ritonavir and darunavir. D4 and D5 describe multilayer forms that allow the combination of active ingredients which are otherwise non-compatible and require separate processing steps.

After the receipt of response for FER, the patent office further conducted an extensive examination and found that the response did not comply with the objections raised in the examination report. The Patent Office scheduled a hearing on 19th February 2016, and issued a letter citing an additional prior art reference, **D6** (US 2005/0048112).

MOTIVATION FOR THE INGREDIENTS OF THE FORMULATION AS WELL AS THE MULTILAYER DOSAGE FORM BASED ON D6

According to the examiner D6 disclose solid pharmaceutical forms comprising of ritonavir and optionally comprises of second species of HIV protease

inhibitor. It was further identified that D6 mention 24 species of HIV protease inhibitor other than ritonavir, including TMC-114(darunavir). Therefore D6 provide a strong motivation to formulate a solid pharmaceutical dosage form that comprises of both ritonavir and darunavir. The examiner pointed that D6 additionally discloses that the solid pharmaceutical dosage form comprises "at least one pharmaceutically acceptable water-soluble polymer".

D6 further discuss that "dosage forms according to the invention may be provided as dosage forms consisting of several layers for example laminated or multilayer tablets. It is mentioned in D6 that "it is possible to provide an initial dose by including an active ingredient in one of the outer layers, and a maintenance dose by including the active ingredient in the inner layers.

After analyzing the reply submissions of the Applicant, the Controller maintained that the claimed subject matter did not clearly show an advantage or surprising effect over the prior art. In addition, the Controller argued that the claims in the present application related to a new layered form of a known combination of the prior art, and thus were not patentable under Section 3(d) of the Patents Act. Section 3(d) reads "the mere discovery of any new property or new use for a known substance or of the mere use of a known process, machine, or apparatus, unless such known process results in a new product or employs at least one new reactant" does not constitute a patentable invention. ***Further the Controller specifically pointed that only the therapeutic effect of the compounds in question, are relevant in assessing the inventive step and patentability under section 3(d) and not the physical properties of the compounds.***

THE APPLICANT'S POST HEARING SUBMISSIONS

Post hearing, the Applicant submitted a written reply and amended the claims. The Applicant argued that the prior art disclosures (D4, D5 and D6) did not disclose the specific combination of ritonavir and darunavir, and that the combination of ritonavir and darunavir in separate layers of a single composition was new. The Applicant strongly focused on the data that showed the mixing ritonavir and darunavir in the same layer adversely affect the release of both active compounds which was overcome in the present invention by providing the two active compounds in separate layers.



Such an arrangement provided for an optimal dissolution profiles for both the actives. The Applicant mentioned that neither D3 nor any of the other cited prior art suggested for improving the dissolution profile for the combination of darunavir and ritonavir, in a multilayer form, having the active compounds in separate layers so as to result in the optimal release profile of the separate drugs.

The amended new claim is as follows,

A pharmaceutical composition comprising a solid dosage form comprising:

- (i) ritonavir or a pharmaceutically acceptable salt and ester thereof;
- (ii) darunavir or a pharmaceutically acceptable salt and ester thereof;
- (iii) a water insoluble polymer and/or a water soluble polymer, wherein the ratio of the weight of the ritonavir or darunavir to the weight of the polymer is from 1:1 to 1:6;
- (iv) Optionally at least one pharmaceutically acceptable excipient, which composition is a tablet formulation comprising said ritonavir and said polymer in a first layer of the formulation and said darunavir in a second layer of the formulation; wherein the first layer is obtainable by hot melt extruding, and the second layer is obtainable by direct compression or by wet granulation."

CONTROLLER'S DECISION

The Objections pertaining to inventive step and section 3(d) was maintained by the controller. With regards to D6 the Controller observed that "dosage forms according to the invention may be provided as dosage forms consisting of several layers, for example laminated or multilayer tablets. Further multilayer forms have the advantage that the two active ingredients which are incompatible with one another can be processed, or that the release characteristics of the active ingredient(s) can be controlled".

It was specifically mentioned in D6 that "it is possible to provide an initial dose by including an active ingredient

in one of the outer layers, and a maintenance dose by including the active ingredient in the inner layer(s)".

In view of the above the controller rejected the Applicant's reply submissions considering D1-D5 and D6, composition comprising darunavir and ritonavir and its use known from D1-D6. Further claimed subject matter did not clearly exhibit advantage/surprising effect over the prior art composition.

CONCLUSION:

The claim of the present invention consider the new layered form of a known combination of prior art, which are not considered as being patentable under Section 3(d) of the Indian Patents Act. Therefore the subject matter of claims 1-8 were rejected as it falls under Section 3(d) of the Act. Also, in view of the aforesaid disclosures, it would have been obvious for a person skilled in the art to combine the teachings of D3 with that of D4 or D5-D6. Hence the claims 1-8 lack inventive step and do not constitute invention under section 2(1) (j) of the Indian Patents Act, 1970.



NEWSBYTES:

NOTIFICATION REGARDING THE AUTO-ALLOTMENT AND PAPERLESS PATENT EXAMINATION REPORT BY IPO

Recently the Ld. Controller of Patents, Design and Trademarks has issued a notification regarding the new system for auto allotment and paperless examination report only. The new auto allotment system has been implemented from 01st April, 2016. As per the new system the respective Controller will issue a FER electronically and the same shall be sent to the agents/ application directly via **EMAIL only**. Other than this, the first examination report [FER] shall also be available on official website IPAIRS as well. Further the agent/ applicant are required to submit the response within 12 months from the date of issuance of FER and sent the same to the original jurisdiction to which application belongs i.e. DELHI, MUMBAI, CHENNAI AND KOLKATA or the same shall be filed through comprehensive e-filing system. Upon execution of this system, now no FER will be sent to agent/ application through post or by any other medium.

S.E.P – DISCUSSION PAPER

The Department of Industrial Policy and Promotion under the Ministry of Commerce & Industry on 1st March, 2016 released a "DISCUSSION PAPER ON STANDARD ESSENTIAL PATENTS AND THEIR AVAILABILITY ON FRAND TERMS".

The major issue of the discussion paper was the information showcased regarding the happenings in the Indian Legal Arena regarding Standard Essential Patents. The aims of the paper is to sensitize the stakeholders, concerned organization and citizens towards need and importance of regulating SEPs as well as facilitating their availability at Fair, Reasonable and Non-Discriminatory (FRAND) terms.

The paper clearly highlighted the contrast between SEP armed with FRAND terms and Competition laws. After being highlighted in the India, with the cases filed by *Telefonaktiebolaget LM Ericsson* against *Micromax* and other companies alleging infringement of its patents that were essential to the 2G and 3G standards, the dire need for developing policy guidelines capable enough to match the functioning standards of international requirements shall have to be developed.

A total of 13 questions have been set open for discussion in the paper and the Department of Industrial Policy and Promotion has invited views from the concerned stakeholders regarding the issues for resolution.

The final date for submission of opinions has been set as 22nd April, 2016 after which the received suggestions shall further be discussed and assimilated to formulate and publish further informative results.

STARTUP INTELLECTUAL PROPERTY PROTECTION

The Office of the Comptroller General of Patents Designs and Trademarks on 22nd April, 2016 has finally released the *Scheme for Facilitating Start-Ups Intellectual Property Protection (SIPP)*.

The major objective of the scheme is to protect and promote Intellectual Property Rights awareness for startups and to encourage creativity and innovation amongst them.

Given the rigorous demand on the Indian Start-Up industry, the Comptroller General of Patents Designs and Trademarks (CGPDTM) has carried out appointment of experienced and registered Trade Mark / Patent Agents as Facilitators and has released a list of 215 facilitators for Trade Marks and 277 facilitators for Design and Patent departments, respectively. These facilitators can be approached by the Start-Ups to seek guidance and help in matters relating to protection and registration of Intellectual Property.

Going further, as an incentive, the Start-ups shall not have to pay any kind of fee for seeking services from the facilitators; instead the facilitators shall directly be paid by the Central Government through the office of the CGPDTM. However, the statutory application costs and other processing fees shall have to be borne by the start-up themselves.

Initially, the scheme has been launched on a pilot-basis for a period of one year from the date of launch of Start-Up India.



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