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ADVOCATES & SOLICITORS

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INDIAN LEGAL IMPETUS®

Special INTA Edition 2017

License
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Trademark
Design
Indication Copyright
IPR Intellectual
Property
Patent Secret
Trade TM



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Manoj K. Singh
Founding Partner

It is with immense pleasure, that we are presenting the current edition of our monthly newsletter 'Indian Legal Impetus' which is a special INTA edition for the year 2017. We, at Singh & Associates are also delighted to share with our readers, the news of our recently opened new offices in New Delhi and Gurugram (Gurgaon). Now with this new edition, we would like to take this relationship forward with our readers and keep them abreast with the latest developments in the field of IP during the past year. In this edition we present an analysis of latest amended Trademark Rules of 2017 which came into effect on 06th March 2017. The readers can find all the important changes brought into effect through new Rules by going through this article. The readers can also find another article related to the recently approved IPR policy by the Indian Government wherein all the important aspects of the policy have been discussed.

An analysis of the Delhi High Court's decision on 'Indian Bolar Exemption' under Section 107A is presented in form of an article in this edition wherein all aspects of the case have been discussed briefly regarding the Court findings. Further, recent amendment of Trademark Rules of 2017 introduced specific Rules related to Sound Trademarks and the same has been discussed in an article regarding Unconventional trademarks and their protection in India.

With the emergence of IP rights as an important asset, it is also required to properly safeguard them and IP insurance is one way to proceed forward in this direction. The importance of IP insurance has been discussed in another article of this edition. Further another article discusses, how filing a patent application with fewer claims is beneficial for the protection of patent applications in India.

Competition among market players is always good for the customers and predatory pricing is one of the hindrances to competition and the same has been discussed through an article on this topic. Another article, discusses the importance of protection to a literary character and how the same is protected in different jurisdictions.

In another article on the recently approved IPR policy, the writer has discussed the same through Industry and Public development perspective. The recent trend of hash tags and the protection provided under the IP laws in India and across the world to hash tags has been discussed in this edition through another article.

In the field of Copyright, a recent amendment related to the statutory licensing of broadcasting rights under section 31 D of the Copyrights Act, 1957 has been discussed in another article. Finally, we have also shared the important news related to the IP field during the last year in our section of Newsbytes at the end of this edition.

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.

Thank you.



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ANALYSIS OF NEW INDIAN TRADEMARK RULES 2017

Himanshu Sharma

The recent amendment in the Indian Trademarks Rules, 2017 was in discussion for long time and the changes were long overdue. The new Rules have made the procedure for the prosecution of Trademark in India a little bit less confusing. There is a special focus in the Rules to make the Indian Trademark Office, a paperless Office. Further there is also focus on making the process for registration of trademark less time consuming and transparent by giving special privilege to the Applicants for online filing of the trademark and more reasoned redressal of prosecution of trademark.

The major changes in the Trademark Rules are discussed below:

REDUCTION IN NUMBER OF FORMS:

In the Trademark Rules, 2002 there were 75 different forms for the various procedures relating to trademark registration and prosecution. It included different types of trademark applications, applications for the post-registration procedures etc. In the Trademark Rules 2017, the numbers of forms have been reduced to mere 8 types and divided according to the procedures for which a Form is to be filed. The move to reduce Forms will certainly make the process for a layman little bit less confusing. The forms available for the online filing are interactive in nature and a person with limited knowledge can certainly file an application for the registration of trademark without any help from a professional. The categories of forms after the amendment are as mentioned below:

1.	TM-A :	Application for the registration of trademark of different categories;
2.	TM-M :	Application/Request for miscellaneous functions in respect of a trademark Application/ Opposition / Rectification under the Trade Marks Act.

3.	TM-C :	Request related to the copyright search under Rule 23(3) of The Trade Marks Rules, 2017;
4.	TM-O :	Notice of Opposition/ Application for Rectification of the Register by cancelling or varying registration of a trademark / Counter-Statement / Request to refuse or invalidate a trade mark;
5.	TM-R :	Applications for the renewal/restoration of trademarks;
6.	TM-P :	Applications for the post registration changes in the trademarks;
7.	TM-U :	Application for the registration / cancellation/variation of registered user and notice of intention to intervene in the proceedings in cancellation/variation;
8.	TM-G :	Applications for the registration as trademark agents;

CHANGE IN OFFICIAL FEE WITH SPECIAL FOCUS ON POPULARIZING ONLINE FILING:

The Official fees for almost all the procedures related to trademark filing and prosecution has significantly increased. The new Rules of 2017, promote online filing thereby trying to make the Indian Trademark Office a paperless office hence there is a discount of 10% on all online filings in comparison to over the counter filing. The fee for filing a new trademark is also categorized on the basis of the type of Applicant. Government of India's special initiative for the start-ups is also given importance and hence the fee for small and medium



enterprises and startups, is significantly less than that of corporates.

CONSIDERATION OF COMMUNICATION THROUGH EMAIL AS OFFICIAL COMMUNICATION:

Under the new Rules, the Indian Trademark Office has also recognized email communication as the official mode of communication. For the same, an Applicant/Agent has to provide an email address at the time of filing of an application and all the official communication will be sent to the Applicant/Agent on this email. The deadline to respond to the Official communication will be counted from the date of communication of email to the Applicant/Agent. This is also a step in the direction of making Indian Trademark Office a paperless office as an Applicant can also file replies to the examination report and other communication from Indian Trademark Office through online portal of Indian Trademark Office.

PROCEDURE FOR RECOGNITION OF A WELL-KNOWN TRADEMARK:

Under the new Rule 124 of 2017, an owner of a trademark can apply to Indian Trademark Office, to recognize his trademark as a well-known trademark by paying an official fee of INR 1,00,000/-. Until now, a trademark could be recognized as a well-known trademark by a court in a proceeding related to trademark infringement. An owner of trademark can file an application to this effect along with all the evidences and documents on which the Applicant wants to rely in support of his claim. The Registrar will go through the application and may ask for the additional document and evidences in this regards from the Applicant and if satisfied with the claim, can determine the trademark as a well-known Trademark. The Registrar can ask public for objection against the said application and within 30 days any person can object to application. The Registrar on acceptance of a trademark as a well-known trademark will publish it in Trademark Journal.

RENEWALS:

Under the earlier Rules of 2002, a registered trademark becomes due for renewal six months before the expiry of the trademark. Now under new Rules of 2017, a trademark becomes due for renewal before 1 year from

the date of expiry of renewal. Now there is a window of one year to file a renewal for the registered trademark without any surcharges. Therefore as per new Rules, a renewal can be filed for a trademark from the beginning of 10th year of registration of a trademark and will be valid till the expiration of 10th year. The fee for the renewal of Trademark is also doubled under the new Rules from INR 5000 per class to INR 10000 per class.

USER AFFIDAVIT FOR A TRADEMARK CLAIMED TO BE IN USED BEFORE FILING OF A TRADEMARK:

Under the new Rules of 2017, an application filed for the registration of a trademark, which is claimed to be in use before the date of filing, shall be accompanied by a user affidavit from the Applicant in this regards. Earlier it was not mandatory to file an affidavit for a trademark claimed to be in use and it is on the discretion of the Registrar to ask for the proof of use of trademark but under the new Rules of 2017, it is mandatory to file an affidavit for the use of trademark, if claimed to be in use before the date of filing.

SPECIFIC RECOGNITION OF THE SOUND MARKS UNDER THE NEW RULES:

Sounds marks were accepted in India under Rules of 2002 but the same were not specifically mentioned anywhere under the Rules. The new Rules of 2017, have now specifically mentioned the procedure for filing a sound mark Under Rule 26 (5) of 2017 Rules. Here it is mentioned that the reproduction of a sound mark should be submitted in an MP3 format not exceeding 30 seconds along with the graphical representation of its notation.

LIMITATION AS TO SEEKING ADJOURNMENTS:

The new Rules of 2017, has a special focus on the speedy redressal of disputes amongst the parties to a dispute for the trademark hence under the new Rules 50 of 2017, it is mentioned that no party shall be given more than two adjournments and each adjournment will not be more than thirty days. This will help in speedy disposal of the oppositions which has a lengthy and time consuming procedure.



NO EXTENSION OF TIME IN OPPOSITION PROCEEDINGS:

The Opposition proceeding under the Rules 50 to 52 of 2002, had provisions related to the extension of time but the same are now done away with, under the new Rules of 2017. There are no provisions related to the extension of time for filing evidences in the Opposition proceedings hence if a party to the proceeding does not file evidences or failed to intimate the Registrar that he wishes to rely on the documents already filed, within stipulated time period provided under the Rules 45 to 47 of new Rules of 2017, then it will be deemed that he has abandoned his application/opposition.

REMOVAL OF FEE FOR ADDITIONAL CLASSES WHILE FILING APPLICATION RECORDAL OF ASSIGNMENT IN A MULTICLASS APPLICATION:

As per new Rules, Official fee for filing recordal of assignment in a multi class application will bear fee for only one class and fee for additional class, which was required to be paid under old Rules of 2002 is now not applicable. For example, if a trademark is registered under 5 classes through a multiclass application and same is assigned by the original owner. The Assignee in this case requires filing application for the recordal of assignment to enter his name as the owner of the trademark in Register. As per new Rules of 2017, the Assignee has to pay a fee of INR 10000 only and not for additional classes as happened earlier under Rules of 2002.



CABINET APPROVES INDIA'S IPR POLICY

Saipriya Balasubramanian

INTRODUCTION

The Union Cabinet on 13 May 2016¹ approved the National Intellectual Property (IPR) policy roadmap to foster creativity and innovation, promote entrepreneurship and enhance socio development, enhance access to healthcare, food security and environmental protection. The Policy lays down the following seven objectives

1. IPR Awareness, outreach and promotion
 2. Stimulate generation of IPRs
 3. Legal legislative Framework
 4. Administration and Management
 5. Commercialization of IPRs
 6. Enforcement and Adjudication
 7. Human Capital Development
- ii. Customizing programs for MSMEs, start-ups, R&D institutions, universities, colleges, inventors, creators, entrepreneurs; reaching out to IP generators in rural and remote areas; case studies of successful use of IPRs, promoting high quality and cost-effective innovation, involving eminent personalities as 'ambassadors' of IP, creating materials for IP promotion in multiple languages.
 - iii. Create awareness programs providing scientists/researchers with a deeper understanding to protect their inventions, engaging public and private research organizations to create campaigns for IP creation, encouraging MNCs to develop IP programs for their employees, creating materials for MSMEs to develop and protect IP.
 - iv. Create well publicized events and ongoing programs to emphasize the importance of IP.
 - v. Create suitable course materials for educational institutions at all levels, online and distance learning programs for all categories of users; including IPR at school curriculum at appropriate level
 - vi. Engage with media to sensitize them regarding IP related issues.

It was mentioned in the policy that these objectives are sought to be achieved with detailed action points. It was further mentioned that the action departments shall be monitored by Department of Industrial Policy Promotion (DIPP) which shall be the nodal department to coordinate the implementation and future developments of IPRs in India.

IPR AWARENESS THROUGH OUTREACH AND PROMOTION

To create public awareness about the economic, social and cultural benefits of IPRs among all sections of society the policy mandates a list of step which can be summarized as below,

- i. By launching associated campaign on electronic, print and social media and by linking the campaign with other national initiatives such as "Make in India", "Digital India", "Skill India", "Startup India", "Smart cities" and other new initiatives in future.

GENERATION OF IPRS

The Policy suggests the following steps taken towards attaining this objective,

- i. To take steps to increase domestic filings of patent applications. To stimulate large corporations both Indian and foreign, that have R&D operations to create, protect and utilize IPRs in India.
- ii. Improve awareness of the value of copyright for creators, the importance of their economic and moral rights
- iii. To promote 'infusion of funds to public R&D units' as a part of corporate social responsibility

¹ http://dipp.gov.in/English/Schemes/Intellectual_Property_Rights/National_IPR_Policy_12.05.2016.pdf



ity to foster culture of open innovation. TKDL to be allowed access for further R&D in case of public research institutions.

- iv. Encourage the registration of Geographical Indications (GIs) through support institutions; assist GI producers to define and maintain acceptable quality standards and providing better marketability.
- v. Encourage creation of design related IP rights by identifying, nurturing and promoting the aspects of innovation protectable under the design law and educating designers to utilize and benefit from their designs.

LEGAL AND LEGISLATIVE FRAMEWORK

The policy describes the difficulty to predict the reach of existing laws in a changing and dynamic knowledge fields, therefore it becomes necessary to carry out legislative changes as may be required from time to time. The steps suggested by the policy on attaining this objective are as follows,

- i. Revision of existing IP laws wherever necessary if any in consultation with stakeholders; engage constructively in the negotiation of international treaties and agreements in consultation with stakeholders; engage internationally to protect traditional knowledge, genetic resources and traditional cultural expressions.
- ii. Review and update IP related rules, guidelines, procedures and practices for clarity, simplification, streamlining, transparency and time bound processes in administration and enforcement of IP rights.
- iii. To identify important areas of study such as IP interface with competition law and policy; provide guidelines for authorities whose jurisdictions impact administration or enforcement of IPRs such as patents and Biodiversity; protection of trade secrets.
- iv. To examine the issues of technology transfer, know-how and licensing related to SEPs on fair and reasonable terms and provide a suitable legal framework to address these issues.

ADMINISTRATION AND MANAGEMENT

- i. The administration of Copyright Act 1957 along with the Office of the Registrar of Copyrights, under the Department of Higher Education as well as the administration of the Semiconductor Integrated Circuits Layout Design Act 2000 along with the office of the Semiconductor Integrated Circuits LAYOUT-Design Registry under the Department of Electronics and Information Technology is being transferred to DIPPI.
- ii. The office of CGPDTM has undergone up gradation in the last few and mentions a list of changes such as fixing and adhering to timelines of registrations and disposal of opposition matters, adopting best practices of filing and docketing of documents, maintenance of records, user-friendly IP offices, to expedite digitization of Design office to enable online filing, examine joining of Centralized Access and Examination (CASE) and WIPO Digital Access Services (DAS) and few other changes in order to advance further.
- iii. The office of Registrar of Copyrights will take measure to digitize copyrights records and introduce online facility, upgrade manpower resources for effective management as well as streamline processes for the grant of Copyrights.

COMMERCIALIZATION OF IPRS

It was described in the policy that a common public platform can serve as a database of IPRs would help creators and innovators connect to potential users, buyers and funding institutions. Few pivotal points mentioned in the policy can be summarized as below,

- i. Promote licensing and technology transfer for IPRs; devising suitable contractual and licensing guidelines to enable commercialization of IPRs; promote patent pooling and cross licensing to create IPR based products and services. Examine standard Essential Patents (SEPs) on fair, reasonable and non-discriminatory (FRAND) terms.
- ii. Facilitating investments in IP driven industries and services through the proposed IP Exchange for bringing investors/funding agen-



cies and IP owners/users together. Promote use of Free and Open source software along with adoption of open standards.

ENFORCEMENT AND ADJUDICATION

In order to strengthen the enforcement and adjudicatory mechanisms for combating IPR infringements the policy suggests various steps. The important points are summarized below,

- i. Measures to check counterfeiting and piracy are to be undertaken by the Government .To engage with all levels of industry, including e-commerce, in order to create respect for IP rights and devise collaborative strategies and tools; to undertake stringent measures to curb manufacture and sale of misbranded, adulterated and spurious drugs; measures to combat online and offline piracy
- ii. To strengthen the enforcement mechanisms for better protection of IP rights by augmenting manpower, infrastructure facilities and technological capabilities of the enforcement agencies and building capacity to check proliferation of digital crimes;
- iii. Licensing practices or conditions that may have an adverse effect on competition will be addressed through appropriate measures, including regulation of anti-competitive conduct in the market by the competition commission of India; to adjudicate IP disputes through commercial courts, set up at appropriate level.

HUMAN CAPITAL DEVELOPMENT

The steps to be taken as mentioned in the Policy to strengthen and expand human resources, institutions and capacities for teaching, training, research and skill building in IPRs can be summarized in the following points,

- i. To strengthen and empower Rajiv Gandhi National Institute of Intellectual Property and Management, Nagpur to conduct training for IPR administrators, managers in industry and business, academicians, R&D institutions, IP professionals, inventors and civil society; train the trainers and develop training modules; develop links with other similar entities at the

international level; provide legal training for examiners

- ii. To progressively introduce IP teaching in schools, colleges and other educational institutions and centers for skill development. Strengthen IP teaching, Research and Training in collaboration with WIPO, WTO and other International Organizations and reputed foreign Universities.

It was mentioned in the Policy that the Department of Industrial Policy and Promotion shall be the nodal point to coordinate, guide and oversee the implementation and future development of IPRs in India.

CONCLUSION

The approved IPR policy is comprehensive that reiterates India's stand in terms of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). A systematic implementation of the steps and strategies mentioned in the Policy will promote for a holistic and conducive environment to tap the full potential of Intellectual Property Rights for the country's growth and economic development.



DELHI HIGH COURT READS “EXPORT” INCLUDED IN THE INDIAN BOLAR EXEMPTION - SECTION 107A

Shrimant Singh

The grant of patent confers upon the Patentee a right to prevent others from making, using, or selling the patent without his consent, however, the same is subject to some conditions. Section 48 of the Patents Act, 1970, (“the Act” hereinafter) stipulates:

48. Rights of patentees. – Subject to the other provisions contained in this Act and the conditions specified in section 47, a patent granted under this Act shall confer upon the patentee—

(a) where the subject matter of the patent is a product, the exclusive right to prevent third parties, who do not have his consent, from the act of making, using, offering for sale, selling or importing for those purposes that product in India;

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

Section 47 of the Act covers exclusions such as manufacture/use of patented product or process by the Government for the purpose merely for its own use or the use of the patented product or process by any person for the purpose merely of experiment or research. Further, Section 107A of the Act stipulates:

107A. Certain acts not to be considered as infringement- For the purposes of this Act,—

(a) any act of making, constructing, using, selling or importing a patented invention solely for uses reasonably related to the development and submission of information required under any law for the time being in force, in India, or in a country other than India, that regulates the manufacture, construction, use, sale or import of any product;

(b) importation of patented products by any person from a person who is duly authorised under the law to produce and sell or distribute the product,

shall not be considered as a infringement of patent rights.

Accordingly, Section 107A provides for further exemption to infringement of patents in form of “*making, constructing, using, selling or importing a patented invention solely for uses reasonably related to the development and submission of information required under any law for the time being in force, in India, or in a country other than India, that regulates the manufacture, construction, use, sale or import of any product*”.

The said section came up for interpretation before the Delhi High Court in the writ petition **Bayer Corporation and Ors. Vs. Union of India and Ors.**¹ To briefly put historical events in-line: In 2012, the Patent Office allowed a compulsory license over Bayer’s Patent SORAFENIB TOSYLATE to Natco Pharma “*solely for the purposes of making, using, offering to sell and selling the drug covered by the patent for the purpose of treating HCC and RCC in humans within the territory of India*”. In the writ petition W.P.(C) 1971/2014, Bayer prayed before the Court that the compulsory license so granted to Natco was limited to the territory of India and export of the same outside India by Natco is contrary to the terms of Compulsory License amounting to infringement under Section 48 of the Act. Pursuant to the same, the Customs Authorities were directed to ensure that no consignment from India containing ‘SORAFENAT’ covered by Compulsory Licence was exported, however, liberty was given to Natco to apply to the Court for permission to export the drug as and when it obtained permission from the Drug Controlling Authority for clinical purposes. Subsequently, on 23rd May, 2014, Natco pointed out that it has already been granted a drug licence and with the consent of the counsel for Bayer, Natco was permitted to export the

¹ W.P.(C) 1971/2014 and CS(COMM) No. 1592/2016



drug SORAFENIB TOSYLATE' not exceeding 15 gm for development/clinical studies and trials.

Natco again applied for permission to export 1 kilogram of Active Pharmaceutical Ingredient (API) SORAFENIB to China for the purposes of conducting development/clinical studies and trials. The said application was contested by Bayer. Natco, in its counter affidavit along with other grounds for export of the drug, stated that *"that the activity of conducting studies for regulatory approval is squarely covered under Section 107A of the Act and Natco had never exported the finished product 'SORAFENAT' to any party outside India for commercial purpose"*. Bayer contested the said ground by submitting that that Section 107A has no application here as the acts contemplated in Section 107A of making, constructing, using, selling or importing a patented invention, are to be performed within the territory of India and the information from such activity can be submitted with the regulatory authorities either in India or with the countries other than India, and the Section 107A of the Act does not contemplate export of product *per se* but is limited to information generated within the territory of India.

Bayer also pointed out that by obtaining Compulsory License, Natco has surrendered its rights under Section 107A and is governed by the terms of the Compulsory License. Further, Bayer tried to draw the attention towards the fact that while Section 107A mentioned terms like "making", "selling", "import" but does not include the word "export", hence, the absence of "export" can only mean that the purpose of the law was not to allow the export of patented invention under Section 107A. The counsel for Bayer emphasized that the term "selling" in Section 107A should be interpreted to mean selling within the territory of India and not outside India and the same does not include "export" of patented product outside India.

The counsel for Natco pleaded that that the exports intended by Natco are only for research and development purposes and to obtain the drug regulatory approvals in the countries to which exports are intended and Natco is not intending export of the product covered by the Compulsory Licence for commercial purposes. It was submitted that the rights of Natco under Section 107A is independent of Compulsory License. Further, Natco emphasized that the drug regulatory regime in China requires clinical

trials to be conducted in China and do not recognize clinical trials conducted in India. This makes it mandatory for Natco to seek export under section 107A so that it can launch the product in China immediately after term of patent is over, it was also submitted that process for obtaining drug marketing approvals takes two years time, therefore, not allowing the non-patentee to apply for marketing approvals would amount to extending the life of a patent from 20 year to 22 years or more.

Another Writ Petition - CS(COMM) No.1592/2016 was filed by Bayer to injunct Alembic from making, selling, distributing, advertising, exporting, offering for sale of RIVAROXABAN and any product that infringes Bayer's patent IN 211300. Alembic was manufacturing and exporting RIVAROXABAN to the European Union and had made multiple Drug Master File submissions to the United States Food and Drug Administration in the United States of America for the drug RIVAROXABAN. Alembic submitted that said exports by Alembic were within the meaning of Section 107A only.

After considering the arguments in respective parties, the Court observed that the point of difference between Bayer and Natco/Alembic is qua selling outside India. While Bayer contends that the word 'selling' in Section 107A is confined to within the territory of India and selling of patented invention outside India even if for purposes specified in Section 107A would constitute infringement, the contention of Natco/Alembic is that use of the word 'selling' under Section 107A is without any such restriction of being within India only and would include selling outside India also, so long as solely for the purposes prescribed in Section 107A.

The Court refused to agree with Bayer's contention that Section 107A does not contemplate export of product *per se* but is limited to "information" and noted that Section 107A clearly mentions selling of "patented invention". Further, the Court after quoting several dictionaries held that words 'sale'/'selling', as per their literal/natural/textual meaning are without any geographical limitations and in Section 107A are not to be understood as 'within India' only. The Court went on to hold that language of Section 107A of Patents Act permits exports from India of a patented invention solely for uses reasonably related to the development and submission of information required under any law



for the time being in force, in India, or in a country other than India, that regulates the manufacture, construction, use, sale or import of any product. Accordingly, it was held that no suit prohibiting export *per se* of a patented invention can lie.

Further, the Court observed that Natco as a non-patentee cannot be deprived of making, constructing and selling by way of export a patented invention for purposes specified in Section 107A for the reason of having been granted the Compulsory License.

Accordingly, the Court allowed Natco and Alembic to continue export of the patented invention for the purposes specified in Section 107A of the Act and gave the liberty Bayer to, if makes out a case of the exports effected or to be effected being for purposes other than specified in Section 107A, take appropriate proceedings therefor.



UNCONVENTIONAL TRADEMARKS IN INDIA

Shrabani Rout

INTRODUCTION

A trademark according to S.2(1)(zb) of the Trademarks Act means “a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colors.” From a cursory reading of the same, it can be seen that the definition is quite open-ended. Any mark, be it a word, device, brand, heading, letter, numeral etc if capable of distinguishing goods and services of one person from that of another, can be registered as a trademark. Although the entire aforementioned find place in the definition of a mark, there are certain marks such as smell and single colors that do not find a mention in the Act. They can still however be protected and given trademark status.

WHAT IS AN UNCONVENTIONAL MARK?

Traditionally trademarks can be defined as any mark which is unique to the product and was identified with the origin of the product. These marks would usually be word marks, device marks, numeral etc. An unconventional trademark is a type of trademark which does not fall into the category of conventional or traditional trademarks. An unconventional trademark is mainly in the form of sound marks, smell marks, shape marks or color marks. An unconventional mark must possess the communicative ability of being able to differentiate the goods and services of one person from that of another. The mark should have the potential to be distinctive; it must indicate source and thereby distinguish the goods or services from others.

LAW REGARDING UNCONVENTIONAL MARKS

LAW IN US

In the United States, trademarks are governed by the Lanham Act of 1946. The Lanham Act encompasses unconventional marks by not expressly excluding them. The Lanham Act does not require graphical representation as a pre-requisite for filing a trademark application. Therefore, unconventional marks are fairly easy to register in the U.S. To put it simply, any mark

that is non-visual in nature would only require a detailed verbal description for it to be considered for registration.¹ Therefore a sound mark, smell mark or any other unconventional mark, if proven to be distinctive can be registered under the Lanham Act.

Another criterion for these unconventional marks to be registered is that they should not be functional in nature. Under the doctrine of functionality, applicants are prohibited from trying to register a mark which has a direct nexus to the good or is in fact a feature which is essential to the genre of goods it is applied to. There should be no nexus between the smell and the function of the good it is applied to. The first U.S scent mark registration was issued in 1990 in the case of *In re Celia, d/b/a Clarke's Osewez*,² The scent registered was for a “high impact, fresh, floral fragrance reminiscent of Plumeria blossoms” used in connection with “sewing thread and embroidery yarn”.

Some of the sound marks registered in the U.S are:

- Tarzan's yell
- Merrie Melodies theme song
- The spoken term 'cha-ching'
- The NBC chimes

As for color trademarks, in 1985, the U.S Court of appeals for the Federal Circuit held in *IN Re Owens-Corning Fiber-glass*³ that the color pink as uniformly applied to fibrous glass home insulation was registrable as a trademark. This was one of the earliest decisions on the registrability of single color marks.⁴

¹ Harsimran Kalra, *Unconventional trademarks: the emergent need for a change*, Indian Law journal, 2007 available at <http://www.indialawjournal.org/archives/volume4/issue_1/article_by_harsimran.html>

² 17 USPQ2d 1238 (TTAB 1990).

³ 774 F.2d 1116

⁴ Linda B Samuels and Jeffrey M Samuels, *Color Trademarks :Protection under U.S Law*, Journal of Public policy and Marketing, Vol. 15, No. 2 (Fall, 1996), pp. 303-307 available at < https://www.jstor.org/stable/30000364?seq=1#page_scan_tab_contents>



The most recent example would be the case of Christian Louboutin vs. Yves Saint Laurent.⁵ Christian Louboutin, a renowned footwear brand based in Paris produces luxury footwear, the vast majority of which consists of a red lacquered outsole. Christian Louboutin applied for a registration for the red sole and was granted federal registration in 2008. In 2011, YSL launched a series of monochromatic shoes including red. The shoe consisted of a red insole, heel, upper and outsole. Louboutin requested the removal of the allegedly infringing shoes from the market, and Louboutin and YSL briefly entered into negotiations in order to avert litigation. The negotiations having failed, Louboutin filed a trademark infringement action on April 7, 2011, asserting claims under the Lanham Act including trademark infringement and counterfeiting, false designation of origin, unfair competition, and trademark dilution. In the absence of inherent distinctiveness, the court focused on whether the Red Sole Trademark had achieved secondary meaning, considering several types of evidence, including consumer surveys, Louboutin's advertising expenditures, media coverage, and worldwide sales for footwear. With this in mind, the court found that the Red Sole Trademark had, in fact, acquired secondary meaning.

LAW IN U.K

The status of unconventional trademarks is significantly different in EU. Graphical representation is mandatory. A trade mark may consist of a sign which is not in itself capable of being perceived visually, provided that it can be represented graphically. The European Court of Justice while discussing graphical representation in Sieckmann vs. Deutsches Patent-und Markenamt⁶ laid down the following criteria for graphical representation. The Court held that, "the representation must be clear, precise, self-contained, easily accessible, intelligible, durable and objective." In Sieckmann, the Applicant attempted to represent the mark by (i) indicating the name of the chemical substance, methyl cinnamate; (ii) the structural formula for that substance ($C_6H_5-CH=CHCOOCH_3$) (iii) submitting an odour sample in a container (iv) describing the scent as 'balsamically fruity with a slight hint of cinnamon.' The ECJ found faults with each representation. For e.g. The ECJ ruled that while the description was easily accessible and

intelligible, it was not clear, precise or objective. The chemical formula was objective but it was not self contained as it was deemed to represent the substance rather than the smell of that substance. A trademark can be protected throughout the EU by registering the mark as a Community trade mark (CTM) with the Office for Harmonization in the Internal Market (OHIM). Common scents that have been accepted by OHIM include the written descriptions of "the smell of fresh cut grass" for tennis balls.

To summarize, that registration of untraditional marks in EU is indeed difficult in the face of the strict legislation.

LAW IN INDIA

The new trademark rules that came into existence on 6th March 2017 ushered in a new era for registration of unconventional marks. The new trademark rules provide for the registration of sound marks under Rule 26(5). Sound marks can be registered by submitting a sound clip along with the musical notations. Color marks can be applied for by submitting a reproduction of that combination of colors. The onus will be on the Applicant to show that the color or sound has acquired distinctiveness or secondary meaning due to continuous bonafide usage. As for smell mark registration, there is no provision till date.

ICICI bank was the first Indian entity to get a sound mark registration for its jingle.⁷

Even if a mark is not inherently distinctive, brand owners can still apply for a trademark if the mark has acquired distinctiveness due to its use over a long period of time. This mostly applies to color marks. Combination of colors or single colors is not easy to be established as inherently distinctive. During application, the applicant must provide evidence to show that the color or combination of colors is solely associated with them and exclusively designates their goods and the public associates the color with the goods of the application. The burden of proof is on the applicant to show that the color has acquired distinctiveness or secondary meaning.

⁵ 696 F.3d 206(2012)

⁶ Sieckmann v. Deutsches Patent-und Markenamt(C-273/00) [2003] E.T.M.R 37

⁷ Vaibhav Aggarwal, ICICI Bank gets its corporate jingle trademark registered, Rupee Times, March 14, 2011; available at <http://www.rupeetimes.com/news/car_loans/icici_bank_gets_its_corporate_jingle_trademark_registered_5058.html>



The Trademark Act, 1999 draws influence from both US trademark law as well as UK. The doctrine of functionality which is an essential part of US law finds place in Indian trademark law as well. Similarly, graphical representation is mandatory for a mark to be granted registration in both Indian as well as UK law.

CHALLENGES FACED DURING REGISTRATION OF UNCONVENTIONAL MARKS

Trademark registration systems have evolved around mostly conventional subject matter i.e. something that is visual and consists of words or devices. Registration of unconventional trademarks like smells marks, color marks sound and shape marks are yet to gain momentum.

There are quite a number of challenges before the applicant who wishes to register unconventional subject matter. How does one represent a sound or scent using words and drawings? Applying this criteria to word and device marks is easy. The problem however arises when a smell mark or sound mark has to be registered. The registration of color marks however is not very difficult if the applicant can prove that the color or combination of colors has acquired secondary meaning and distinctiveness after being in use by the applicant for such a long period of time that consumers have begun associating the color with the goods of the applicant. For instance, Cadbury's distinctive shade of purple (Pantone 2865C) packaging for its milk chocolates was granted registration on 1st October 2012 after a long drawn out legal battle with Nestle. While graphical representation of color is possible by referring to any international system of color viz., Pantone or RAL it is hard or rather impossible for a color to be inherently distinctive.

The Indian judiciary has acknowledged color as a part of trade dress and provided protection to it in *Colgate Palmolive Company v. Anchor Health & Beauty Care Pvt. Ltd*⁸

CONCLUSION:

The new trademark rules have extensively laid down the procedure for application of unconventional marks. The grant of Yahoo's sound mark was a very healthy development for the trademark regime in India. But there is still a need for the law to catch up with modern

marketing techniques that use colors, shapes, scents and sounds to make their product distinctive.

If an unconventional mark is distinctive and not functional, it should be given trademark protection. Unconventional trademarks will definitely attract a new variety of customers who are more closely connected to the feel of the trademark rather than its visual appeal. Unconventional trademarks would help an ordinary consumer with imperfect recollection to help identify any product which they would usually not be able to differentiate between. Granting unconventional trademarks to companies would act as an incentive for other undertakings to develop new and innovative ways of branding and marketing their goods.

'Visual perception should not be and is not a sine qua non for building brand association in the minds of consumers.'⁹

⁸ 2005(31) PTC 583 DEL

⁹ Vatsala Sahay, A defence of unconventional Trademarks available at < <https://spicyip.com/2010/09/guest-post-defence-of-unconventional.html>>



INTELLECTUAL PROPERTY INSURANCE: A FUTURE GAMECHANGER?

Martand Nemana

AN INVESTMENT IN KNOWLEDGE PAYS THE BEST INTEREST: Benjamin Franklin

INTRODUCTION

In the instant generation where every aspiring student aims to setup a million dollar valuation startup to start soaring high from the very next day out of academics, reality may prove to be a bit harsh in the scenario. Developing an industry in form of a startup is no less than an actual rat race, innovative and unique ideas are martyred for drawing attention of investors. Slowly but not steadily have the norms guiding the world changed and this change demands thinking out of the box for protection, from each and everything which the company or any individual of the company may ever interact.

The interest may solely be in generation of profits and pumping up turnover to join the big league of who's who, but what really matters is how secured is the entity from an attempt of breach. Let's assume the startup/company to be a single person, in such scenario the person always will want to have wider client base, uninterrupted global presence, complete rights over the original content, more revenues from all possible sectors of business and the list goes on and becomes endless only with a sole criterion which revolves around the interest of the person in the company to evolve and enrich.

Half of the harm that is done in this world is due to people who want to feel important. They don't mean to do harm. But the harm does not interest them. As dangerous as it is to have half knowledge of a subject, it's even more dangerous to not secure your interests in the business before thinking to elucidate it to the world. Given the screaming demand of intellectual property protection, turning a deaf ear isn't a wise man way of dealing with it, especially when all you have to lose is 'everything'.

NEED FOR INTELLECTUAL PROPERTY

The most underrated element in a company is the intellectual property; however the power it has speaks to the contrary. It may be insightful to note that registering for an intellectual property becomes a mandatory obligation right from the very next moment of incorporation of the company / business. Even the smallest of elements like the logo or even the tagline used are matters of intellectual property of the organization, which over the period of time may become a synonym of the commodity.

Though technology has a varied and complex industry base; protection to invention is given in form of patents on the grounds of "first to file", whereas for copyright and trademark the protection is based on grounds of "first to use". It is noteworthy to be emphasized that seeking registration for the desired intellectual property is a time consuming process but the interest and intent of protection can be used as a cumulative tool to judge the value of inclination of the applicant. Intellectual property gets associated with the commodity right from the moment of inception but it needs to be recognized by the owner in order to embark and encash the value. Potential of the interest is a major element which gives protection to the applicant, it also needs to be understood that the person developing the IP, should apart from registration take counter steps for protection in form of insurance. The interest which the person has in the commodity which drove the process of registration of intellectual property can be assumed to be a refection to safeguard the same interest and act as insurable interest of the applicant. Insurance can be exercised to secure any interest which may be vulnerable to the malafide acts of infringers.

INTELLECTUAL PROPERTY & INSURANCE

Intellectual property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.



IP is protected in law by, for example, patents, copyright and trademarks, which enable people to earn recognition or financial benefit from what they invent or create. By striking the right balance between the interests of innovators and the wider public interest, the IP system aims to foster an environment in which creativity and innovation can flourish.¹

Insurance can simple be put as an arrangement by which a company or the state undertakes to provide a guarantee of compensation for specified loss, damage, illness, or death in return for payment of a specified premium.

The concept of Intellectual Property and Insurance is a relatively new concept which functions in the similar manner as in any other insurance policy, but it comes with its own unique set of terms and conditions. The main coverage provided under the ambit of intellectual property is in relation to the costs of legal proceeding and charges only. Given the volatile nature of intellectual property and the time take for procuring registration leaves the claim to be only about the costs for the legal proceedings. Intellectual property is gaining prevalence and pace in the market and industry and given the growing field like India, the scope of development is very promising.

The major reason for safeguarding the intellectual property is the immense economic benefit which it carries with it, which later turns out to be the most valuable asset to the company. It is now a well-accepted business valuation maxim that intangible assets such as brands, copyrights, patents, and trade secrets are often valued greater than tangible assets consisting of buildings, inventory, and equipment. Despite this, a vast majority of businesses fail to carry stand-alone intellectual property insurance coverage. Intellectual Property insurance has always been considered to be an alien concept its ambiguity and uncertainty of admissibility and protection.

Until recently the claims related to Intellectual Property Insurance were cumulatively encompassed under the umbrella of General Liability Insurance; however the rising numbers of instances have made the insurance agencies create a divide as to what shall / shall not be protected under the cover. Given the wide arena of

operational branches under the genus of Intellectual Property such as Patent, Copyright, Trademark, Trade Secret, Design and Geographical Indication; it becomes difficult to envisage a single applicable mechanism to ensure protection and deducing a single framework to ensure protection for the same still remains as a challenge.

The present policies offered are strictly limited to the following patterns:

BLE – BEFORE LITIGATION EXPENSES:

The insurance can cover the applicant with their own legal costs or the costs of the complete legal proceedings in the dispute.

LEI – LEGAL EXPENSES INSURANCE:

It will only cover the risk before a claim is made, the applicant can get BLE cover if the (alleged) infringement has not yet occurred.

Protection to cyber attack and cyber liability is given but presently when the concept of Intellectual Property insurance is going through its period of waxing and waning, concept of cyber liability seems far ahead of times, however the imminent threat may never be neglected. Loss of revenue, indemnity of damages which have been ordered after the suit can never be contended under the umbrella of claim of insurance policy.

Though having its relative amount of anchors the advantages of having an IP Insurance are:

IT ACTS AS A SAFEGUARD TO PROTECT THE CASH FLOW:

Irrespective of the challenges faced or the threats posed the industry involved in the commodity manufacture can work in an uninterrupted manner as it has an added leverage of monetary security in form on compensation from insurance policy which shall ensure uninterrupted cash flow to the possible engagements.

IT ACTS AS A DETERRENT TO OTHERS BEFORE FILLING FOR A SUIT:

IP Insurance acts a safeguard from petty suits of infringement or baseless claims as irrespective of the claims the proprietor of the mark shall not be under any kind of financial burden in light of the insurance, on the contrary it might act as a relief and beneficial

¹ <http://www.wipo.int/about-ip/en/>



mechanism if the damages are allotted for suffering from intangible losses due to such baseless claims.

IT IMPROVES THE POSITION WHILE NEGOTIATING ANY DEAL OR LICENSING OR TECH TRANSFER:

IP Insurance acts as complete safeguard in terms to the financial sector of the company being involved in tech transfer. It acts in increasing the reliability score of the parties involved in the process by acting as an escrow to the transaction.

IT FACILITATES FOR THE IP TO BE USED AS COLLATERAL:

Insurance facilitates and improves the value of mortgaging or seeking loan against the same property as guarantee. Being considered as collateral enhances the significance of the company and speaks about the credibility of the organization.

All set and done the most important element of consideration for eligibility for insurance of IP is the "reasonable prospect of success test", whereby; any party to the suit whether insured or not shall have to completely understand the compliance of the dispute and has to assess before going to the court from a qualified expert in the field as to the prospects of having a favorable decision, if the chances are above 50%, it is only then that the same may be allowed for a legal suit. This rule was devised to curb intentional trademark infringement which may prove a viable threat to the entire prospective setup of insurance. So in order to keep a check over the misuse of insurance policy, the major cover provided is only in forms of:

OPINION COSTS:

The costs incurred while seeking opinion from a legal establishment regarding the alleged claim.

ENFORCEMENTS AND DEFENSE:

Protection can be given to the costs arising from the opposite party strictly and solely in relation to the orders which are passed by the competent authority limited to the applicant.

As has been seen in several instances that the intellectual property claims have mostly been sheltered under the cover of General Liability Insurance, without any success other than a few exceptions; this clearly signifies that the impact of intellectual property claims

is to be well bound about and planned rather than just to be swept under the existing blanket.

CONCLUSION

The past decade has witnessed a steep rise in the growth and formation of what is known as the next-gen entrepreneurs called as the start-ups. Given the nature and challenges these companies face right from the moment of incorporation it should be worth emphasizing that given the nature of businesses which find similarities with established business houses vulnerability plays a crucial role. In the Indian scenario, intellectual property is somewhat still in a nascent stage which needs active reforms. A major bulk of the filings in Trademark, Copyright and Patents are of foreign entities who wish to seek protection for their rights in India. Despite having given many informative schedules and policies to seek protection and also been lucrative tax exemptions to garner demand, the lukewarm approach shown towards intellectual property registrations raises serious concerns regarding the stability and overall sustainability of the goods and services provided under the brand name.

The important element which the companies fail to appreciate and harness is the fact that creating a power results in being accountable for a greater responsibility and without proper safeguard it all leads to being valued for nothing. General liability insurance may protect the company from risks and perils against tangible elements but fails to safeguard against the superior intangible elements which carry greater liability.

Having given due emphasis and importance to the value of insurance and protection of intellectual property it also has to be understood that the aforesaid can only be put into enactment based on the accuracy and performance of the IP enforcement agencies. In the present scenario given the limited scope and awareness amongst people regarding intellectual property itself, the concept of intellectual property insurance seems completely alien.

However, nevertheless it surely can be seen as the future and the next big step in the era of intellectual property. Facilitation of development shall always be a keen aspect of the development given the changing times.



Thought the startup and established industries need to understand the value of Intellectual property and its insurance they very well also should understand the vulnerability of the situation due to lack of prescribed forums and practices when it comes to disputes regarding the same; also the notion of having favorable pronouncements in interest of the big companies, there is still a lot of trekking to be done to reach the summit of reasonable solution and until then in light of the challenges and adversities in process it should be understood that intellectual property is a volatile asset and protection and maintenance demands paramount attention.



ENTERING INDIA NATIONAL PHASE WITH LESSER CLAIMS -A STEP AHEAD BY IPO

Suchi Rai and Nidhi Yadav

Patent Amendment Rules 2016 as published on 16 May 2016 by the Government of India, Ministry of Commerce and Industry {Department of Industrial Policy and Promotion} has brought many positive changes in the procedure for Patent Grant in India. The amended Rules make an effort to restructure the patent procedures with an important objective of reducing the pendency time and providing other benefits to the applicants.

There are many important amendments including but not limited to:

- Reduction in time period for filing response to FER
- Remote Hearing, Restriction on adjournments
- Claim deletion at National Phase Entry
- No extension of 31 months for National Phase entry
- Sequence Listing Maximum Official fees
- Refund of Examination Request Fee
- Expedited Examination
- Electronic Submission mandatory for Agents
- New Entity: "Start-up"

In this article we will be discussing the importance of amendment with regards to Claim deletion at National Phase entry. As per the amendment rules, an applicant can now directly delete claims while entering national phase in India without filing amendment application and without paying excess claims fees. As per the meaning of amended rule, it does not suggest any other form of amendment in claims except for deletion.

Earlier an applicant entering India National Phase had to pay excess claim fees while filing application and then file amendment application to delete the claims, thereby unnecessarily paying the excess claim fee for

filing the claims which the applicant intends to delete in national phase application.

Before the Patent Amendment Rules 2016 were notified, the Indian National Phase application was required to be filed as it is as filed in the PCT International Phase application. The problem with such a practice was that, in India there is an official fee for claims in excess of 10 and each claim above 10 and each page above 30 charged an official fees. When a PCT International Application was filed with many claims and applicant intends to file a National Phase in India, then applicant had to pay official fees for all claims in excess of 10. Even when the applicant intended to reduce the number of claims while entering India National Phase, he had to first file the application as it is filed in International Phase with excess claim fees and then submit amendment application to delete the claims in national phase.

However with the new amendment rules, applicant can now delete the claims while entering national phase and is now not required to pay official fees for claims the applicant is not intending to keep in the national phase patent application. It is also to be noted that new rules only allow the deletion of claims while entering national phase and it does not allow any amendment or addition to claims directly.

Below are the Patent Amendment Rules 2016 in this regards:

In the principal rules, for rule 14, the following rule shall be substituted, namely:-

-14. Amendments to Specifications.-

- (1) When amendments are made to a provisional or complete specification or any drawing accompanying it, the pages incorporating such amendments shall be retyped and submitted to form a continuous document.
- (2) A marked copy clearly identifying the amendments carried out and a statement clearly indicating the portion (page number and line number) of the

1. Legal Intern



specification or drawing being amended along with the reason shall also be filed.

(3) Amendments shall not be made by slips pasted on, or as footnotes or by writing in the margin of any of the said documents.

(4) When a retyped page or pages incorporating amendments are submitted, the corresponding earlier page shall be deemed to have been superseded and cancelled by the applicant.

In the principal rules, in rule 20, for sub-rule (1), the following sub-rule shall be substituted, namely:-

-(1) An application corresponding to an international application filed under Patent Cooperation Treaty may be made in Form 1 under sub-section (1A) of section 7.

Explanation.- For the purpose of this rule, "an application corresponding to an international application means an international application as filed under Patent Cooperation Treaty which includes any amendments made by the applicant under Article 19 and communicated to Designated Office under Article 20 or any amendment made under sub-clause (b) of clause (2) of Article 34 of the Treaty:

Provided that the applicant, while filing such application corresponding to an international application designating India, may delete a claim, in accordance with the provisions contained in rule 14.

Earlier to this, there was provision to accept the amendments as filed in International Phase Application, meaning thereby if the desired amendments in claims including addition and deletion are already filed with International Application, then the same amendments were accepted at India National Phase and there was no need to file amendment application in India and applicant could proceed directly with filing amended application. The said provision from Patents Act, 1970 is produced below for ready reference.

SECTION 138 (6) OF PATENTS ACT, 1970

SUPPLEMENTARY PROVISIONS AS TO CONVENTION APPLICATIONS.—

Amendment, if any, proposed by the applicant for an international application designating India or

designating and electing India before international searching authority or preliminary examination authority shall, if the applicant so desires, be taken as an amendment made before the patent office.

In this regards, with the patentability reports of International Application like Written Opinion and International Preliminary Report on Patentability, applicant gets the idea with regards to amending the Patent Application specifically Claims, as the report provide the idea of three specific features for Patent Grant i.e. Novelty, Inventive Step and Industrial application. With these reports an applicant can either amend the application in International Phase itself which is acceptable at Indian Patent Office for filing of direct amended application, or the applicant can chose to amend the application in National Phase. In this respect, in India applicant had to first pay excess claim fee for entering national phase and then file amendment application to delete the claims based on the previous International Patentability reports.

With the recent amendment, it will remove the financial burden of paying official fee for claims which the applicant is desirous of deleting in National Phase. It is a wise and much appreciated amendment rule, which will benefit all the applicants entering National Phase in India. This was especially annoying when an applicant had more than 20 extra claims to be deleted and more than one patent application to be filed. The same was an unnecessary financial burden as well for the applicant.

In a past decision by Hon'ble Smt. Justice Prabha Sridevan (Chairman) and Hon'ble Shri D.P.S. Parmar (Technical Member, Patents) via order OA/60/2012/PT/DEL¹ dated 23rd January 2013, it was suggested to the patent office to implement a revised numbering scheme for applications. This decision was issued to direct the patent office to accept a national phase application filed with less than prescribed fee. Where an applicant filed a PCT International application with 20 claims, entry at the national stage was made by deleting three claims and the applicant seeked to submit the application submitting fees for 17 claims only. The application was duly filed within the 31 months time period. However, the controller returned the application on the ground that the fee was

² MANU/IC/0007/2013



insufficient. The application was rejected on the ground of less fees being submitted with

The aggrieved applicant then approached IPAB. IPAB in this matter directed the Controller to take the application on record, since rejecting the application on this ground was not acceptable specially when the applicant was not given chance to rectify the mistake and pay the appropriate fee as applicable according to the Patent Rules at that time. Moreover the rejection was beyond the 31 months time period and applicant could not rectify the miscalculation error in fee.

Under section 138 (4) of the Patents Act, 1970, a PCT application designating India has the effect of filing an application for patent under section 7, 54 and 134 and the title, description, claims, abstract and drawings, if any, filed at the international application stage are to be taken as complete specification for the purposes of the Act. Section 139 provides that all the provisions of Act apply to a convention application.

Further allowing the appeal from the applicant, it was directed to the Patent Office to accept a national phase application filed with less than the prescribed fees and suggesting the patent office to implement a revised numbering scheme for applications. Accordingly, there would be 2 stages which if followed properly then the situations which arose in the said case, proceeding further would be easy. The first step being where the application is merely received and a provisional No. is given and the second, when the application is taken on record and an application number is given as per the provisions stated in Rule 11.

It was then directed to delete the 3 claims and proceed with the application, as Controller was directed to take the application on record. It was made clear that no amendments are permitted in the claims and only deletion was allowed.

CONCLUSION:

Till date, the patent office was receiving extra fees from applicants in respect of claims they intended to reduce in national phase than at the International filing stage. The applicants had to pay this fee, even when there was no examination of the cancelled or deleted claims.

As regards the case discussed here and the recent amendment in Patent Rules, it will now be easier for

applicants to calculate the applicable fee and also they will not be getting annoyed with unnecessary procedure of first filing complete claims and then filing amendment application in India to delete the claims they do not want to get examined in India. This will also remove the financial burden of paying unnecessary official fee.



PREDATORY PRICING: A BRIEF SYNOPSIS ON THE INDIAN TELECOM SECTOR.

Himanshu Sharma & Martand Nemana

INTRODUCTION:

Predatory pricing poses a dilemma that has perplexed and intrigued the antitrust community for many years. On the one hand, history and economic theory teach that predatory pricing can be an instrument of abuse, but on the other side, price reductions are the hallmark of competition, and the tangible benefit that consumers perhaps most desire from the economic system.¹

As the name suggests, Predatory pricing is the practice pricing of goods or services at such a low level that other firms cannot compete and are forced to leave the market. Though this practice was mostly used by the government agencies to put a check on the unlawful activities and control monopolies of the agencies, it acted as a redressal mechanism rather than a threat to the equality and freedom as promised under the law.

The Competition Act, 2002 outlaws predatory pricing, treating it as an abuse of dominant position, prohibited under Section 4. Predatory pricing under the Act means the sale of goods or provision of services, at a price which is below the cost, as may be determined by regulations, of production of the goods or provision of services, with a view to reduce competition or eliminate the competitors. Predatory pricing is pricing one's goods below the production cost, so that the other players in the market, who aren't dominant, cannot compete with the price of the dominant player and will have to leave the market. The CCI in *In Re: Johnson And Johnson Ltd.*² said that "*the essence of predatory pricing is pricing below one's cost with a view to eliminating a rival.*"

ROLE OF COMPETITORS IN PREDATORY PRICING:

When a single entity in the market rises almost instantaneously, it is mostly because of the abuse of dominant position and predatory pricing which follows. These two principles are seen to intertwine to form a bridge between legal and economic boundaries, and overlap over the existing players in the market. Such activities are basically found to be illegal, however it is just one of the many most frequently used ways in which that enterprise or group may abuse its position of dominance.

Predatory Pricing is mostly dependent upon the use/misuse of dominant position. As per the Section 4(2) of the Competition Act, 2002 dominant position has been described as:

"*DOMINANT POSITION*" means a position of strength, enjoyed by an enterprise, in the relevant market, in which it is able to—

- i) Operate independently of competitive forces prevailing in the relevant market; or
- ii) Affect its consumers or competitors or the relevant market in its favour;

For an entity to attain a dominant position, it is important that the entity has control and has the influence to affect the relevant sector of market to the tune of 50 per cent or more, provided that the other rival players hold a much less share in the active market. Though the economic strength of the entity does play a vital role, however conditions like the presence of other players in the relevant section of the industry/market plays an important role in ascertaining whether the entity is capable of exercising a dominant position.

Michael E. Porter of the Harvard Business School³ developed an analysis of the name Porter's 5 forces,

¹ *PREDATORY PRICING: STRATEGIC THEORY AND LEGAL POLICY* - Patrick Bolton, Joseph F. Brodley and Michael H. Riordan

² *In Re: Johnson And Johnson Ltd.*, (1988) 64 Comp Cas 394 NULL

³ *Michael E. Porter, The Five Competitive Forces that Shape Strategy*, Harvard Business Review 86 (1979)



which shows that the five conditions mentioned below are prerequisite to show abuse of dominance:

- i. The bargaining power of customers (buyers)
- ii. The threat of the entry of new competitors
- iii. The bargaining power of suppliers
- iv. The threat of substitute products or services
- v. The intensity of competitive rivalry

In *Hoffmann-La Roche & Co. AG v Commission of the European Communities* the concept of 'abuse of dominant position' has been defined as:

"The concept of abuse is an objective concept relating to the behavior of an undertaking in a dominant position which is such as to influence the structure of a market where, as a result of the very presence of the undertaking in question, the degree of competition is weakened and which, through recourse to methods different from those which condition normal competition in products or services on the basis of the transactions of commercial operators, has the effect of hindering the maintenance of the degree of competition still existing in the market or the growth of that competition."

Though it has been repeated iterated, but being in a dominant is not illegal per-se. Further, "Abuse" is an objective term and it comprises every conduct which might adversely affect the structure of a market in which competition is weakened. Hence, the being on a entity in a business in a dominant position is not illegal but the misuse of such dominant position is illegal. The position of the company has also been laid down in Section 2 of the Sherman Act, 1860 and under Art 82 of the EC Competition Law. Predatory pricing by such an enterprise which spans enough business to be classified as a dominant player, can be one such abuse.

LEGAL REMEDIES AGAINST PREDATORY PRICING:

To ensure a healthy competition in the market amongst the players the Competition Act, 2002, has been introduced in replacement of the Monopolies and Restrictive Trade Practices Act, 1969, seeks to ensure the welfare of the consumers. Upon realizing the risk

and challenges posed by predatory pricing, which mostly a clear abuse of the 'dominant position' in the market, which per-se is illegal; the dealings of predatory pricing in India, as expressed under the Competition Act, 2002, have been borrowed from the English Competition Act, 1998 and the Clayton Anti-Trust Act, 1914. The provision reads as below:

Section 4(2) (a) of the Competition Act, 2002 states that: There shall be an abuse of dominant position under Sub-section (1), if an enterprise,-

(a) directly or indirectly, imposes unfair or discriminatory-

(i) condition in purchase or sale of goods or service; or

(ii) price in purchase or sale (including predatory price) of goods or service. Explanation.- For the purposes of this clause, the unfair or discriminatory condition in purchase or sale of goods or service referred to in Sub-clause

and unfair or discriminatory price in purchase or sale of goods (including predatory price) or service referred to in sub-clause

shall not include such discriminatory condition or price which may be adopted to meet the competition;

As per explanation (b) at the end of Section 4 predatory pricing refers to a practice of driving rivals out of business by selling at a price below the cost of production.⁴ Denial of market access briefly referred to in this section, if read conjunctively, is expressly prohibited under Section 4 (2) (c) of the Competition Act, 2002.

The Section 4 of the Competition Act, 2002 corresponds to Clause 4 of the Notes in clauses of the Competition Bill, 2001 which reads as follows:

This clause prohibits abuse of dominant position by any enterprise. Such abuse of dominant position, inter alia, includes imposition, either directly or indirectly, or unfair or discriminatory purchase or selling prices or conditions, including predatory prices of goods or services, indulging in practices resulting in denial of market access, making

⁴ Hovenkamp, H., *Federal Antitrust Policy-The Law of Competition and its Practice* 339 (3rd ed., 2005)



the conclusion of contracts subject to acceptance by other parties or supplementary obligations and using dominant position in one market to enter into or protect other market.⁵

However, in 2007, Section 4 of the Competition Act, 2002 was amended by the Competition (Amendment) Act, 2007. The objects and reasons of such amendment were given in the Notes on clauses of the Competition (Amendment) Bill, 2007 which says that: This clause seeks to amend Section 4 of the Competition Act, 2002 relating to abuse of dominant position. The existing provisions of Section 4 apply only to an enterprise and not to the group of enterprises. Clause (c) Sub-section (2) of Section 4 states that there shall be an abuse of dominant position if an enterprise indulges in practice or practices resulting in denial of market access.

CASE STUDY:

The Indian Telecom in the past 6 months has witnessed a turmoil, which was caused by a new entrant in the telecom market by the name of "Jio", a product of the conglomerate of Reliance Group of Industries. The services under the offer which was first launched as an "employee-only" offer (i.e. Unlimited Calling for life and Unlimited Data Benefit) were made open to the general public which this resulted in the torrent and surge of the masses to avail the proposed benefits. From what was already prognosticated not only did the move trigger profusion of clientele, but also instilled the rivals with a sense of fierce competition.

This further resulted in multifold reduction in the prices of the services of all other leading service providers which then painted this insurgence of competition as an act of intentional sabotage. Though the allegations can't be discarded as foul cry, but the consumer centric market has welcomed the new entrant and the competition with open hands which further makes it difficult for others to form a basis of competition.

Predatory pricing as the name suggests is the pricing of goods or services at such a low level that other firms cannot compete and are forced to leave the market. Though this practice was mostly used by the government agencies to put a check on the unlawful activities and control monopolies of the agencies, it acted as a redressal mechanism rather than a threat to the equality and freedom as promised under the law.

⁵ H.K. Saharay, *Textbook on Competition Law*, (1st ed., 2012)

WHETHER CASE STUDY FITS INTO THE DEFINITION OF PREDATORY PRICING:

Concentration of the power has time and again been proven to be the least effective remedy to prevent it from falling into the hands of the undeserving. In a scenario where development and business economy form two different sides of the coin, money always changes the equation and the outcome goes for a toss. Despite repeated denials by the Reliance Group of Industries about the "Predatory Pricing" & being a dominant player in the market, the conglomerate has surely affected the Indian telecom sector and the major players, left right and centre; it would be worth waiting to understand the course of events which follow. However at present given the illustrious reputation and the sky rocketing user base, coupled with throw away prices breaking the market stereotype of telecom sector

LEGAL PRECEDENTS:

The most valuable observation relating to predatory pricing and abuse of dominance was made by Lord Denning, M.R. in *Registrar of Restrictive Trading Agreements v. W.H Smith & Son Ltd.*,⁶ while construing the English Law in Restrictive Trade Practices Act, 1965 that there was a time when traders used to join hands, and combine, so as to keep the trade all for themselves, so that prices can be decided according to them, because of the monopoly. This also lead to the shutting down of all new entrants who might cut prices or even produce and sell better quality goods. Therefore, the Parliament had to step in, both for the benefit of the new entrants and the consumers, and had to hold these trade practices void unless they were done in the interest of public interests. Therefore, the law made any such agreement void and also asked the traders to get all their trade practices registered. However, Lord Denning observes that the traders who combined did not tell the law about it, and it was done in dark; without the law or the consumers knowing about it. Neither putting such agreement in writing, nor words were required, "a wink or a nod was enough" for them to combine and turn the whole market into a monopoly and control everything in it. Therefore, the Parliament came up with another law to get rid of these practices, and so, it included not only agreements but also arrangements to keep the predatory pricing in control.

⁶ *Registrar of Restrictive Trading Agreements v. W.H Smith & Son Ltd.*, (1969) 3 All ER 1065



This observation by Lord Denning was aptly discussed when Parliament of India amended Section 4 of the Competition Act, 2002 by the Competition (Amendment) Act, 2007 and is also reflected in the amendment.

In MCX Stock Exchange Ltd v. National Stock Exchange of India Ltd., DotEx International Ltd. and Omnesys Technologies Pvt. Ltd⁷, the CCI while laying down the test for predatory pricing said that

"before a predatory pricing violation is found, it must be demonstrated that there has been a specific incidence of under-pricing and that the scheme of predatory pricing makes economic sense. The size of Defendant's market share and the trend may be relevant in determining the ease with which he may drive out a competitor through alleged predatory pricing scheme-but it does not, standing alone, allow a presumption that this can occur. To achieve the recoupment requirement of a predatory pricing claim, a claimant must meet a two-prong test: first, a claimant must demonstrate that the scheme could actually drive the competitor out of the market; second, there must be evidence that the surviving monopolist could then raise prices to consumers long enough to recoup his costs without drawing new entrants to the market."

CONCLUSION:

Market has always been a consumer centric business model which harnesses the potential of the players in a fair and healthy competitive environment. Amongst many other challenges present, the most important is to abolish the system of concentration of power. As essential it is for the consumer to derive the value for money for the goods they want, it is equally important that the companies have a fair playing ground to establish themselves as a reliable and trustworthy entity.

Whilst all the competitors in the market have diverse backgrounds and economic portfolios, it should be understood that principles of fairness apply to each of them individually. Predatory Pricing may in some cases be implemented and considered as a check by the Govt agencies to rule out unlawful market entities or business practices. Interestingly given the developing

affairs of the Indian Economy the market is often vulnerable to new entrants who struggle to establish themselves, however the same doesn't seem to be the case with "Jio" a part of the conglomerate of the Reliance Group of Industries. Thought what may have been appearing as an act of predatory pricing, as has been accused by the other major players in the relevant market sector, it shall be interesting to watch what the course of actions which further go on in the sectors of telecommunications in India.

⁷ MCX Stock Exchange Ltd v. National Stock Exchange of India Ltd., DotEx International Ltd. and Omnesys Technologies Pvt. Ltd, 2011 Comp LR 0129 (CCI)



PROTECTION OF LITERARY CHARACTERS

Martand Nemana

INTRODUCTION

The information age has made traditional IP protection for literary characters inadequate. Creators now find their characters dominating the cultural space as never before, faced with the challenge of protecting their work from infringement and controlling the depiction of their creations, the regular copy right regime seems inadequate to give these creators their due. This lacuna is partly filled by the expansion of trademark law and as a subset of that, the common law remedy of passing off.

This note will deal with a few distinct questions in the context of the IP regime in India. The first, whether a copyright can subsist in character by itself, outside the bounds of the form it's depicted, the answer to which and second, what is the extent of the protection one can expect when faced with a third-party's unlawful depiction of a character. And finally a proposed way forward.

COPYRIGHTS

Copyrights subsist in the original work of any author. It is of note to remember that a copyright does not exist in the idea per se but rather the mode of expression of that particular idea. Further copyrights cannot be said to exist in ideas which are common place or generic. With this in mind, reference should be made to the "modicum of creativity doctrine" and the "sweat of the brow doctrine" these tests postulate that a copyright would exist in work which involves conscious effort on part of the creator. It follows that a simple depiction a character that exists in the public mind would by itself not in the regular course be eligible for copyright protection.

WELL-DELINEATED TEST

Reference may also be made to the Scène à faire doctrine. This doctrine posits that any genre specific trope, theme or character cannot be made a subject matter of a copyright. In the context of literary characters this doctrine would suggest a vague collection of qualities, such as a character that drinks

too much or a character that shows integrity would in absence of any other factors not be subject to any copyright protection. This doctrine disqualifies stock characters from copyright protection.

A character can be defined as an aggregation of qualities specified by the creator. It seems reasonable to assert as the court in DC v. Bruns Publication Inc (1940) did that characters which have greater elements of unique expression have a higher likelihood to receive copyright protection, in as much as they have physical as well as conceptual features.

It follows as was held in Nichols v. Universal (1930) "The less developed the characters, the less they can be copyrighted; that is the penalty an author must bear for making them too indistinctly."

The standard that emerges on the collective analysis of these authorities is whether or not the character is sufficiently delineated or rather sufficiently unique in its essence. It could be argued as was that Nichols v. Universal (Supra) that a story which involves characters which are simple stereotypes such as Jew's and Irishmen are not worthy of copyright protection as they do not distinguish themselves sufficiently.

STORY BEING TOLD TEST

The above test had a few inherent limitations the uniqueness of a character is highly subjective and would depend greatly person to person. This lacuna was filled by the story being told test. It was first stated in WB v. Columbia Broadcasting System (1954) The test postulates that a character may be copyrightable if it in a meaningful way constitutes the "vehicle of the story" as opposed to a simple "chessman" A chessman refers simply to the pieces on the chess board. This implies that the story must be centered on the character in order for it to be copyrightable.

A recent interpretation of this test in DC v. Towel (2015) alluded to in this regard, the court found that the "Batmobile" from the Batman comics was a sufficiently distinct element from the original works and accordingly a copyrightable interest lay in it. The court



reasoned that the existence of persistent qualities and traits had given the Bat mobile a distinctive and iconic identity so as to warrant copyright protection.

INDIAN PERSPECTIVE

The judicial recognition of copyright existing in literary characters was highlighted in *Arbaaz Khan v. North Star entertainment Pvt. Ltd* (2016) by the Bombay HC. The court while examining whether a copyright would subsist in one "Chulbul Pandey" from the Dabang franchise opined "As to the general principal that the character is unique and the portrayal of that character, as also the "writing up" of that character in an underlying literary work is capable of protection is something that I think I can safely accept"

The 2016 Bombay HC decision examines *WB v. Columbia Broadcasting systems* (supra), in a sense importing the essential distinctiveness standard. The question of what makes a character capable of protection under the copyright regime was discussed in *Start India Pvt. Ltd v. Leo Burnett* (2002) the court opined "The characters to be merchandised must have gained some public recognition, that is, achieved a form of independent life and public recognition for itself independently of the original product or independently of the milieu/area in which it appears".

From the above discussion it seems sufficient to note that copyrights can subsist in characters outside the scope of the story if the characters are in a sense unique. Though the exact parameters required in conclusively determining whether a character deserves copyright protection or not is not clear, an amalgamation of both tests would seem appropriate to establish the copyrightability.

PROTECTION FROM PASSING OFF

Moving to the second leg of analysis, what is the extent of protection that can be given to such works against a third party who is passing off his products under the guise of the literary character? This can also be called unlawful character merchandising. Recently the Delhi HC in *WWE v. Savio Fernandes* (2016) granted a permanent injunction to the plaintiffs where the defendant was found to not only be infringing in the WWE trademark but was also found to be using the likeness of the wrestlers themselves in their products. The court found the defendant guilty of passing off. The court found that the goods were bound to cause

confusion in the mind of the public The court held "The misrepresentation by the defendants is done in a manner that in all probability any visitor to the defendant's web page or stores will be induced to believe that the defendants have a direct nexus or affiliation with the plaintiff; and/or the plaintiff has licensed its trademark "WWE" to the defendants... (Words omitted) In view thereof the defendants are passing off their goods as those of the plaintiff."

The court also specifically recognized the copyright subsisting in the wrestlers, the personas of whom can be perhaps akin to literary character.

"7. All the wrestling events of the plaintiff feature professional wrestlers having distinctive appearances and carrying fictitious and unique names which are evocative of the same image sought to be projected by the characters. The combination of both name and image, have the effect of making an indelible impression in the mind of the viewer. Thus, for instance, there are wrestlers with names such as JOHN CENA, RANDY ORTON, THE ROCK, CM PUNK, UNDERTAKER, SHAWN MICHAELS, THE GREAT KHALI, REY MYSTERIO, HHH, and EDGE... (Words omitted). Plaintiff being the creator of the said characters holds United States copyright registrations in the talent images of these characters.

8.... (Words omitted) Some of the fictitious names of the wrestlers have also been registered as trademarks by the plaintiff in relation to various goods in different classes in the USA and India." In *Chorion Rights Ltd v. Ishan Apparel* (2010) while examining a case where the defendants were producing and selling Noddy apparel despite Chorion holding the worldwide trademark to the name and character. The defendants contested that they had been using the mark since earlier than the defendant. The court noted that the despite the copyright persisting in character sufficient material to prove prior use by the plaintiffs was not got on record. "It is settled law in India, that when contesting parties hold trademark registrations, their rights are to be determined on the basis of principles applicable for passing off, the most important component of which is establishing prior use of the mark. The plaintiff has not adduced any evidence to show prior user in India, it is even not the prior registered owner of the said trademark in India....(words omitted) .In this case the defendant has not only established prior user, at least from 1995, but also prior registration of the mark. ...



(words omitted) the Court is not unmindful of the fact that there is not even a shred of evidence disclosing sales figures, as to importation of such books, authorized stock lists, periodicity of such sales, advertisements, areas where such sales took place, and their volume,...(words omitted) NODDY could be copyrightable, yet the plaintiff has desisted from claiming copyright infringement. In these circumstances, the Court's subjective perceptions – in the absence of objective materials, or even pleadings, cannot metamorphosis into "judicial notice"; such inferences would be dangerous, and undermine the process of judicial decision making". This decision serves to highlight one of the things creators should be mindful of while pursuing an action of passing off.



REVISED NATIONAL IPR POLICY INDIA- FROM INDUSTRY AND PUBLIC DEVELOPMENT PERSPECTIVE

Monika Shailesh

May 2016 marked a new era in the history of IPR policy and regulation in India. The Union Cabinet on May-12-2016 approved the much anticipated "National Intellectual Property Rights (IPR) Policy" to lay the future roadmap for intellectual property in India. It is said to be a "first of its kind" policy for India, covering all forms of intellectual property together in a single framework. The ideologies laid down in the policy incentivize IP owners by granting them monopoly rights. The Policy is in compliance with WTO's (World Trade Organization) agreement on TRIPS (Trade Related aspects of IPRs), goals to sustain entrepreneurship and boost the scheme "Make in India".

The National IPR Policy is a vision document that aims to create and exploit synergies between all forms of intellectual property (IP), concerned statutes and agencies. It sets in place an institutional mechanism for implementation, monitoring and review. It aims to incorporate and adapt global best practices to the Indian scenario. This policy shall weave in the strengths of the Government, research and development organizations, educational institutions, corporate entities including MSMEs, start-ups and other stakeholders in the creation of an innovation-conducive environment, which stimulates creativity and innovation across sectors, as also facilitates a stable, transparent and service-oriented IPR administration in the country.¹

VISION STATEMENT:

An India where creativity and innovation are stimulated by Intellectual Property for the benefit of all; an India where intellectual property promotes advancement in science and technology, arts and culture, traditional knowledge and biodiversity resources; an India where knowledge is the main driver of development, and knowledge owned is transformed into knowledge shared.²

¹ <http://pib.nic.in/newsite/PrintRelease.aspx?relid=145338>
(Last visited on 20/12/2016)

² <http://pib.nic.in/newsite/PrintRelease.aspx?relid=145338>
(Last visited on 20/12/2016)

MISSION STATEMENT

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

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

The new policy is set to administer the subsequent Acts: Patents, Trade Marks, Design, Copyright, Protection of Plant Varieties and Farmers' Rights, Semiconductor Integrated Circuits Layout Design and Biological Diversity. It is expected, therefore, that it will impact sectors as diverse as pharmaceuticals, software, electronics and communications, seeds, environmental goods, renewable energy, agricultural and health biotechnology, and information and communications. Developed countries like USA have been forcing India to tighten its IPR policy regime to gain added advantage for their MNC's. Experts believe that the revised IPR policy shows that India has not surrendered to the mounting international pressure over the formulation of new IPR policy but India should have made the policy a bit more radical to safeguard India's Generic Industry.

The new policy is completely silent on the generic medicines in the pharma industry. New IPR policy is established over the Doha Declaration for the policy framework and is in compliance with the TRIPS agreement and public health. The Doha Declaration is a 2001 WTO text which recognizes that IP and patent regimes have to be weighed against the context of burning health issues like HIV/AIDS, tuberculosis, malaria and other epidemics that primarily affect the developing nations. Developed nations like USA and European countries have been trying to extract more and more out of the developing countries on the basis of TRIPS agreement. The new IPR policy however has



made it clear that India for sure is not going to deliver anything more than the intents of the TRIPS agreement and it is assumed to be good step towards the indigenous and generic Indian Industry. The basis of this can be seen in the light that India has not opened any debate on Section 3(d) of patents act that states inventions that are mere discoveries of a new form of a known substance and do not result in any increase in the efficiency are not patentable. This has given a great reprise to the Indian generic pharma industry, otherwise in case patents are granted to International firms like Tykerb which applied patent for the cancer drug it would have made the cancer drug so expensive and out of reach of many patients. However the new policy seems to be a failure where it is required to create a favorable environment for the creativity and innovation. The developed countries are least interested in developing medicines for diseases like malaria that haunt the third world or the developing countries while the new IPR policy completely fails to encourage the innovations in the area of biomedicine for Indian companies. Indian applicants have rather leading in the trademark applications and not patents. The number of new drug applications filed by Indian companies with USFDA, for instance, has never crossed the single digit figure. So many experts do criticize that the new policy framework will not do any significant job in enhancing this situation.

OBJECTIVES OF NEW POLICY FRAMEWORK³

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

- Enforcement and Adjudication - To strengthen the enforcement and adjudicatory mechanisms for combating IPR infringements
- Human Capital Development - To strengthen and expand human resources, institutions and capacities for teaching, training, research and skill building in IPRs

CONCLUSION

In totality the new IPR policy appears to be fair and balanced, particularly the way the new IPR policy has safeguarded the interest of the generic biomedicine sector of India. The policy makers are to be applauded for not yielding to the ever mounting international pressure and lobbying by the big MNC's. The recommended trail for IPR in India appears to be clear, explicit, and see-through. The policy comprehensively has not taken any extreme stance on any aspect of the IP. The policy expresses of encouraging IP as a financial asset and economic tool. However, the policy seems to be failing to provide safety from improper valuation of the IPR asset. It is encouraging to note that now there will be high level body would monitor the progress and implementation of the new policy to see through a clear indication on the performance and target deliverables. The new policy do encourages the "THINK TANK" by providing statutory incentives, like tax benefits linked to IP creation, reduction in fee for patents that will lead to public development, reduction of time taken to grant patent or express service to patents that intent to start manufacturing in India under make in India scheme etc. The IPR policy favors the government considering financial support for a limited period on sale and export of products based on IPRs generated from public-funded research. As per the WTO norms, a compulsory licensing (CL) can be invoked by a government allowing a company to produce a patented product without the consent of the patent owner in public interest. Under the Indian Patents Act, a compulsory licensing (CL) can be issued for a drug if the medicine is deemed unaffordable, among other conditions, and the government grants permission to qualified generic drug makers to manufacture it Compulsory licensing is the approach towards bending the aim of patents for public interest. New policy also aims to create an effective loan guarantee scheme to encourage start-ups. Overall the new IPR Policy regime can be classified as a balanced scheme where the interest of both the industry as well as the public development domain has been considered.

³ http://dipp.nic.in/English/Schemes/Intellectual_Property_Rights/National_IPR_Policy_08.08.2016.pdf (Last visited on 20/12/2016)



TRENDING IN IP: #HASHTAGS

Himanshu Sharma

INTRODUCTION:

The emergence of liberal markets across the world has become a feeding ground for the new marketing techniques and key players in market are now coming up with fresh approaches in the field of marketing their products. In the recent times, the classical methods of marketing are proving to be redundant as consumers have become tech savvy and that they can only be catered by the methods which are more novel and unique. Technology has also played a big role in the transformation of marketing techniques and has provided new marketing platforms such as social media, web portal etc. One of the recent and most unique method of marketing products is through # hash tags.

Hash tags is a word or phrase preceded by a hash sign (#), used on social media websites and applications to identify messages on a specific topic. The initiator of a hash tag has an intention to maximize the reach of the topic to the people and it also serves as a common platform for a topic. The content become viral and results in the generation of a #tag, which then garners the attention of a wider audience. The companies then try to en-cash upon these moments of publicity and promote their product while increasing their association with the consumers.

HASH TAGS AS TRADEMARKS UNDER INDIAN TRADEMARK LAW:

Now the question is, whether a hash tag can be registered as a trademark under the Indian Trademark Act, 1999.

The definition of a mark is provided under Section 2 (m) of the Indian Trademark Act, 1999 which states that "Mark includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof"

Now as per the above definition, a hash tag can qualify as a mark under a combination of words and numerals

but in order to qualify as a trademarks, the same has to qualify the definition of a trademark provided under the Indian Trademark Act, 1999 under section 2 (zb) which states as below:

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

The two conditions mentioned under the Act for a mark to be qualified as a trademarks are as mentioned below:

1. Capable of being represented graphically;
2. Capable of distinguishing goods and services of one person from other person.

When we put these two conditions to hash tags which is applied for the registration as a trademarks, we see that first condition is met instantly as a hash tag is a combination of words and numerals which can definitely be represented graphically.

Now the second condition, which is the ultimate test for a hash tag to qualify as a trademark should be analyzed. As hash tags have a limited life because topics which trends for a brief period die their own death in a short span of time and the trending topic easily falls into oblivion. There are numerous hash tags trending in a very short period and the second condition, which is also interpreted as distinctiveness under Indian Trademark Law, is not easy to achieve and rallied over a longer period of time in case of hash tags. The trademarks are a source identifier and the hash tags which can fulfill this criterion can qualify for registration under the Act.

Under Section 9 of Indian Trademark Act, 1999, the absolute grounds of refusals are given and under sub-section (1) of section 9 states that:

"The trademarks -which are devoid of any distinctive character, that is to say, not capable of distinguishing



goods or services of one person from those of another -shall not be registered"

Considering the above section, it is easy to deduce from the above section that only hash tags which are distinctive in nature can be registered as a trademark under the Indian Trademarks Act, 1999. Hash tags which are distinctive in nature or have become distinctive with the passage of time can only be qualified for registration as a trademark.

The distinctiveness mentioned under the Act may be classified in two:

1. Inherent distinctiveness;
2. Acquired distinctiveness

A hash tag can easily fall under any of the above mentioned two categories, it may either be inherently distinctive in nature due to it being an invented word or it may be something which trends for a longer period of time such that the people start to identify the source through hash tag only. Further it shall also be kept in the mind that applying a hash tag to a common word or generic word would not make it a trademark as putting a hash tag will not make it distinctive. The trademark needs to pass the test of distinctiveness of trademark provided under the Act.

SITUATION IN USPTO:

The registration of hash tags as a trademark is catching up in the US market and there are numerous trademark applications filed in USPTO. The USPTO in 2013 under TMEP §1202.18 of Trademark Manual of Examining Procedure recognized that only a term containing the hash symbol or the term "hash tag" which can function as a source identifier of an applicant's goods and services can be registered as a trademark. The USPTO has already granted over 100 hash tag registrations since 2013. Further there are other important notes under the TMEP such as TMEP § 1202.18 which provides that a hash tag may be registrable as a trademark if it includes a disclaimer of the wording "hash tag" or the hash symbol "in cases where they are separable from other registrable matter." Further it is also provided that USPTO will not allow registration of marks which consist only of the hash symbol or the term "hash tag" combined with merely descriptive or generic wording for goods or services.

Although the USPTO is providing the protection to the hash tags as trademarks but a US federal District Court

has certainly put the hash tags trademark applicant's in to quandary. In case of **Eksouzian v. Albanese**, the court held that "because hashtags are merely descriptive devices, not trademarks, unitary or otherwise, in and of themselves." *Id.* at 15 (emphasis added). The court also held that the term "pen" was merely a descriptive term for the products at issue and cited the TMEP provision stating "[t]he addition of the term HASHTAG or the hash symbol (#) to an otherwise unregistrable mark typically cannot render it registrable." *Id.*¹

This judgment of the court has put a question mark over the registrability of hash tags as trademark in USA for the time being but same decision is under review by higher Court. Still the USPTO is providing the registration to the hash tags as trademarks which are capable of serving as source identifier of the goods and services of the Applicants.

CONCLUSION:

Although the registration of hash tags as trademarks is still not very popular in India but the craze of social media is catching up with the masses due to availability of cheap data for usage due to the telecom war started with the entrance of 'Reliance-Jio' in the market. The market has suddenly expanded beyond imagination and people who earlier only heard about the power of internet, are now have easy access to the same. This will certainly lead to the emergence of hash tags as trademarks in order to cater the new consumer force and companies will definitely want to take advantage of new consumers available in market.

¹ No. CV 13-00728-PSG-MAN (C.D. Cal. Aug. 7, 2015)



ADDITION OF INTERNET BROADCASTING RIGHTS

Himanshu Sharma & Martand Nemana

INTRODUCTION

Copyright, a legal doctrine with a long tradition, involves legal protection for works that have been published, for which there is clear authorship, and the economic value of which does not recede over short periods of time. The changing times have raised alarming concerns in the legal arena to stay abreast with the developments and device out reforms with a vision of sustainable future. Although the rights in a copyrighted work under the Indian Copyright Act, 1957 are exclusive in nature and cannot be used by any other person for commercial use without the permission of the owner. On the other hand the owner need to use or lack of use of the copyrighted work, cannot be in such a way that it will lead to create a monopoly.

A copyrighted work which has been published or performed in public and which is withheld from public can be allowed to be compulsory licensed to an interested party after going through the process provided under the Copyright Act, 1957. The statutory licensing can be provided in different works and for different purpose such as for the benefit of disables, for cover versions, for broadcasting. The broadcasting of literary, musical and sound recording in the age of internet has sources which were earlier not thought of and same has created a void among the literature and practicality of the Act. The internet as a medium of communication has progressed a long way in last decade or so and hence the use of internet from being a medium of communication to source of entertainment has also led to create a void in the practicality of provision related to the statutory licensing for broadcasting.

Statutory licensing for broadcasting Entertainment as a major industry has turned out into multi-million-dollar industry; which operates on an "end-user" based model where there is a very strict adherence to the time period where the original creator of the content has to encase and embark upon the complete potential of the content in order to generate revenue.

Suspense and curiosity play a major role in garnering the fan following and creating a public base and this where the broadcasting media takes advantage of the situation. Right from the intimation of the content till the official launch where it is made available to the public, either in full or in pieces, the same is broadcasted on conventional methods of promotion such as the Newsprint, Radio and Television. However, with the technology boom, internet broadcasting and live streaming which have been garnering much attention and public interest, the void of regulations and reforms to exercise control over the internet rights has been an alarming concern which has raised out many questions over the legal validity of the entire architecture.

The emergence of Internet has led to whole new set of problems for the statutory licensing for broadcasting of literary and musical works and sound recording. The emergence of internet as a source of broadcasting and entertainment has influenced the actions of DIPP under the Ministry of Commerce and Industry, Govt. of India, to issue an Office Memorandum, dated 05th September, 2016, in response to the representations received on behalf of the stakeholders, seeking justification regarding the legal status of the internet broadcast, and whether it could be brought under the purview of Section 31D of the Copyrights Act, 1957 in India.

The said Office Memorandum has elaborated the provisions and provided its version of interpretation of the said Section 31D with regards to the fate of the internet broadcasting and its related rights, which still are subject to approval from the competent authority.

THE VOID: ENTAILING REFORMS.

The Copyright works withheld from the public can be broadcasted by applying for statutory licensing under section 31D of Copyright Act, 1957 but the provision lacks the practicality in reference to the current set of broadcasters. The contemporary period of broadcasting has sources which were earlier not thought of and same has created a void among the literature and practicality of the Act. The internet as a medium of



communication has progressed a long way in last decade or so and hence the use of internet from being a medium of communication to source of entertainment has also led to create a void in the practicality of provision related to the broadcasting.

Section 31D of the Copyright Act deals with Statutory Licensing and subjects any 'Broadcasting Organisation' to the provisions of the same. Section 31D states ***"Any broadcasting organization desirous of communicating to the public by way of a broadcast or by way of performance of a literary or musical work and sound recording which has already been published may do so subject to the provisions of this section."***

Further to which clause 3 of Section 31D states ***"The rates of royalty for radio broadcasting shall be different from television broadcasting and the Copyright Board shall fix separate rates for radio broadcasting and television broadcasting."***

Clause 3 of Section 31D ***only expressly*** refers to television and radio as the broadcasting organisations and mentions the royalties to be imposed for television and radio to be different. Taking into account only 'radio' and 'television' further caused the ambiguity with respect to the term ***'Any Broadcasting Organisation'***. The question as to the scope of 'Any Broadcasting Organisation' was whether the same was limited to 'Television' and 'Radio' or 'Internet Broadcasting' could be included under the ambit of the same? As per the memorandum issued by DIPP, the term ***"Internet Broadcasting"*** is included in ***"Communication to the public"*** as defined in section 2(ff) of the Copyright Act. DIPP finally quoted that, "any broadcasting organisation desirous of communicating to the public, may not be restrictively interpreted to be covering only radio and TV broadcasting as definition of "broadcast" read with "communication to the public", appears to be including all kind of broadcast including internet broadcasting. Thus, the provisions of Section 31D are not restricted to radio and television broadcasting organisations only but also cover internet broadcasting organisations."

Section 31D of the Indian Copyright Act, 1957 enables the broadcasters to obtain statutory licenses to facilitate access of the created work by the broadcasting organizations. It also has been laid down succinctly that while broadcasting any audio or sound recordings,

complete mention of the artist and due credit and recognition should be given during the broadcast. It also has been mentioned that no alteration shall be allowed without prior permission would be allowed during the broadcasting. It should be taken into consideration that the tracks or sound recordings can be shortened as per the requirements or required time frame but no new addition or alteration shall be allowed. It also has been laid down that the broadcasting organization shall maintain records of the broadcast, books of account and render to the owner such records and books of account.

The importance of developing the framework is to lay down guidelines to create a benchmark to assess the liability of the broadcaster through medium of internet and the copyright vested in the work used for the same. Section 31D of the Indian Copyright Act, 1957 has subtly discussed the process of operation when a statutory licensing in a work is applied by a broadcasting organization.

CONCLUSION:

The volume of the usage on the internet has clearly surpassed the total reach of conventional methods combined together, calling for immediate legal reforms to efficiently manage and control their activities. While introducing technological protection measures, the law ensures that fair use survives in the digital era by providing special fair use provisions. The proposed changes have resulted in the Copyright Act being more suitable to contemporary situation and will help in facilitating the access to works to the modern mediums along with the old mediums.



EXPEDITE EXAMINATION SCHEME BY IPO- AN INTRODUCTION

Aayush Sharma

In the recent amendments made by the Indian patent office 'The Patent Amendment rules, 2016' introduces the expedite examination scheme for the Patent applicants in India. Earlier, there was no such provision of expedite or express examination for the Applicants except in case of PCT national phase entry where the Applicant who wishes to file the PCT national phase application can opt along with PCT Application for requesting examination well before 31 months timeline.

In the normal examination procedure, the Applicant has to file request for examination within 48 months time period from date of Priority or Date of filing in India (*whichever is earlier*). Upon receipt of RFE application and after publication of Application in the official journal, the IPO considers the application for examination and the Ld. Controller assigns the application for examination to the Ld. Examiners. The Ld. Examiner upon receipt of application from Controller, examine the application and will issue first examination report [FER] to the Applicant and then the Applicant needs to respond to the same within six months (Patent Amendment Rules, 2016) from the date of receipt of the FER. This whole process of examination takes 2-4 years for putting the application to grant. This is a very serious issue on part of Applicant that from the valuable time of 20 yrs for holding the Patent rights, 5-6 yrs has been lapsed because of such lengthy examination course of action. Thinking from the Applicants side, this a huge loss for the Applicant for claiming the Patents right up to 20 yrs. Considering the above situations of loss of term of patent due to lengthy examination procedure, many patent offices across the world have already introduced Patent prosecution highway [PPH] or expedite examination programme where the examination of Patent application shall be done within a short span of time and the Patent application has been put for grant in timely manner.

The process related to PPH in different jurisdictions across the world is discussed below for the better understanding:

USA:

In US patent and trademark office, under PPH, when an applicant receives a final ruling from a first patent office that at least one claim is allowed, the applicant may request fast track examination of corresponding claim(s) in a corresponding patent application that is pending in a second patent office. PPH leverages fast-track examination procedures already in place among participating patent offices to allow applicants to reach final disposition of a patent application more quickly and efficiently than standard examination processing.

JAPAN:

In the JPO and under the following circumstances, the Applicant is allowed to expedite prosecution:

- 1) If the application has been filed in a foreign country (any countries outside Japan).
- 2) If an applicant or licensee of the application is using or selling the invention in Japan.

To expedite examination, first, a request for examination must be filed. Then, it is necessary to file a petition for expedited examination with the JPO after the examination request is filed.

EPO:

When accelerated examination is requested, the EPO makes every effort to issue the first examination communication within three months of receipt by the Examining Division of the application, the applicant's response under Rule 70a or the request for accelerated examination within 6 months of receiving FER. Whereas, for Euro-PCT applications too, accelerated examination may, in principle, be requested at any time. However, to be as effective as possible, it should preferably be requested: on entry into the European phase before the EPO, or together with any response to the WO-ISA, IPER or SISR required under Rule 161(1). If requested on entry into the European phase, accelerated prosecution covers formalities examination, the supplementary European search report and/or substantive examination, as applicable.



INDIAN SCENARIO:

Now coming back to Indian Patent law, in the recent Patent Amendment rules, 2016, the IPO has launched expedite examination scheme which helps the Applicant with reduction in time as well timely disposition of the Application. The IPO has introduced said express examination procedure under only either of two conditions:

- Indication of India as International Searching Authority (ISA) or electing India as International Preliminary Examining Authority (IPEA) in the corresponding international patent application; or
- Eligibility of Applicant as being a start up

Only when an Applicant satisfies the either of the above said conditions, then only expedite examination request can be entertained by the IPO. These steps are introduced to invite more and more companies to file Patent Application in India and to make India as a popular patent filing hub. Now many applications for initial examination are filed in US, EP, Japan, and China. To minimise such practise for foreign applicants, India has introduced express examination scheme. Further the scheme is also introduced for new class of inventors i.e. 'Start up' who are recognised as a start up by the Government of India. The India Patent law has provided express examination provision for Start up so that within short span of time Patent rights can be granted to new and useful inventions and more preferably bright inventors are able to come in the Indian Patent arena.

The official fee for filing expedited examination is also comparably high then the normal examination fee. The request for expedite examination is to be made in Form 18A and fees applicable for natural person(s) and/or Start up is INR 8,000, for small entity is INR 25,000, and for others is INR 60,000. The IPO has also introduced new provision for those Applicants who have previously filed normal examination request and now wants to prosecute under expedite examination procedure. Fees applicable for Converting an earlier filed request for examination (non-expedited) into expedited examination is INR 4,000 for natural person(s) and /or Start up, INR 15,000 for small entity and INR 40,000 for others. This conversion can also be done through Form

18A. It is worth noting that Form 18A can only be filed through electronic mode and not by physical mode. The provision of introducing the expedite examination in the Patents amendment rules, 2016 is a good step by the IPO. Such step is heartedly welcome by the IPR industry not only in India but also around the world. Since, from the launch of the express examination provisions, large number of request has been filed till date by the start-up as well as by the foreign entities, the IPO has put limit on the number of expedite examination to 1000 request per year.

More and more such steps should be introduced in the Indian Patent law so that inventors may feel best protected for Patents in India. Also, we expect introduction of expedite examination procedure for other Applicants and application types such as PCT national phase filing, ordinary application etc.



NEWSBYTES

1. RESPONSE TO OFFICE ACTION(S) IN RESPECT OF INDIAN PATENT APPLICATIONS

Patent office brought to the notice of all the applicant(s) in respect of Indian Patent Applications, that in accordance with The Patent Rules, 2003 as amended by Patent (Amendment) Rules, 2016 the time to put the application in order for grant under Section 21 has been reduced from 12 months to 6 months with effect from 16 May 2016.

“The time for putting an application in order for grant under Section 21 of Patents Act, 1970 in cases where the first statement of objections has been issued by the Office on or after 16 May 2016, shall be 6 months from the date on which the said first statement of objections is issued to the applicant to comply with all the requirements imposed under the Act and Rules made there under in accordance with Rule 24B (5) of the Patents (Amendment) Rules, 2016”.

In view of the above all the objections/requirements as mentioned in Office Action(s) shall be complied within 6 months from the date of issue of First Examination Report (FER).

Further an extension of time for three months beyond the said six months duration can be requested from Controller of Patents to comply with objections by filing Form-4 with prescribed official fee before the expiration of six months timeline.

Relevant rule in this regard is mentioned below for ready reference as amended with Patent (Amendment) Rules, 2016.

Rule 24B (5) of Patent Rules, 2003: Examination of application

(5) The time for putting an application in order for grant under Section 21 shall be six months from the date on which the first statement of objections is issued to the applicant to comply with the requirements.

(6) The time for putting an application in order for grant under section 21 as prescribed under sub-rule (5) may be further extended for a period of three months on a request in Form-4 for extension of time along with

prescribed fee, made to the Controller before the expiry of the period specified under sub-rule (5).

It is pertinent to mention that the time for putting the applications in order for grant under Section 21 of the Act in cases where the first statement of objections has been issued by the Office before 16 May 2016, shall remain 12 months from the date on which the said first statement of objections is issued to comply with all the requirements imposed under the Act and Rules made there under in accordance with the earlier provisions

2. INDIA AND BRITAIN SIGN MOUS ON INTELLECTUAL PROPERTY RIGHTS

On Monday, 07th December, 2016, INDIA and Britain signed memoranda of understanding (MoUs) on intellectual property rights (IPR). This MoU will help both the countries in establishing a wide network of IPR.

It envisages establishing a mechanism for furthering cooperation between the intellectual property offices of India and Britain in the field of intellectual property and related information technology services. It further includes exchange of best practices, experience and knowledge of intellectual property awareness among the public, businesses, industry, research and development organizations and educational institutions, as well as on processes for disposal of applications for patents, trademarks, industrial designs and geographical indications.

3. AUTOMATION OF REGISTRATION CERTIFICATE OF TRADEMARK

Taking a step further towards Digitization, the Indian Trademark Office on 28/07/2016 issued a public notice, facilitating automation and digital generation of trademark registration certificate for the trademark applications having fulfilled certain guidelines. Being effective from 1st August, 2016 the trademark application meeting the following criteria shall be eligible for automatic generation of trademark certificate:

- Trademark Application published in the Trade Marks Journal Number 1720 dated 23.11.2015



and thereafter,

- No request for amendment on behalf of applicant is pending for disposal,
- The copy of original trademark application being available in the Trademark Registry's database,
- The application being completely compliant without having any pending requirement for submission of fee, Power of Attorney, or other relevant necessary documents. And,
- The applications which have not been specifically prohibited or barred by any court, IPAB or any competent authority for registration.

This move is further seen to be one with the changing and evolving needs of time. It is also pertinent to mention that the generated trademark registration certificate shall be transmitted to the registered email address of the applicant/agent and further shall also be available on the official website (www.ipindia.nic.in). Moving further to facilitate the process the applicant/agent have been asked to register the correct details of communication and email address for a further smooth flow of operations.

4. GUIDELINES FOR STARTUPS-SIPP SCHEME

The Indian Patent Office (IPO) has issued guidelines for startups to file patent, trademark and design application under Start-Ups Intellectual Property Protection (SIPP). This move is aimed at increasing awareness about IP rights and their exploitation by the upcoming businesses and also to encourage innovation and creativity amongst them. It provides the procedure to be adopted for filing/processing their applications for patents, designs, trademarks and fees to be paid to the facilitators thereof.

PATENT APPLICATION

As per the new guidelines, a startup willing to file patent application can directly contact any of the facilitators available on the official website of Indian Patent Office for preparing the patent application. In case the startup is unable to select a facilitator, the head of the respective patent office as per jurisdiction shall provide names of 3 facilitators to choose from. The facilitator shall draft the patent specification in consultation with the start up subject to the

patentability of the invention and the provisions of the Patent Act and Rules. The facilitator shall then file a complete patent specification at the appropriate office.

FEE

The SSIP scheme provided that the facilitator shall not charge anything from the startups or entrepreneurs. The facilitators shall be paid the fees directly by the Central government through the office of the controller. However, the fee for filing patent application and other statutory fees shall be borne by the Startups themselves.

The facilitator shall submit the claim of fees as per the fee schedule given in SIPP scheme once the patent application is received by the patent office. The invoice shall be submitted along with a letter addressed to the Head of Office of the respective Patent Office, giving details of claimed fees for drafting of application and ID proof of the Registered Patent Agent. The Head of office shall arrange for the payment of the fee to the facilitator after verification of the facilitator and suitability of payment and intimate to the controller the details of the application and payment made to facilitator.

FURTHER PROCEDURES

The facilitator shall also perform the following steps in furtherance of the patent application:

- Prepare reply to any query from patent office;
- Attend the hearings as fixed by the Patent Office with relation to the Patent Application.
- Find relevant documents in the patent office on time pursuant to hearing or otherwise as per Patent Act like Form 3, etc.

TRADEMARK AND DESIGN

Application for Design and Trademark registration shall be filed and processed in the same manner as that of patents. The list of facilitators for patents shall be applicable to design applications as well. A separate list of facilitators for trademarks is available on the website of Trademark Office for trademark applications.



5. 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.

6. 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.

7. 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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