

# IP & IT

## NEWS BULLETIN

Dear Reader,

It gives us immense pleasure to present the inaugural issue of the IP & IT News Bulletin covering Intellectual Property (IP) and Information Technology (IT) related issues.



IP and IT laws are emergent fields of law. In fact, we are witnessing an exciting stage when a transition from an industrial society to a knowledge society is taking place. This is an age of constantly innovative ideas and translating these ideas into the realm of practicality. The creations of the mind, the manifestation of innovative thoughts, etc. are regarded as intellectual property.

The enforcement and protection of IP has been posing enormous challenges. This is for the obvious reason that the law relating to IP is still evolving and constant changes are taking place. There exist many grey areas and also areas of confusion.

Realizing this, we at Vaish Associates, have decided to compile and share information relating to IP & IT Laws on a regular basis with an objective to update the clients, associates and co-professionals of legal developments in the field of Patents, Trade Marks, Copyright, Industrial Designs, Geographical Indications, Information Technology and Cyber laws.

We hope you will find the newsletter informative and useful.

Warm regards,

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**FOR PRIVATE CIRCULATION**

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Mr. Dalmia is a member of the Supreme Court and Delhi High Court Bar Associations. He has over 20-year's experience in Intellectual Property Rights (IPR), Information Technology and Cyber Laws. His experience encompasses not only registration of Trade Marks, Patents, Copyrights and Industrial Designs, but also the enforcement of IP laws in courts all over India. He is a Registered Patent Agent with the Government of India. He has been Additional Public Counsel of the Government of NCT of Delhi and handling legal matters concerning Union of India for about five years.

He has extensive trial court experience. He has also been actively involved in the anti-piracy police raids and criminal prosecution in the field of software, audio, video and copyright piracy. He has actively participated in conducting on-the-site raids. He is the Chief Editor of the online legal magazine [www.indianlegalguide.com](http://www.indianlegalguide.com) Mr. Dalmia also has qualifications in Web Technologies, Oracle *8i* DBA and Advanced Java.

### Trade Mark Journal

Indian Trade Mark Registry, has made available following journals to the Public:-

Journal	Date of Publication	Date of Availability
1341	01.04.2006	07.07.2006
1342	16.04.2006	19.07.2006
1343	01.05.2006	28.07.2006
1344	16.05.2006	09.08.2006
1345	01.06.2006	21.08.2006
1346	16.06.2006	01.09.2006
1347	01.07.2006	05.09.2006

It may be noted that Opposition can be filed on Form TM-5, against the Registration of Trade Mark published in the Trade Marks Journal, within three months of the Date of Availability to the public. An extension of one month can be taken for filing opposition on Form TM-44

### TRADE MARK

#### India recognizes well known Trade Marks

By Section 2 (zg) of the Trademark Act, 1999, India has recognized the principal of "Well Known Trademarks". A well known trademark is a trademark which enjoys transborder goodwill and reputation. It is not necessary that goods or services under a well known trademark should be available in India.

So, adopting a trademark in use anywhere else out of India is also liable to be protected in India, and the Registrar has the discretion to refuse the registration of any such trademark. The legislation now acknowledges the legal proposition held in *N.R. Dongre vs. Whirlpool 1996(5) SCC 714*.

#### 3D Designs as Trade Marks

India now acknowledges that 3D objects can be a Trade Mark. Under the new Trade Marks Act, 1999, Shape of Goods and packaging can be treated as a Trade Mark. The classic example would be the Design of the bottle of Coca Cola, Pepsi, Clinic Shampoo and so on. These bottles have acquired their own unique reputation and goodwill, and are recognized and associated by the public with their respective brands.

Labels and packings can also be treated as a Trade Mark. The classic example would be Colgate Tooth Paste, Glucon-D and Cadbury's Dairy Milk Chocolate.

#### Same, Similar & Deceptively Similar Trade Marks

The following Trade Marks have been treated as infringing Trade Marks by Indian Courts.

Prestige	Pre/stage
Zevit	Evit
Betnovate	Betavat
Sun	Bhaskar
Mayur	Peacock

Mayur	Mor
Suraj	Surya
Ibuflamar	Ibufluam
Colgate	Collegiate
Baralgan	Baragan
HBO	CBO
Diclomol	Dicmol
Nimulid	Remulide
Fevicol	Fixacol
Lakme	Likeme
Panzole	Penzyle

### **HAYWARDS 5000 vs. PRESTIGE 5000 & FOUR SQUARE 5000**

**(High Court of Bombay in Shaw Wallace vs. Mohan Rocky Spring Water Breweries Ltd.)**

#### ***Beer vs. Mineral Water***

***The Court in this case has given its decision in favour of the Plaintiff, against the use of the numerals 5000 by the Defendants with their trade marks Prestige & Four Square. It has been held that it can not be said that numeral 5000 is not an integral part of the Trade Mark HAYWARDS 5000***

### **GEOGRAPHICAL INDICATIONS**

#### **Scotch s. Scot**

In the case of Scotch Whisky Association & Others Vs. Golden Bottling Limited, 2006 ( 32) PTC 656 (DEL), Delhi High Court, taking cognizance of Scotch Whisky Order, 1990 and U.K. Scotch Whisky Act, 1988, has restrained the Defendants by way of an injunction from using the word Scotch or Scot with the Whisky like Red Scot, on the ground that the whisky by the defendant was not being manufactured as per the rules under the U.K. Act or imported from Scotland, and such use would amount to improper use of the Geographical Indications.

India, being a signatory to WTO-TRIPS Agreement, has passed the Geographical Indications of Goods (Registration and Protection) Act, 1999, and now recognizes Geographical Indications.

### **INFORMATION TECHNOLOGY, DATA PROTECTION AND COPYRIGHT**

In a recent case involving a law firm and its associates, 2006 (32) PTC 609 (Del.) - Delhi High Court invoked the Provisions of the Information Technology Act, 2000, Copyright Act, 1957, Evidence Act, 1872 and Advocates Act, 1961, against the misuse of the data base of clients and drafting's of a law firm, by its associates. It was held that the copyright in the Database as well as the Drafting's vest with the law firm and not with its Associates because of the existence of an "employer-employee" relationship. While granting interim injunction the court took in to account the principles of Balance of Convenience, Good Prima Facie Case and Irreparable Loss and Injury, which can not be compensated in terms of money.

### **INTELLECTUAL PROPERTY RIGHTS (IPR) Due Diligence & Audit**

#### **Need, Impact and Requirement**

In this era of mergers, acquisitions and reconstruction of corporate entities, the management, protection and preservation of Intellectual Property Rights related with Patents, Trade Marks, Copyrights and Industrial Designs have acquired enormous significance. In the above scenario the DUE DILIGENCE and AUDIT of intellectual property rights, before Merger and Acquisitions, acquire great significance, and particularly when there is merger and acquisition of companies, also resulting in transfer and realignment of Intellectual Property of these companies. IPR is a very valuable asset. It affects the valuation of the assets of the Merging Companies and the companies which are being acquired. Here arises the need of IPR Due Diligence and Audit.

In the process of IPR Due Diligence, it is imperative to find out the status of the Intellectual Property rights of the Company. It is suggested that at least following checklist should be kept in consideration, while doing IPR Due Diligence and Audit in the following areas of intellectual property rights.

### **Patent**

- Patent Applications , filed by the Company
- Patents Granted
- Due dates of Compliances during prosecution of the Patent Application
- Whether Proper Assignment of Patent Rights have taken Place or Not.
- Dates of Renewal of Existing Patents
- If Patent Cooperation Treaty (PCT) applications have been filed, what is the due date for entering the National Phase?

It must be remembered that for Patents, compliance of formalities during the time frame is essential, failing which the consequences may be drastic, resulting in loss of valuable Patent rights.

### **Trade Mark**

- Trade Marks Registered in favour of the Company
- Trade Mark Applications filed by the Company, their stage, status etc.
- Status of Assignments and Licenses in respect of the trade mark in favour of the company and by the company.
- Whether steps have been taken for the registration of Assignments with the Registrar of Trade Marks.
- The status regarding payment or receipt of royalties have to be also taken in to consideration
- It is also necessary to keep track of the renewals and issue of the Registration Certificates.
- It is also required to be seen that the use of the Symbol of **R** in a Circle is used legally or not.

It has been noticed that the Letter **R** in a Circle is being used indiscriminately without proper registration of the trade marks, thereby exposing the company to criminal prosecution, imprisonment and fine.

### **Copyright**

- Copyright Registrations with the company
  - Copyrights owned by the company
- There is a difference between Copyright Registrations and Copyright Owned.

- Facts regarding transfer of ownership of copyright to the company and the likely consequences.
- Assignment of Copyright
- Whether appropriate changes have been made in the Records of the Registrar of Copyright for Registration of Assignments and Transfer of ownership.
- Does Company possess the written permissions, Assignments and No Objection Certificates from the Authors and Artists?

It is necessary to ascertain, as the original owner of the Copyright is its author and artist, and further Assignment can only be carried by a written Instrument.

- The Period of Assignment/Transfer of Rights.

This also acquires significance, as under Sec. 19 of the Copyright Act, 1957, if specific period is not mentioned in the deed, the Assignment and transfer of rights is presumed to be for a period of 5 years only.

### **Industrial Designs**

- Registered Industrial Designs
- The factual position about the prior publication of the industrial designs
- Status of Renewals and due dates of renewals

### **Litigation**

- List of Oppositions & Rectifications filed by and against the company.
- List of CIVIL & CRIMINAL IPR Litigations by and against the company
- The Present Status of IPR Litigations
- Damages, if any involved
- The likely results and chances of these litigations, going in favour/against the company, and potential effect of these decisions on the intellectual property rights of the company
- In case of any adverse decision against the company in IPR matters, its impact on the IPR and assessment of damages in future
- IPR Litigations which have been decided/compromised and their impact.

These are some of major issues involved in Due Diligence and IPR Audit of companies, which are going ahead with the mergers and acquisitions.

**PATENT**

**Discovery of New Property**

**Not Patentable**

In the case of Wockhardt Limited vs. Wockhardt Towers, it has been held that mere discovery of a new form of a known substance which does not result in the enhancement of its known efficiency or that substance or the mere discovery of any new property or new use of a known substance or the mere use of a known process, machine or apparatus is not patentable unless such process results in a new product or employs at least one new reactant (Sec. 3(d) of the Patents (Amendment) Act, 2005).

**What is the term of a Patent**

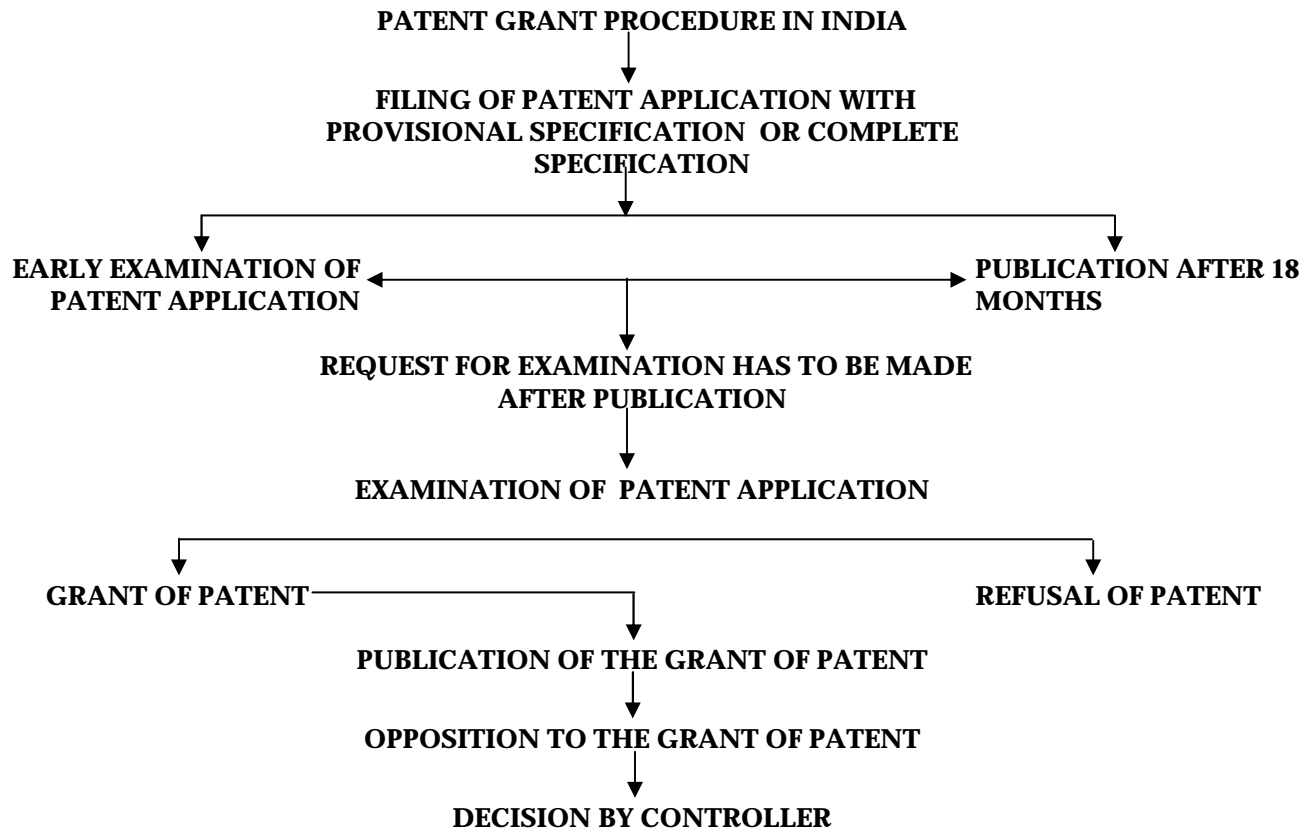
- Term of every patent will be 20 years from the date of filing of patent application irrespective of whether it is filed with provisional or complete specification, and the same is subject to renewal and payment of renewal fees.

Date of patent is the date on which the application for patent is filed.

**Don'ts for Patent**

- Ø Publish their invention before filing patent application.
- Ø Use of invention in public, or commercial use of invention in public or even in secrecy prior to filing patent application.
- Ø Wait until the invention is fully developed for commercial working before applying for patent.

**What is the procedure for grant of a Patent in INDIA**



**DISCLAIMER:**

While every care has been taken in the preparation of this News Bulletin to ensure its accuracy at the time of publication, Vaish Associates assumes no responsibility for any errors which despite all precautions, may be found herein. Neither this bulletin nor the information contained herein constitutes a contract or will form the basis of a contract. The material contained in this document does not constitute/substitute professional advice that maybe required before acting on any matter.

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