

Newsletter July 2013

Concept & Editing by: Dr. Niti Dewan

- [NO 'TOLERANCE' FOR MONSANTO'S APPLICATION](#)
- [INDIA ADOPTS THE MADRID SYSTEM FOR FILING TRADEMARKS FROM 8TH JULY, 2013](#)
- [A NOTE ON THE TRADE MARKS \(AMENDMENT\) ACT, 2010 & THE TRADE MARKS \(AMENDMENT\) RULES, 2013](#)
- [INTELLECTUAL PROPERTY APPELLATE TRIBUNAL SAYS IT HAS POWERS TO REVIEW ITS ORDERS](#)
- [CRITICISM OF 'ROOHAFZA' LEAVES FILM PRODUCER WITH A BITTER TASTE](#)
- [LEVER ON AN OILY WICKET](#)
- [DEFAMATION CRY AGAINST BLOGGERS](#)

No 'tolerance' for Monsanto's application

The Intellectual Property Appellate Board (IPAB) on 5th July 2013, dismissed Monsanto Technology's appeal regarding the invention titled, 'A method of producing a transgenic plant with increased heat tolerance, salt tolerance, or drug tolerance' thereby upholding the Controller's decision to refuse the patent application.

Monsanto Technology LLC ('Monsanto') filed an application for a patent (2407/DELNP/2006) in India on 1st May 2006, deriving priority from an application dated, 29th September 2003, with 29th September 2004 being the PCT application filing date. The subject matter of the application related to a method for producing a transgenic plant comprising the steps of inserting a recombinant DNA molecule into the genome of plant cells that would render the plant tolerant to extreme environmental conditions such as excessive heat, salt and draught.

As the application progressed to prosecution, the patentability of the invention was objected to by the examiner. The examiner contended that the subject matter of the invention lacked an inventive step in view of the prior art documents: Willimsky Gerald et al "Characterization of cspB, a Bacillus subtilis...low temperatures", Journal of Bacteriology (D1), WO199009447 (D2) and US 5470971 (D3). It was further observed that as the structure and function of the cold shock protein, an essential feature of Monsanto's invention, was known, its mere application in preparing a cold stress tolerant plant fell under the provisions of Section 2(1) (ja) and 3(d) of the Indian Patents Act, 1970. The examiner was of the opinion that the subject matter also fell under the reservations of Section 3(j) of the Indian Patents Act, 1970 as it claimed essential biological processes of regeneration and selection that included growing of a plant in specific stress conditions.

The subject matter of the application number 2407/DELNP/2006 was initially proposed to be guarded by a set of 20 claims that talked about a recombinant DNA molecule, a recombinant stress tolerant transgenic plant expressing a cold shock protein, a method of producing such a plant and a protein of said subject matter. The claims further included recombinant progeny, propagule, seed and the like. During prosecution, 3 more sets of claims were proposed, out of which the last one containing 5 claims spoke of a method for producing a transgenic plant comprising the steps of inserting an rDNA molecule encoding a cold shock protein into a plant cell, obtaining a transformed plant cell, regenerating plants and selecting plants with

increased heat, salt or draught tolerance. Monsanto gave up on some of the initial claims such as rDNA, plant cell, progeny, plant, crop plant, propagule, seed, transgenic plant, isolated protein and a field crop. Monsanto also submitted post-filing data that demonstrated an increased tolerance of the transgenic plants to heat and drought as compared to the non-transgenic controls. The IPAB, like the Controller, based its decision on the following key aspects:

Inventive step:

In response to the Controller's contention regarding the lack of inventive step, the IPAB held that D1 and D2 held enough proof to indicate that the claimed method would work for plants and that a person of ordinary skill would find a reasonable degree of predictability in the idea of incorporating cold shock genes in a plant. The IPAB also took regard of D3 which stated that, better tolerance is expected in the results after undergoing recombination treatment. Therefore, the post-filing findings submitted by Monsanto were not considered sufficient for preventing the application from getting refused. The IPAB, thus, stated that as the structure and function of cold shock protein was already known in cited prior art and its use in a plant would be obvious to a person skilled in the art, the claims do not define any invention under section 2(1)(ja) of the Patents Act, 1970.

Section 3(d):

Monsanto submitted that the subject matter of the invention of their patent application was not 'new use' of known substance, as the subject matter related to 'a method' for preparation (transgenic plants with heat, salt and draught tolerance) and 'a new product' (the transgenic plants). However, the IPAB with the help of the matter contained in D2, established that use of the proteins employed in Monsanto's invention is known for expressing cold shock proteins in E. coli, yeast cells and the like. Therefore, the use of the same proteins in plants qualifies under 'new use', even if it produces better results.

Section 3(j):

Claim 1 of Monsanto's invention encompasses a method for the preparation of transgenic plants with heat, salt and draught tolerance. The IPAB contended that this method required significant human intervention and therefore, refuted the Controller's objection of the subject matter falling under Section 3(j). However, the IPAB clarified that the involvement of significant human intervention would not make the subject matter patentable, as it lacks an inventive step.

Instead of going for patent protection, had Monsanto filed an application for registration under the Protection of Plant Varieties and Farmer's Rights Act (PPVFR) 2001, the probability of getting protection for their invention would have increased significantly. Under the PPVFR, various plant varieties, after scrutiny, are given protection for a time period which lasts for about 15-18 years, depending on the type of the plant. The rights offered by this Act allow the breeders to prevent any other person from selling, importing, exporting or producing the breeder's registered variety or a variety which is similar to such a registered variety thereby offering similar protection as the patent rights.

To conclude, varied legislations to protect different types of intellectual property are available to innovators today. Identifying the right legislation for protecting your IP is the key.

India Adopts the Madrid System for filing Trademarks from 8th July, 2013

The Trade Marks (Amendment) Rules 2013, with provisions relating to the international registration of trademarks under the Madrid Protocol, came into force in India from 8th July, 2013.

According to a statement from the Controller General of Trade Marks, any natural person or legal entity which as a real and effective industrial or commercial establishment in, or is domiciled in, or is a national of India and has got a registration of a trademark or an application pending for the registration of a trademark in India, may now make an online application for the international registration of the same under the Madrid Protocol.

For more information on the changes being implemented, read our next article which discusses the benefits of the Madrid Protocol.

A note on the Trade Marks (Amendment) Act, 2010 & the Trade Marks (Amendment) Rules, 2013

Trade Mark (Amendment) Act, 2010

The Trade Marks (Amendment) Bill was passed by the Parliament and assented to by the President on 21st September 2010. The Trade Marks (Amendment) Rules, 2013 have been made to give effect to the Trade Mark (Amendment) Act 2010. By notification dated 8th July 2013, the Trade Marks (Amendment) Act 2010 and the Trade Marks (Amendment) Rules, 2013 came in to force to enable India to accede to the Madrid Protocol. The Madrid Protocol is a simple, facilitative and cost effective system for registration of international trade marks. India's membership of the protocol has enabled Indian companies to register their trade marks in Member Countries of the Protocol through filing a single application in one language and by paying one-time fee in one currency.

Amendment of Section 11:

The explanation for clause (a) under section 11 is substituted as follows:

“(a) a registered trade mark or an application under section 18 bearing an earlier date of filing or an international registration referred to in Section 36E or convention application referred to in section 154 which has a date of application earlier than that of the trade mark in question, taking account, where appropriate, of the priorities claimed in respect of the trade marks;”

One of the major changes brought about by the amendments include Section 23(1) (b) wherein the registration process for a mark is to be completed in a time bound manner “within eighteen months of the filing of the application”. This change will challenge every aspect of the registration process within the Trademark Office in India, forcing deadlines at every stage of the registration procedure laid out under the Trademarks Act and supplemented by the Trademark Rules in India.

A four month period has been given by the new amendment in Section 21 & in Rule 47(1) of the Act and Rules for filing notice of opposition from the date of the advertisement or re-advertisement. The sub-Rule (6) of Rule 47 & Form TM-44 have been omitted.

Under the new amendments, the concept of textile goods and textile trade marks (consisting exclusively of numerals or letters) has come to an end by omitting Chapter X of the principal Act & Part IV and Part VI of Chapter VII of the Trade Marks Rules, 2002 have also been omitted along with Form TM-22 and Form TM-45.

Another major amendment is the insertion of a new Chapter IVA in the principal Act and Chapter IIIA in the Rules in light of international applications and registrations under the Madrid Protocol which have following major elements:

- The Trade Marks Act, 1999 is applicable to the international applications and international registrations under the Madrid Protocol (S.36A).
- A new interpretation/definition clause has been inserted in accordance with the Madrid Protocol (S.36B read with Rule 67A).
- Applicant or registered proprietor of trademark under section 18 or under section 23 ('basic application' or 'basic registration') of the Act may make an international application in Form MM2(E) along with prescribed fees in Swiss francs. The Registrar shall certify & forward it to the International Bureau within two months from the date of receipt of the said application & for this, a fee of INR 2000 is payable to the Registrar towards handling charges (S. 36D read with Rule 67E & 67F).
- A separate record for international registration where India has been designated shall be kept by the Registrar called the 'Record of Particulars of International Registration (S. 36E read with Rule 67G).
- For a period of five years from the date of an international registration, if the initial basic national application/registration ceases to have effect, through a withdrawal, refusal, cancellation following a decision of the Office of origin, or Court, or voluntary cancellation, or non-renewal, the international registration will no longer be protected. After the expiry of a period of five years from the date of international registration, the registration becomes independent of the basic registration or basic application (S.36D & S.36E).
- Provided that, where an appeal is made against the decision of registration and an action requesting withdrawal of application or an opposition to the application has been initiated before the expiry of the period of five years of an international registration, any final decision resulting in withdrawal, cancellation, expiration

or refusal shall be deemed to have taken place before the expiry of five years of the international registration. (Provision of Sub-section 5 of Section 36D).

- The Registrar shall examine the application within 2 months where India has been designated. If grounds for objection are found during the examination by the Registrar, or if an opposition is filed, the Registrar can declare a provisional refusal (within 18 months of receipt of the application's notification from the International Bureau for India) for protection of the mark in that member country (S.36E read with Rule 67H).
- When the protection of an international registration has not been opposed and the time for notice of opposition has expired, the Registrar shall within a period of eighteen months of the receipt of advice under sub-section (1) notify the International Bureau its acceptance of extension of protection of the trade mark under such international registration and, in case the Registrar fails to notify the International Bureau, it shall be deemed that the protection has been extended to the trade mark (S.36E).
- The international registration of a trade mark at the International Bureau shall be for a period of ten years and may be renewed for a period of ten years from the expiry of the preceding period and subject to payment of a surcharge prescribed by the rules, a grace period of six months shall be allowed for renewal of the international registration (s. 36G).

Intellectual Property Appellate Tribunal says it has Powers to Review its Orders

On 8th July 2013, a larger bench of the Intellectual Property Appellate Board (IPAB) issued orders that the IPAB has the power to review its own orders on merit. The review can be taken up in certain conditions and it also has the power to grant interim orders pending final application.

The orders passed by the IPAB are final and there was no appeal and considering various rules and regulations, the remedy of review must exist, it said.

The subject matter of the debate here is the difference between an appeal and a review. The question of law being, when a right to appeal does not exist against a judicial body's order, does it mean that there is no power vested within that body to review its own order? The IPAB thought otherwise.

The IPAB held that "if the IPAB were to hold that it has no power to review its own order, then rule 23 of the IPAB Rules will become meaningless. It was submitted that not only did the statute not prohibit Review, but the rules specifically provided for it." Hence it must be understood that the IPAB has the power to review.

From this it can be understood that when there is no right to appeal, the power of review must be implied. There is no statutory recognition of a review, but when section 92 of the Trade Marks Act is read together with Rule 23, it is implied that the IPAB has an inherent power to review.

The order of the tribunal stated, "In fact, an error apparent may be rectified earlier in a review petition while it may take longer if the matter goes to the High Court. Therefore even if we consider the object for which the IPAB was established, the power of review must be recognized."

Referring to some earlier decisions the Court reiterated the importance of review petition and added that the power of review cannot be limited to errors of procedure alone and needs to be extended to substantive review.

Criticism of ‘RoohAfza’ leaves film producer with a bitter taste

RKD laid the trail for suits against disparagement of trademarks in films, when we successfully represented Godrej Sara Lee Ltd, getting a permanent injunction and damages worth INR 500,000 against Super Good Films, who had shown Godrej Sara Lee's insect repellent "Hit" in a bad light in one of their films.

An order was recently passed by the Delhi High Court restraining the producers of the Bollywood movie 'Yeh Jawaani hai Dewaani' from releasing the movie on home video. The suit was filed by Hamdard National Foundation which manufactures a beverage under the trademark 'ROOHAFZA' and holds registration for the same in respect of syrups included in Class 32. It was alleged by Hamdard that defamatory references to their popular product 'RoohAfza' were made in the movie and as a result Hamdard filed the suit for infringement of trademark, passing off, commercial disparagement and tarnishment of goodwill and damages.

In order to provide a better understanding of the case, the allegedly offending dialogues in the movie are reproduced as under:

- a. Son: "Yeh RoohAfza bahut bekaar hai!" (This RoohAfza is very bad)
- b. Mother: "Sab theek ho jayega" (Every thing will be okay)
- c. Son: "Siwaye is RoohAfzake...bahut bura hai" (Other than this roohafza...Its very bad)

The Hon'ble High Court said, "A reading of Section 2(2) and 29(9) of the Trademarks Act, 1999 would make it abundantly clear that infringement is said to occur not merely by the visual representation of the product in the bad light. The infringement of the trade mark may also be caused by way of spoken use of the words and visual representation of the same words. Prima facie case is made out by the plaintiffs for infringement of trade mark and also of passing off which may injure the reputation of the plaintiffs before the public."

Similar instances were reported when UK based Murphy Radio sued UTV for depicting their mark 'Murphy' in poor light in a recent production. In 2010, Zandu Balm sued a prominent production house for use of their trade name in a song without prior consent. It must be pointed out that use of mark by the alleged infringer should be in the course of trade in order to come under the ambit of the above stated provisions under Section 29(4) of the Trademarks Act.

HT Media had also recently filed a suit against Sony Entertainment, Balaji, etc. with respect to a particular episode of a popular soap wherein it suggested that the newspaper was into publishing false and defamatory news. Also Bata India Ltd had filed a suit against AM Turaz, Prakash Jha & Ors with respect to use of their trademark "Bata" in the song "Mehangai" of the Bollywood film Chakravyuh.

Referring to some earlier decisions the Court reiterated the importance of review petition and added that the power of review cannot be limited to errors of procedure alone and needs to be extended to substantive review.

Lever on an Oily Wicket

Inconsistency in the arguments put forth by patent applicants and their attorneys and the subsequent prejudice to their intellectual property (IP) portfolio, is not a new occurrence in the IP sector. A recent decision on a patent application of a pharmaceutical giant has led to the resurfacing of this unfortunate issue that has urged people, time and again, to practice by the maxim, 'Don't raise your voice, improve your argument'.

Hindustan Unilever Ltd. (HUL), on June 14, 2007, filed a PCT National Phase Application (898/MUMNP/2007) for a hair-care product, that claimed enhanced sensory properties such as appearance and feel and enhanced compatibility with hair benefit agents or conditioning agents. The product, a water-in-oil microemulsion, claimed to comprise an oil phase (a first oily component and a second oily component) and an aqueous phase (water, a nonionic emulsifier and a hair conditioning agent).

The first oily component of the product was a glyceride fatty ester having a vegetable oil source and it was present in an amount ranging between 20% and 80% of the total weight of the microemulsion. The second oily component, on the other hand, was a light mineral oil and was present in an amount ranging between 20% and 80% of the total weight of the microemulsion. The water content of the microemulsion was claimed to be ranging between 4 % and 6% (less than 10%) of the total weight of the microemulsion. Further, the nonionic emulsifier was an ethoxylated alcohol with the HLB value ranging between 7 and 9 and the hair-conditioning agent was a cationic polymer, a quaternary ammonium cationic surfactant. The specification also claimed a 'method of treatment' that involved use of the afore-stated product for a pre-hair wash or for a post-hair wash treatment.

During examination, the inventive-step and the patentability of the patent, amongst other grounds were objected to. Documents D1 (US 5298240) and D2 (WO/2001/045651) were cited as the most relevant. The citing of the same documents in the International Search Report was also acknowledged. In response to the report, HUL deleted the 'method of treatment claim', and presented a new set of amended claims, persisting however with the claim that the invention did involve an inventive step - the type of the nonionic emulsifier. A hearing took place but the Controller maintained that the invention lacked inventive step based on the combined teachings of two prior art documents and refused to grant a patent to HUL under Section 15 of the Indian Patents Act, 1970 (as amended in 2005).

Aggrieved, HUL approached the Intellectual Property Appellate Board (IPAB) in an appeal challenging the decision of the Controller, wherein HUL contended that a further set of amended claims was submitted in the hearing that was not taken into consideration. In the appeal, HUL took an additional defense that the water content of the formulation (less than 10% of the total weight of the microemulsion) was the actual inventive step of the invention as no other prior art document spoke of decreasing the water content in order to increase the aesthetic appeal of the product. Ironically, in the response to the examination report, HUL had pointed out the type of the nonionic emulsifier to be the inventive step, as has been mentioned previously.

To make matters worse, in the appeal, HUL went even further to state that the absence of cationic surfactants, along with the characteristic water content, were the inventive steps. The former contention was quite contrary to the matter claimed in the complete specification that HUL themselves were so aggressively defending. Claim 12 clearly stated that the hair conditioning agent in the hair-care product was a cationic surfactant.

The three major arguments made by HUL to buttress the inventive step were predictably not accepted. The first argument stating that the type of the nonionic emulsifier was the inventive step, was repudiated by stating that the prior art document D1 taught the use of the nonionic surfactant. The next one stating that the specific water content was the inventive step was also held to be anticipated, as one of the examples of the prior art document D1 involved a product having less than 10 % water content. The next argument put forth by HUL was the absence of a cationic surfactant in the product. The Board found that there was enough evidence in the claims of the concerned specification to show that this contention was incorrect.

The progression of events in the concerned matter not only speaks of inconsistent arguments but also of technical inaccuracy. If certain claims of a specification clearly state that the cationic surfactants are essentially present in the product, there was no basis for an applicant to propose that the absence of cationic surfactants constituted an inventive step.

Predictably, the IPAB in an order dated June 10, 2013, upheld the Controller's decision to refuse HUL's patent application no. 898/MUMNP/2007.

Defamation Cry Against Bloggers

Blogging, which first took off in the latter half of the 1990s, has since been used as a unique platform for people to share their thoughts, feelings, experiences and opinions.

Many blogs provide commentaries on several subjects and allow readers to comment and engage. They represent the fundamental right to freedom of speech and expression. Blogs are a medium of educating the masses. Articles by bloggers can be very informative and explain various subjects in layman's terms.

In the past couple of years there has been a spate of suits of defamation against bloggers. These suits have been instituted by the companies or institutions against whom views have been expressed by bloggers.



A suit for defamation has been filed against Shamnad Basheer, founder of SpicyIP, a blog pertaining to Indian Intellectual Property law and policy. Mr. Basheer is an IP academic and consultant. The suit was instituted by NATCO Pharmaceuticals for publishing allegedly libelous articles on the blog against NATCO. The case is still going on and no decision has yet been given. The article in question covers alleged patent infringement by NATCO, and the author, Shamnad Basheer, had published his views regarding the infringement.

Another blogger has been slapped with a defamation suit by the Times Publishing House Ltd. for publishing an article regarding an ongoing litigation. Ms. Lath's (the blogger in question) post had referenced and summarized a number of articles which appeared in the Mint about the dispute.

The parties who are alleging defamation are all big names in their respective fields. The articles that have been published in both these cases, have opined on the respective parties' on going matters, that the parties may not have wanted the public to know. The question before the courts is whether entertaining such suits amounts to contravention of Article 19 (1) of the Indian Constitution "the fundamental right to freedom of speech..."