

Newsletter July 2014

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Alice v. CLS Bank- Another blow for Software Patents

On Thursday, June 19, 2014, the United States Supreme Court passed a unanimous judgement upholding a Federal Circuit Court's decision to strike down claims by Alice Corp in the much talked about case of Alice v. CLS Bank. The United States Supreme Court declared that the claims made by Alice in its patents were too abstract to enforce and therefore invalid.

Relying on a few earlier judgements, the Court stated that simply using a computer to perform a known algorithm does not make an abstract idea patentable. However, the Court did acknowledge that a very broad view of patent ineligibility would defeat the purpose of the patent law and would render most inventions ineligible for patent protection; however the Alice claims were still too abstract to be enforced. In its judgement, the Supreme Court stated:

"We tread carefully in construing this exclusionary principle lest it swallow all of patent law. At some level, all inventions . . . embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas. Thus, an invention is not rendered ineligible for patent simply because it involves an abstract concept."

No television without subscription - American Broadcasting Companies, Inc. v. Aereo, Inc.

The U.S Supreme court on 25th June 2014 passed a judgment that reversed the second circuit decision in a 6-3 ruling in the Copyright infringement case of ABC vs. AEREO.

The Company AEREO, that was founded in 2012 by Chaitanya 'Chet' Kanojia, produced a small antenna based device that allowed users to watch live and time-shifted stream of over the air television on internet connected devices such as laptops, iPads, and Android phones .etc.

This case was first heard by the U.S Federal Court wherein the petitioners 'American Broadcasting., Inc (ABC)' stated that AEREO was guilty of infringing their copyright and for publicly performing their works without authorization. The Federal court however opined that AEREO did not infringe the petitioners' copyright and denied their claim for a preliminary injunction.

As the case was brought to the Supreme Court, it was argued by AEREO that the transmission provided by it was private and not public in nature and was completely new as only one subscriber could access and see the shows of his choice which he could select from the menu list that AEREO would provide. The Supreme Court however held that AEREO had infringed the copyright in the Broadcasters' content and that AEREO was operating illegally since it hadn't paid the so called 'retransmission fees' to the Broadcasters, which is a must for cable and satellite companies. As a result the Supreme Court ruled in favour of the Broadcasters and returned the case back to the lower court for re-hearing.

In a public notice put up by Chet Kanojia on the AEREO website it informed its subscribers that AEREO would be going on a momentary pause from its activities but not on a shut-down, to merely contemplate on its further course of action.

Tesla Motors' Patent Generosity

Tesla Motors and CEO Elon Musk announced an opening of all their electric car patents to the general public for use in good faith. This initiative, Musk claims, was made to stem climate change as it was impossible for Tesla Motors to build electric cars fast enough to address the looming carbon crisis.

Addressing the issue of competition from large manufacturers, Musk further stated, "Our true competition is not the small trickle of non-Tesla electric cars being produced, but rather the enormous flood of gasoline cars pouring out of the world's factories every day."

Patent pledges are gaining popularity as part of the open source movement and Tesla has taken one more step towards this, following in the footsteps of Google and Twitter. Patent pledges rely on the doctrines of implied license and Estoppel and the alleged infringer, if any must show that they had knowledge of the same. However no litigation regarding pledges has been recorded till date.

With regard to the question of claiming their IP rights Musk stated that, "Tesla Motors was created to accelerate the advent of sustainable transport. If we clear a path to the creation of compelling electric vehicles, but then lay intellectual property landmines behind us to inhibit others, we are acting in a manner contrary to that goal."

Toeing the line between asserting IP rights and forwarding the open source movement is gaining strength in many sectors, primarily ICT and will play a decisive role in the future of IPR, as Tesla's initiative has shown.

John Doe takes the FIFA 2014 Broadcasting Rights Cup!

The Delhi High Court vide its order dated 23.06.2014 in *Multi Screen Media Pvt Ltd versus Sunit Singh and Ors.*, granted an *ex-parte* injunction to Multi-Screen Media Pvt. Ltd. (“**MSM**”) against 219 websites which were either infringing or were likely to infringe its exclusive broadcasting rights in the FIFA World Cup 2014.

Pursuant to a Licensing Agreement dated 14.01.2014 with FIFA, MSM Satellite (Singapore) won the broadcasting rights in Television, Radio, Mobile Transmission and Broadband Internet Transmission. In India, this set of exclusive rights is protected under Section 37 of the Copyright Act, 1957; the infringement of which will entitle the broadcaster to bring a civil action against the pirates. The Learned Counsel for the Plaintiff produced a list of more than 400 websites and argued that each of these websites illegally broadcast, rebroadcast, retransmit, host, stream, exhibit, make available for viewing and download, provide access to and communicate to the public, the broadcast of the 2014 FIFA World Cup Matches and are thereby causing major financial loss to the Plaintiff who had invested a huge amount to secure the aforementioned rights.

The Learned Counsel for the Plaintiff argued that it was nearly impossible to identify, locate, or gather all the relevant details of all the Defendants and that a John Doe injunction against all the listed website (and its owners) was urgently required to stop them from further damaging the Plaintiff's broadcasting and other allied rights. Accepting the Plaintiff's arguments, Hon'ble Justice V. Kameswar Rao passed an order against 219 Defendants restraining them from in any manner “*hosting, streaming, broadcasting, rebroadcasting, retransmitting, exhibiting, making available for viewing and downloading, providing access to and / or communicating to the public, displaying, uploading, modifying, publishing, updating and/or sharing through the internet*” in any manner whatsoever, the broadcast of the 2014 FIFA World Cup Matches and the content related thereto, amounting to unfair competition and commercial misappropriation of the Plaintiff's rights.

Depositing of Biological Material included in Indian Patent Applications

The Indian Patent Act has strict rules relating to inventions pertaining to biological material which is not available to the public. Section 10 requires a complete description of such biological material along with details of any process using such material.

The Controller General has issued a notification in this regard that can be accessed here ([HTTP://WWW.IPINDIA.NIC.IN/IPONEW/PUBLICNOTICE_02JULY2014.PDF](http://www.ipindia.nic.in/IPONEW/PUBLICNOTICE_02JULY2014.PDF))

Therefore in respect of patent applications which include biological material, it is important to ensure that the information should be provided in the specification itself at the time of filing or within three months from the date of filing. National Phase PCT Applications entering into India generally do not have this information and therefore applicants are well advised to include this information if not originally provided in the PCT application within three months of the filing of the application in India. This information can be included along with a request for amending the specification to include this additional matter.

IPO to upgrade to Email communication

The Indian Patent Office (IPO), via a public notice dated 10/01/2014 said that the IPO would soon discontinue the use of paper mail system of communication with applicants and agents alike and replace it with e-mails in order to bring in an effective means of communication to ensure transparency in the public delivery system. It is also expected that this form of electronic communication would even be extended to SMS's in due course of time. As a result the IPO has advised stakeholders/applicants to register their official mobile numbers as well as their e-mail addresses with the patent office.

In addition to this welcomed move by the IPO, it was also informed that in order to authenticate document delivery status by the IPO to the stakeholders, the system of QR (Quick Response) Code would be introduced which would allow the Agent/Applicant to verify the receipt. This form of system would be printed on the **AFRs (Application Filing Receipt)** which would be issued by the office of the Controller General.

IPO's initiative for distribution of workload

The Indian Patent Office is unique in that it has four autonomous branches at Mumbai, Delhi, Kolkata and Chennai and patent applications are filed, prosecuted and adjudicated at each of these offices until grant. The Delhi office receives the maximum number of patent applications and inevitably examination and prosecution is significantly slower at the Delhi branch. The Patent Office has gone on record to declare that the pending examination of applications is at least behind by an year in the Delhi branch as compared to the other branches. To remedy this, the Indian Patent and Trademark Office (IPO) has initiated a pilot project for the optimum distribution of workload among all branches without transferring the physical copies of the relevant documents. The IPO proposed to facilitate this through wireless connectivity at a national scale to increase the speed and efficiency in disposal of administrative tasks.

Pursuant to this effort, The Patents Rules, 2003 were amended by way of Patents (Amendment) Rules, 2013 whereby a sub-rule (3) was inserted in Rule 4 as follows:

“(3) Notwithstanding anything contained in sub-rule (2), the Controller may transfer an application for patent so filed, to head office or, as the case may be, branch office of the Patent Office.”

After being submitted to the Patent Office, the FERs will bear a note that the reply is required to be submitted at the Patent Office, Delhi. A No Objection Certificate (NOC) will be submitted by the concerned agent / applicant to the effect that he has no objection to attending the hearing in person at the new location, if the need for such a hearing arises. If not so desired, this office will make available the facility of video conferencing to the agent / applicant at the original location, i.e. Patent Office, Delhi, whereby the applicant will communicate with the Controller at the new location through video conferencing.

The said IPO notification, which can be found [HERE](#), further lays down a concrete procedure with regard to the proposed practice. It provides an outline wherein most of the proceedings, pleadings submission of relevant documents will be carried out within the prescribed time at the Delhi Office. A pre-grant opposition and any further related documents shall also be filed at Delhi.

During the course of proceedings, if a hearing is offered, care will be taken to ensure that the applicant as well as the opponent(s) is at the same location i.e. in case of hearing in person, all the parties shall be present in person at the new location.

Emcure successfully protects its trademark “OBECURE” from infringement

In a recent case decided by the District Court, Pune, the Hon'ble Court decreed the suit and passed an order permanently restraining Medico Labs, Ahmedabad (**“the Defendant”**) from infringing Emcure Pharmaceuticals Private Limited's (**“the Plaintiff”**) registered trademark “OBECURE”. In addition to granting such permanent relief, the Hon'ble Court awarded the Plaintiff with (i) account of profits illegally earned by the Defendant and (ii) costs towards the litigation.

The Plaintiff, represented by RKD, is a fast growing Indian pharmaceutical company that coined and obtained registration in respect of the trademark “OBECURE” for an anti-obesity product.

On coming across the Defendant's product(s) bearing a mark identical to that of the Plaintiff's aforementioned trademark in 2008, the Plaintiff filed a suit for infringement against the Defendant. The Defendant put forth his contentions by way of a written statement.

By its decision the Hon'ble Court addressed the serious issue of infringement of trademarks when used in relation to drugs, pharmaceutical and medicinal products and which could easily result in the unsuspecting and innocent members of the public suffering serious and fatal consequences as a result of unauthorized and dishonest adoption and use of trademarks of renowned pharmaceutical companies.