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AMBUSH MARKETING: NEED FOR LEGISLATION IN INDIA

By Shrabani Rout

Introduction

Ambush Marketing is a type of marketing where one brand pays to become an official sponsor of an event and another brand, which is usually a competing brand, tries to associate itself with the same event, without paying the colossal sponsorship fees. The aim of the ambusher is to delude the customer into believing that it has an official association with the said event. Ambush marketers do not use the trademarks of third parties but rather creatively allude to an event and use their own trademarks to suggest a connection or affiliation with that event.

Ambush marketing is more prominent at sports events. A campaign by a brand at one of the big sporting leagues can get the most out of on an international crowd attending the event and the associated television audience as well. This acts as a cost effective, one stop advertising strategy for companies aiming to advertise the brand in different countries. The brands also aim at undermining the branding efforts of competing brands by stealing the attention, increasing the chaos, and confusing the viewers.¹

Ambush Marketing is rightly called parasitic marketing because the competing brand tries to live off the Official Sponsor brand's goodwill and reputation by deluding the public into thinking that there is an association between the two.

¹ Teresa Scassa, *Ambush Marketing and the Right of Association: Clamping Down on References to That Big*

Reasons for Ambush Marketing

Ambush marketing exists due to various reasons. Firstly, the sporting events only occur for a short period. When an event only lasts for 2 to 3 days, it becomes difficult for the event organisers to exercise their legal options to prohibit such activity. Secondly, the existing laws for ambush marketing are quite generic in nature and since the judicial process requires a lot of effort and is time consuming, few companies file suits against ambush marketers. Thirdly, companies are finding ways to immunise themselves against potential law suits in the future by putting up disclaimers saying that they are not the official sponsors of the event. Fourthly, there is a scarcity of case laws regarding ambush marketing and a Court's decision in favour of the ambushing company can set a precedent that could be used by every other ambushing company and hence the brands are hesitant to file lawsuits.

Some examples of ambush marketing are vague and generic advertising related to the event, flying airborne banners over the event location, advertising on billboards that are situated near the event, handing out t-shirts, caps, or other merchandise for free near the event, sponsoring individual players so that they wear the brand's name or logo during the event, or running advertisements after an event congratulating the individuals or the team.

Ambush Marketing strategies

To understand how ambush marketing works and how it comes under the purview of IP law, we need to look into the kinds of ambush marketing strategies adopted by companies.

Event With All the Athletes in a Couple of Years, Journal of Sports Management 2011,254

Broadly, ambush marketing can be characterised into 3 types:²

- **Direct Ambushing:**

When a brand intentionally wants to appear affiliated with an event for which it has no rights, directly attacking its rival and authorised brand, it is called direct ambush marketing. It is considered the most serious form of ambushing as it directly infringes upon the exclusive rights of usage of the aggrieved party. It may be through unauthorised use of symbols or other marketing elements by another/unauthorised company.

For example, Sprints Communication Co. resorted to direct ambush marketing during the 1994 FIFA Football World Cup by using the event's official logo without permission of either FIFA (Football governing body) or Master Card who were assigned the exclusive rights for using the world cup logo.³

- **Associative Ambushing:**

It means intentional use of such terms or imagery which portrays that the company has links to the event or property, without making any reference to the official sponsorship.

- **Incidental Ambushing:**

The efforts of a brand to gain mileage out of an event simply through heavy media spend during the event, without making any direct or indirect references to the event is incidental ambushing. It is just an attempt to distract

audiences from the event's official competitive sponsor, by bombarding them with their own ads.

Ambush Marketing vis-a-vis Intellectual Property Law:

A trademark under the Trademarks Act, 1999, serves two purposes. Firstly, it protects the goodwill garnered by a particular company. Secondly, it protects consumers from deception i.e. it prevents the consumers from purchasing spurious/counterfeit goods or services in the mistaken belief that they originate from or are provided by another trader.

Therefore, any unauthorized use of any kind of logo or symbol associated with any event, will be a case of trademark infringement.

One of the notable instances is the case of *Arsenal Football Club Plc vs. Matthew Reed*.⁴ In this case, Arsenal Football club was the registered proprietor of trademark for the word ARSENAL and the ARSENAL Cannon Device among other things. Matthew Reed was selling souvenirs and club merchandise bearing these registered trademarks without a license from the football club. The Club brought an action against Matthew Reed for trademark infringement and passing off. Arsenal lost on passing off (essentially because they had not submitted any evidence of confusion). Mr Reed's defence to the claim for trade mark infringement was that his use of the Arsenal Marks did not amount to "trade mark use" or use indicating trade origin but merely as badges of allegiance. The European Court of justice ruled in favour of Reed. Arsenal

² Ms.Charul Agrawal, Ms.Jyoti Byahatti, *Re-engineering of Indian economy-Opportunities and challenges*, Asia Pacific Journal of Research, Vol 3, October 2013

⁴ Case C-206/01 ECJ 12/11/2002

appealed and the Court of Appeal rightly rejected Reed's contentions and ruled in favour of Arsenal.

Copyright infringement is caused when there is a commercial use of rights, benefits and privileges without authorization, explicit attempt to associate with an event without having a license, use of words, symbols or pictorials confusingly and deceptively similar to the event etc.

Probably the only case law that has addressed the contours of ambush marketing will have to be *National Hockey League (NHL) et al v. Pepsi-Cola Ltd*⁵. In this case, the National Hockey Services League, the licensing arm of NHL had entered into a contract with Coca-Cola to be the official sponsor of the NHL in 1989. Coca Cola, therefore, obtained the rights to use NHL symbols for its promotional events in Canada and USA. Through this agreement, however, Coke did not obtain "any right to advertise during the broadcast, in Canada of any televised NHL games." The NHL, not the NHLs, controlled such television rights and it sold them to Molson Breweries of Canada Ltd. (Molson) in 1988 for a five-year period. Molson Breweries, in turn, sold them to Coca-Cola's main competitor Pepsi-Cola. After that, Pepsi launched a television advertising campaign, that without using the NHL symbols or logos, promoted a hockey related contest. In deciding the case, the court noted that although the advertising done by Pepsi is aggressive, it is not unlawful according to the laws of Canada. The court noted that the NHL was, to some extent, the author of its own misfortune since its sale of the broadcast rights did not protect its official sponsor. Thus, the court found that Pepsi was not in violation of

Coke's contract nor did its aggressive advertising campaign amount to the tort of passing-off under Canadian law or infringement on registered trademarks. However, this decision supports those seeking to ambush, because it widely opens the doors for ambushers as long as trademark and trade name infringement is not a part of the campaign.

The Indian Scenario

In India, there is almost no protection against indirect ambush marketing. In the case of *ICC Development International Ltd v Arvee Enterprises and Anr.*,⁶ ICC Development (International) Ltd had filed a suit for injunction pleading that the plaintiff company was formed by the members of International Cricket Council to own and control all its commercial rights including media, sponsorship and other intellectual property rights relating to the ICC events. ICCDIL was the organizer of ICC World Cup to be held in South Africa, Zimbabwe and Kenya from February 8, 2003 to March 23, 2003. The plaintiff had created a distinct 'logo' and a 'mascot' for the event. Owing to wide publicity of the said logo and mascot, members of the public associated the same exclusively with the mascot. It had filed applications for registration of its trade-mark in several countries. In India, it had filed applications for registration of words "ICC Cricket World Cup South Africa 2003" and logo and the mascot "Dazzler". It was pleaded that ICC events had acquired a "persona" or "identity" of their own. The official sponsors of the World Cup were : (i) Pepsi, (ii) Hero Honda, (iii) LG Electronics, (iv) South African Airways, (v) Hutch-Orange, (vi) Standard Bank-South Africa (vii) Toyota-

⁵ 92 DLR 4th 349

⁶ (2003) 26 PTC 245(DEL)

South Africa (viii) South African Breweries
(ix) MTN.

Arvee Enterprises was the authorised dealer for sale and service of electronic goods manufactured by the second defendant-Philips India Ltd. They were misrepresenting their association with the plaintiff and the World Cup, by advertisements in media, including newspapers, television, internet and magazines and by using said offending slogans with the intention to unlawfully derive commercial benefit of association with the plaintiff and the World Cup thereby, seeking to piggyback on the reputation of the plaintiff.

The Court rejected the application on the grounds that the logo of ICC had not been misused and hence there was no scope of any assumption amongst the purchasers of the defendants' goods that there was any connection between the defendants and the official sponsors of the events.

However, in the case of *ICC Development vs. EGSS*, injunction was granted against the misuse of the ICC logo by the defendants. The logo was held to be an artistic work under the Indian Copyright Act.

Hence, it becomes very clear that the current intellectual property regime is only partially suited to combat ambush marketing and therefore, there is a serious need for legislation in India.

Need for Legislation in India

Ambush marketing is a questionable and unethical marketing tactic used by companies who are unwilling to pay the colossal fees to

be the official sponsor of an event. Brand managers are willing to ambush market on the grounds that it is considered a modest way to draw attention to their products without having to make huge investments for the same. In the event that such advertisers are not kept in check, and allowed to proceed, it sets a bad precedent for other such companies. In the event that ambush marketing is allowed to happen, it demotivates other official sponsors to pay the colossal sponsorship fees. Therefore, ambush marketing cannot be simply seen as an opportunistic marketing technique. It needs to be perceived in law to empower aggrieved parties to bring about legal action against such companies who practice Ambush Marketing.⁷

At the outset, it can be seen from the aforementioned relationship to IPR that ambush marketing infringes trademark, copyright as well as design rights. Therefore, the aggrieved parties have to take recourse to some form of IPR to prove that there has been violation of some statutory provision. Some of the actions that can be brought against Ambush Marketers are:

a) **Passing off**- It is a non-statutory mechanism available to parties under the IP law. In order to have a legitimate claim of passing off, the aggrieved party would have to show that i) it has an established reputation or goodwill, ii) the third party has made a misrepresentation to the public by way of marketing leading the the public to believe that it is in some way connected to the even and, iii) the aggrieved party has suffered or is likely to suffer damage as a result of such misrepresentation.

⁷ Sudipta Bhattacharjee, *Ambush Marketing-Problem and Projected Solutions- Global perspective*, Journal of Intellectual Property Rights, Sept 2003

b) **Trademark infringement**- If the aggrieved has a registered trademark and that registered trademark or a similar mark is being used by an unauthorised sponsor, the aggrieved party can initiate trademark infringement proceedings under Section 29 of the Trademarks Act, 1999.

c) **Copyright infringement**- If the aggrieved party has a particular logo, symbol, tagline or quotation in connection with a specific event, the logo maybe sufficiently original to attract copyright. If there is any unauthorised replication of the logo, symbol, tagline or quotation, then the aggrieved party can initiate proceedings under Section 51 of the Indian Copyright Act, 1957.

In absence of legislation, it becomes difficult for Plaintiffs to file a suit against such ambush marketers. There is a strong need to establish a law on the same or in the very least amend the existing laws to incorporate Ambush Marketing as an offence.

However, in the absence of such legislations it is advisable for event organisers to curtail the practice of ambush marketing by drawing up private contracts between themselves and sponsors consisting of anti-ambush marketing clauses.

In the event that the Legislature begins to frame a law against Ambush Marketing, they can incorporate the following guidelines:

1. Restriction on the use of expressions closely associated with the event. For example, in the context of the ICC World Cup, following expressions should be restricted- a) ICC b) World Cup c) World Cup Games. These expressions would be protected and no one other than the official sponsor should be allowed to use the expression for commercial purposes. However, if the official sponsor has licensed out the same, the licensed user maybe permitted to do so in accordance with the terms and conditions of the license.

2. Bestowing of ownership of copyright and design of the event logo on the organisers.

3. No person in connection with the sponsored event shall make, publish or display any false or misleading statements, communications or advertisement which represents or implies a connection with the event and the person sponsoring the event.

FILE REQUEST FOR EXAMINATION IN A PATENT APPLICATION WITHIN STIPULATED TIME

By Shrimant Singh

The Hon'ble High Court of Delhi has yet again emphasized on adherence of prescribed timelines under the Patents Act and Rules.

In a recently reported order by the Hon'ble Mr. Justice Vibhu Bakhru of the Delhi High Court, it has been underlined that a request for examination in an application for patent shall be filed within the prescribed time limit of 48 months and there is no exception or extension of time available under the law. The case in reference is *Sphaera Pharma Pte. Ltd and Anr. Vs. Union of India & Anr.*, wherein Sphaera Pharma (hereinafter 'Petitioner') filed a writ petition to restore the Indian patent application No. 3584/DELNP/2015. The Petitioner had admittedly failed to file the request for examination (Form 18) within the prescribed period of 48 months from the earliest priority as per Rule 24 of the Patents Rules, 2003 (hereinafter 'Rules').

Facts of the case: The Petitioner filed Application no. 3114/DEL/2012 at the Indian Patent Office on October 05, 2012. Taking priority from the said application, a PCT International application was filed and thereafter a PCT national phase application in India was filed (Application No 3584/DELNP/2015). For the said application, as per Rule 24, the Petitioner was required to file a request for examination (RFE) within 48 months from the date of the priority (October 05, 2012), i.e. RFE should have been filed by October 05, 2016.

The Petitioner, upon missing the said due date, tried filing Form 30, however, he was unable

to upload the said Form 30 due to a technical error and the status of the said application reflected as "Application abandoned under Section 11B". Aggrieved by the same, the Petitioner filed a petition for review of said patent application, which has not been considered by the Patent Office and the same has led to the present writ petition.

Observations by the Court: The Court while relying on "*Section 11B. Request for examination -- (1) No application for a patent shall be examined unless the applicant or any other interested person makes a request in the prescribed manner for such examination within the prescribed period*", observed that it is apparent from the language of Section 11B(1) that the consideration of any application for examination beyond the prescribed period is not proscribed.

The said period within which the application has to be made is prescribed under Rule 24B of the Rules, which reads "*24B. Examination of application.--(1)(i) A request for examination under section 11B shall be made in Form 18 [within forty-eight months] from the date of priority of the application or from the date of filing of the application, whichever is earlier. ...*". Accordingly, it is clear that there is no scope for considering a request for examination beyond the prescribed period of 48 months from the date of application. Concededly, the petitioner's request was beyond this period.

The Court also refused the contention that a period of one month's extension shall be allowed under Rule 138 stating that "it is at once apparent that recourse to Rule 138 of the Rules is not available to extend the time prescribed under Rule 24B of the Rules. This

is clear from the plain language of Rule 138 of the Rules, which expressly excludes its application to Sub-rules (1), (5) and (6) of Rule 24B of the Rules.”

The Court has upheld its view taken in *Nippon Steel Corporation v. Union of India: 2011 (46) PTC 122 (Del)*, wherein the Court observed as under:

There is a logic to the time limits set out under the Act. The scheme of the Act and the Rules require time-bound steps to be taken by applicants for grant of patent at various stages. The provisions of the Act and the Rules have to expressly reflect the legislative intent to permit relaxation of time limits, absent which, such relaxation cannot be ‘read into’ the provisions by a High Court exercising powers under Article 226 of the Constitution.

In other words, it is not possible for this Court to accept the submission of the learned Senior Counsel for the Petitioner that the time-limits under Section 11-B(1) of the Act read with Rule 24-B of the Rules, notwithstanding Section 11- B (4) of the Act, are merely ‘directory’ and not mandatory. In fact, the wording of Section 11-B (4) of the Act underscores the mandatory nature of the time limit for filing an RFE in terms of Section 11-B (1) of the Act read with Rule 24-B of the Rules.

In view of the above, the Hon’ble Court dismissed the writ petition as being unmerited.

To conclude, the Indian Courts have time and again decided that the timelines and due dates prescribed under the Patents Act and the Patents Rules are mandatory, and the same shall be adhered to by the Applicants and/or Patentees in strict sense.

LICENSE OF RIGHTS IN PATENTS

By Suchi Rai

‘License of Rights’ seems a good option for Patentees, who are seeking to license their patents, but do not have resources and time for commercialization of Patents yet want to benefit from their Patents. Although other countries have provision for ‘License of Rights’ in Patents, India does not have this provision in Patent Law.

Introduction

License of Right Proposal means the patent proprietor can request for making an entry in the Register of Patents maintained by Patent Office that the Patent is available for license. Thereupon, interested parties can apply for getting license under the Patents of their interest which are endorsed with ‘License of Right’ in the Register of Patents. The Patentee gets benefit from Patent Office also, for registering his patents to be endorsed with the term ‘License of Right’, by getting 50% rebate on renewal fee for the term of the Patent.

There is no provision for the Registration of ‘License of Right Proposal’ in Indian Patents Act, 1970. Here, it would be worth mentioning that prior to Second Amendment [2002] in the Indian Patent Act, 1970, relevant provision was available under Section 86. But after the amendment in 2002 the provision has been deleted. The amended Patents Act, 1970 does not have provisions with respect to “Licenses of Rights”.

Provision in other countries:

Provision with regards to ‘License of Rights’ in Patents is available under the Patent Laws of England, Germany and Singapore.

⁸Section 46 of the UK Patent Act 1977, provides a patent proprietor with the option of having an entry made in the register that licenses are available as of right under a patent. By having a patent endorsed with ‘licenses of right’, a patent proprietor effectively offers any third party, the opportunity to have a license under the patent, on reasonable terms. If the terms of a license cannot be agreed between the parties, then the UK Patent Office will set the license terms. The patent owner, in return for registering his patent, gets some rebate in the renewal fees that he is supposed to pay. Section 47 of the Act, allows the proprietor to cancel the entry that licenses are available as of right, provided that the outstanding renewal fees are paid in full, as if the entry had never been made in the first place, and that there is no existing license under the patent. If licenses have been granted under the Patent, then a cancellation of the ‘licenses of right’ entry requires the consent of all licensees.

Indian Scenario:

License of right provision was abolished being non-compatible with TRIPS.

A ‘license of right provision had a place in the Patent Act of 1970.

The Patent Amendment Act 2002, abolished the provision with regards to Licenses of Rights, as it was found to be inconsistent with some of the provisions of TRIPS Agreement i.e. Article 31 (a) of TRIPS Agreement which lays down that use of Patent without

⁸ www.itssd.org

authorization of the patentee to be considered only on individual merit.

⁹The governmental power to supersede a patent to provide urgently required medicines to public under the 'License of Right' provision (Section 86 of the old Indian Patents Act 1970) was removed because it was considered to be non-compatible with TRIPS.

The Patent Act 1970, had relevant provisions, which now stand repealed:

¹⁰86. Endorsement of patent with the words 'Licenses of Rights'

(1) At any time after the expiration of three years from the date of the sealing of a patent, the Central Government may make an application to the Controller for an order that the patent may be endorsed with the words 'Licenses of right' on the ground that the reasonable requirements of the public with respect to the patented invention have not been satisfied or that the patented invention is not available to the public at a reasonable price.

(2) The Controller, if satisfied that the reasonable requirements of the public with respect to the patented invention have not been satisfied or that the patented invention is not available to the public at a reasonable price, may make an order that the patent be endorsed with the words 'Licenses of right'.

(3) Where a patent of addition is in force, any application made under this section for an endorsement, either of the original patent or of the patent of addition, shall be treated as an application for the endorsement of both patents, and where a patent of addition is granted in respect of a patent which is already

endorsed under this section, the patent of addition shall also be so endorsed.

(4) All endorsements of patents made under this section shall be entered in the register and published in the Official Gazette and in such other manner as the Controller thinks desirable for bringing the endorsement to the notice of manufacturers.

87. Certain patents demand to be endorsed with the words 'Licenses of Rights'

(1) Notwithstanding anything contained in this Act,

every patent in force at the commencement of this Act in respect of inventions relating to-

(i) substances used or capable of being used as food or as medicine or drug;

(ii) the methods or processes for the manufacture or production of any such substance as is referred to in sub-clause (i);

(iii) the methods or processes for the manufacture or production of chemical substances (including alloys, optical glass, semi-conductors and inter-metallic compounds),

shall be deemed to be endorsed with the words 'Licenses of right' from the commencement of this Act or from the expiration of three years from the date of sealing of the patent under the Indian Patents and Designs Act, 1911, whichever is later; and

(b) every patent granted after the commencement of this Act in respect of any such invention as is referred to in section 5 shall be deemed to be endorsed with the words

⁹ <http://www.idma-assn.org/patents/html>

¹⁰ <http://ipindia.nic.in/ipr/patent/patents.htm>

‘Licenses of right’ from the date of expiration of three years from the date of sealing of the patent.

(2) In respect of every patent which is deemed to be endorsed with the words ‘Licenses of right’ under this section, the provisions of section 88 shall apply.

88. Effect of endorsement of patent with the words is ‘Licenses of Rights’.

(1) Where a patent has been endorsed with the words ‘Licenses of right’, any person who is interested in working the patented invention in India may require the patentee to grant him a license for the purpose on such terms as may be mutually agreed upon, notwithstanding that he is already the holder of a license under the patent.

(2) If the parties are unable to agree on the terms of the license, either of them may apply in the prescribed manner to the Controller to settle the terms thereof.

(3) The Controller shall, after giving notice to the parties and hearing them and after making such inquiry as he may deem fit, decide the terms on which the license shall be granted by the patentee.

(4) The Controller may, at any time before the terms of the license are mutually agreed upon or decided by the Controller, on application made to him in this behalf, by any person who has made any such requisition as is referred to in sub-section (1), permit him to work the patented invention on such terms as the Controller may, pending agreement between the parties or decision by the Controller, think fit to impose.

(5) In the case of every patent in respect of an invention referred to in sub-clause (i), or sub-clause (ii), of clause (a) of sub-section (1) of section 87 and deemed to be endorsed with the words ‘Licenses of right’ under clause (a) or clause (b) of that sub-section, the royalty and other remuneration reserved to the patentee under a license granted to any person after such commencement shall, in no case exceed four per cent of the net ex-factory sale price in bulk of the patented article (exclusive of taxes levied under any law for the time being in force and any commissions payable) determined in such manner as may be prescribed.

(6) Save as otherwise provided in sub-section (5), the provisions of sub-sections (1), (2), (4) and (5) of section 93 (regarding the powers of the Controller) and of sections 94 and 95 shall apply to Licenses granted under this section as they apply to Licenses granted under section 84.

All these sections with regards to Licenses of Rights were repealed with amendment in 2002.

Current perspective:

Under the current scenario in India, Patent provisions related to ¹¹Compulsory Licensing exists, whereby any person interested may make an application to the Controller for grant of Compulsory license on Patent, at any time after the expiration of three years from the date of grant of a patent on specific grounds such as, reasonable requirements of public with respect to patented invention have not been satisfied, patented invention is not available to public at reasonably affordable price, or the patented invention is not worked in the territory of India.

¹¹ Section 84 of Patents Act 1970.

Conclusion:

License of Rights in Patents seems a good opportunity for Patentees to license their patented inventions for commercialization. The Patentees too benefit as they get rebate in renewal fee for registering their Patents to be endorsed with 'License of Rights'. Such provision can help Patentees to license their invention easily and to a good mass to make benefit out-of Patents for which they do not have resources for commercialization.

AN INSIGHT INTO PATENT LANDSCAPE ANALYSIS

By Monika Sailesh

Patent landscape analysis or ‘Patent Mapping’ is a comprehensive study and multi-step process, involving use of high of human intelligence and computer software to analyse a particular field of technology, to help large businesses, universities, start-ups and research organizations to understand the contemporary and future trends in a particular technology and explore rewarding business product development opportunities. As per World Intellectual Property Right, “*Patent landscape reports (PLRs) provide a snapshot of the patent situation of a specific technology, either within a given country or region, or globally. They can inform policy discussions, strategic research planning or technology transfer. They may also be used to analyse the validity of patents based on data about their legal status.*”¹²

A completed patent landscape analysis task consists of a set of technical references and associated analytics from which important legal, business, and technology information can be extracted. Patent mapping provides a real insight in to the technological space and helps businesses to find answers to some of the most critical questions. Patent landscape analysis by a knowledgeable patent expert, with both legal and technological understanding and having in-depth knowledge of intellectual asset management, provides end-users with valuable, actionable information. The value of PLR becomes multi-fold if the thought leaders from research and development, marketing,

legal and business development groups are engaged during the process.

Patent Landscape Analysis is an in-depth analysis which sketches the details of the prevailing technology and the market trends in the concerned domain. It also gives a competitive analysis of the past, present and future trends in the concerned technical space which helps one to plan and innovate research strategy. This also helps to identify white spaces in the subject technology domain.

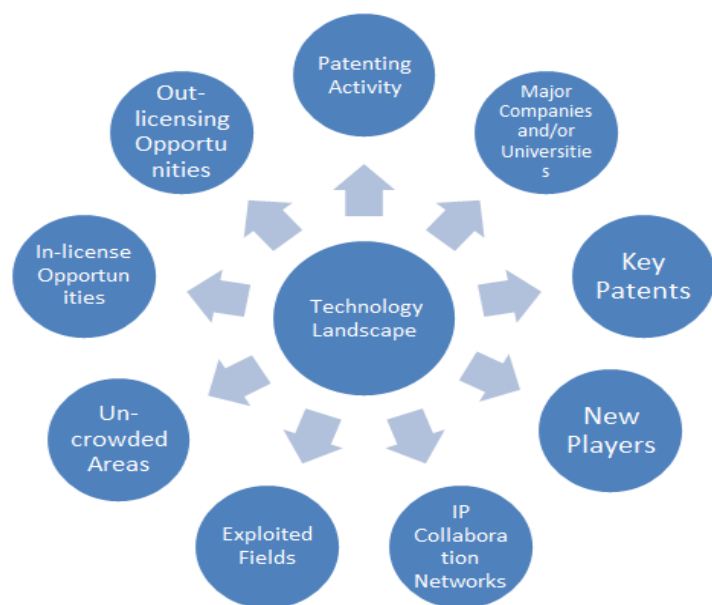


Image Source: ticonsultants.com/landscape-and-whitespace-analysis.php.

Significance of Patent Landscape Reporting

1. It provides the current ‘State-of-the-Art’ for the researchers and innovators to learn important aspects of subject technology and allows them to potentially build, develop or even modify ‘State-of-the-Art’.
2. PLR provides corporates and business developers the knowledge about major technologies in the market pertaining to a business and its owners. This helps them to formulate plans and strategize for possible

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http://www.wipo.int/patentscope/en/programs/patent_landscapes/

business ventures. It also helps business developers to plan acquisitions and mergers. PLR also helps businesses to compare their technology with competitors and assess the need of in/out licensing opportunities and to determine whether it makes more financial sense to develop the technology in-house.

3. PLRs can be used as instruments to inform public policy makers for strategic decisions related to R&D investment, prioritization, technology transfer or local manufacturing. Patent information can and is increasingly being used as a tool to inform policymakers. Policymakers too, who deal with innovation, have increasingly focused on the patent system. They look for clearer, more accessible and geographically more representative information to support key policy processes. They seek a stronger empirical basis for their assessments on the role and impact of the patent system in relation to key areas.¹³
4. PLRs use a very prudent data mining methodology to identify the patent filing trends, regionally and globally. The pattern or trend in patent filing enables marketing, competitive intelligence, commercial strategy, and human resource teams to gain an early insight to what technologies the competitors have in pipe line. It also helps to identify whether the technology under study is at its infancy, mature or declining phase and which helps in taking commercial decisions.
5. PLR helps intellectual asset management by enabling the legal counsels to understand the relationship between competitive products and patent protection. PLRs are used to track and prevent any possible broad patent claim language to prevent any patent allocation that is not novel and is similar to already

granted patents. This also helps to identify any potential patent infringement.

6. PLRs are also used for 'White space analysis' which determines which patents are expiring or have not been maintained to form an overview of how 'crowded' or 'open' a technological area is.

Process of Preparing PLR

Preparing a PLR or conducting a Patent Landscape Analysis requires a comprehensive search for information. PLR is carried out in stages, with initial stage defining the overall purpose of the PLR.

The first stage helps the policy-maker or the decision-maker to identify the goal for PLR. Some of the common purposes of PLR are idea generation, 'white space' analysis, design around and competitive intelligence, patent filing strategy/patentability, risk management/validity/freedom to operate, monetization, and M&A. PLR involves meticulous data mining because any technological area has a vast pool of data that needs to be analysed. It is recommended that data mining or data analysis should be carried out with the help of a suitable computer aided program or software.

It is also very important to define the boundary conditions for the technical area / Technology in focus - this includes:

- a deliberation on whether to include product terms, technology alternatives, multiple application areas in the search, and to agree on the goals and outcomes of the patent landscaping project.
- Defining the regions and countries to be included in the boundary conditions, helps in narrowing down the vast area of analysis.
- Time frame is also very important in order to define boundary conditions. Patent

¹³ <http://www.wipo.int/edocs/pubdocs/en>

landscape analysis involves time stamping of events in a particular technology area, and this helps the interested party to understand the development of the technology area and to assess the stage of technology - whether it is in nascent stage, or in developing stage, or in the declining stage.

Perform preliminary searches across patents and technical literature and work with the team's technical and market experts familiar with the technology area to identify a set of relevant keywords, patent class codes and organizations working in the technical area.

Substance of PLR

Patent landscape reporting involves a substantial use of resources including numerous hours of hyper specialized human resources. It requires specialists with highly specific knowledge of legal and technical aspects of intellectual property rights. Often, involvement and expert guidance of senior management from Business Development, Human Resources and R&D departments is required for the purpose of setting the purpose of PLR. PLR requires access to numerous data sources and tools, and high level of training in bid data and specialized landscaping techniques. PLR indeed is a very cost extensive affair. Hence, the question arises - Is PLR worth spending fortunes upon?

CONCLUSION

PLR has proved to be a very significant tool for the policy-makers and decision-makers. It enables businesses to suitably direct their R&D activities, to explore technological spaces and guides corporate houses to leverage the intellectual property they own, by in-licensing and out-licensing. PLR also helps businesses to identify white spaces.

While PLR provides an insight for critical decision-making and policy-making, it also

helps IPR owners to protect their patents by identifying and raising concerns towards frivolous and not novel patents with potential of patent infringement.

But, having highlighted some major advantages of PLR, the fact is that the technological area is ever changing and the landscape changes significantly every now and then, therefore, a PLR does not hold true for long time. Further, the long-term value of these elaborate and voluminous reports is sometimes questionable. Since PLR is a very cost extensive process, many believe that it is only useful to big multinational corporations. One of the WIPO reports cited "*Concluding a comprehensive, definitive patent landscape in a major technological field such as HIV/AIDS treatments can be a massive endeavour, requiring considerable resources and expertise. It potentially entails an expert review of thousands of complex documents and fine assessments on their legal and technical content. A fully global landscape would strictly entail expert searches in over 100 patent offices worldwide. Any 'finished' report will be out of date within days, as further patent disclosures are published online. Keeping the landscape up-to-date for continuing reference can be just as resource intensive as its initial development. But the high cost and technical barriers are progressively declining. What once would have been a costly strategic landscape can now be prepared free of charge from a laptop with good Internet access.*"¹⁴

In conclusion, against all the odds, PLRs still hold significant value and have seen substantial growth in the past. The McKinsey Global Institute conducted a Global Study (May 2011), on big data and upcoming analytical skills deficits titled "Big data: The next frontier for innovation, competition, and productivity". The report quoted, "*There will be a shortage of talent necessary for organizations to take advantage of big data. By 2018, the United States alone could face a*

¹⁴http://www.wipo.int/wipo_magazine/en/2008/04/article_0005.html

shortage of 140,000 to 190,000 people with deep analytical skills as well as 1.5 million managers and analysts with the know-how to use the analysis of big data to make effective decisions.”

BOLAR EXEMPTION IN INDIA

By Aayush Sharma

Section 107A of the Indian Patent Act is known as India's Bolar Exemption. The fundamental objective of Section 107A is to delineate certain acts which are not to be considered as infringement.

The relevant section has been reiterated below-

“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 authorized under the law to produce and sell or distribute the product, Shall not be considered as an infringement of patent rights”

India is the largest producer of generic medicines. The huge demand for a cost-effective medicine is one of the most important factors behind the establishment of generic manufacturing companies in India. In a recent notification by the Indian Government, it has been clearly informed to the Medical Association of India and their registered doctors that only generic medicines need to be prescribed to the patients. The cost of any generic medicine is very less comparative to the parallel patented drugs. In order to prepare a drug, most of the generic companies rely on the patented drugs. A patented drug is protected for 20 years by way of rights conferred under section 48 of the Indian Patents Act, 1970. The patent holder has the monopoly rights to make, use, sell or distribute his patented products for protection period i.e. for 20 years. Bolar exemption applicable within this protection period wherein patented

drug has been used by third or interested parties for further research and development.

Bolar Provision is a defense used against patent infringement. When an invention is made, it is either used or sold by a third party for certain purposes for further research and development. Thus, this provision assumes extreme importance because the generic drug manufacturers, who seek to boost their business in the market soon after the expiry of the innovator company's patents, through the application of Bolar provision have the necessary time and opportunity for conducting research on the product while the patent being still valid.

In simple words, we can say that the exemption that enables generic manufacturers to experiment with patented drugs and produce them in limited quantities for research, is known as the Bolar exemption. The exemption enables generic drug manufacturers to use an inventor's pharmaceutical drug before the patent expires, which not only aids in the early launch of generic versions of the drug once the innovator drug's patent term ends, but also promotes further R&D.

Comparison of India's Bolar provision with United States:

In India, the Bolar provision is comparatively broader than its US equivalent. While the US provision restricts the safe harbour available to generic manufacturers to making, using, offering for sale or selling the patented invention solely for uses that are reasonably related to the development and submission of information under US federal law in the United States only, its Indian counterpart does not specify such territorial limits. Thus, a sale, even if outside India, will fall within the sweep of Section 107A, if it is reasonably related to the development and submission of information required for regulatory approval under the law of the country in which the sale takes place.

Are marketing authorizations and clinical trials, also part of the Bolar exemption?

The Bolar exemption in India is broader in terms of scope of coverage and provides greater liberal provision(s) when compared to its counterparts. When viewed from the perspective of the definition of S.107A of the Act, ‘.....*development and submission of information required under any law for the time being in force in India....*’; since the clinical trials and marketing approvals/marketing authorization application would come under information required under the Indian Drug regulations viz. Drugs and Cosmetics Act, 1940 and Rules, 1945, it would be safe to interpret that generic manufacturers can use this pathway for clinical development (conduct of clinical trials) and filing of marketing authorization applications for their generic products of Invented Drugs / Patent Protected Drugs.

It is pertinent to mention here that there is paucity of cases regarding Bolar exemption in India, India has only one case regarding this provision wherein clinical trials have been mentioned as part of Bolar exemption, the case being *Bayer Corporation vs. Union of India &*

Anr. It can be concluded that due to limited precedence of usage of Bolar exemption for the marketing authorizations and clinical trials by pharmaceuticals companies so far in India, we interpret marketing authorizations and clinical trials are also part of Bolar exemption.

The concept of Bolar exemption is highly relevant to the Indian scenario. In one of the statements by an Indian Pharma company it was said that, “Bolar exemption was provided to encourage competition. *The greater the competition, the better it is for the protection of public health*”. India being one of the developing nations, should bring in laws favouring R&D. Further, the Bolar provision should be clearly explained by the supreme authority so that the rights of the patentee are never harnessed. Furthermore, the apex court should also assess whether the infringement has been caused due to R&D or for profit or for academic purpose.

NEWS UPDATE

Startups status clarified; Rule 2 of Patent Rules amended

By a Gazette notification dated December 1, 2017, the Central Government amended sub rule (fb) under rule 2 of the Patent Rules, 2003, to clarify that a **'startup'** is any entity recognized as a start up by the Startup India Initiative, and in case of a foreign entity, the criteria of startup would qualify the entity to be:

1. fulfilling the criteria for turnover (as per the reference rates of foreign currency of RBI) and,
2. period of incorporation/registration as per Startup India initiative (and submitting declaration in relation thereto).



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