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Contents

Traditional Knowledge and Patent Issues: an overview of Turmeric, Basmati, Neem cases.	3
Naked Licensing: Safeguarding The Eminence	7
Delhi High Court reads “export” included in the Indian Bolar Exemption - Section 107A	11
Analysis of New Indian Trademark Rules 2017.....	14
Inventive step assessment based on Case Laws in India	17

Traditional Knowledge and Patent Issues: an overview of Turmeric, Basmati, Neem cases.

Saipriya Balasubramanian

Introduction

Traditional Knowledge (TK) is a living body of knowledge that is developed, sustained and passed on from generation to generation within a community, often forming part of its cultural or spiritual identity¹. Traditional Knowledge per se that is the knowledge that has ancient roots and is often informal and oral, is not protected by conventional intellectual property protection systems. This scenario has prompted many developing countries to develop their own specific and special systems for protecting traditional knowledge. India has played a very significant role in the documentation of traditional knowledge thereby bringing the protection of traditional knowledge at the centre stage of the International Intellectual Property System. Provision of Traditional Knowledge Digital Library (TKDL) Access (Non-Disclosure) Agreements with several international patent office's including USPTO, EPO, JPO etc. by Indian Government has led to many patent applications concerning India's traditional knowledge have either been cancelled or withdrawn or claims have been amended in several international patent offices².

Traditional Knowledge Digital Library

TKDL is a pioneer initiative of the Indian Government, and came to the fore due to the

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http://www.wipo.int/pressroom/en/briefs/tk_ip.htm

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http://www.ipindia.nic.in/writereaddata/Portal/IPOG uidelinesManuals/1_39_1_5-tk-guidelines.pdf

India's efforts on revocation of patent on wound healing properties of turmeric at the USPTO and the patent granted by the European Patent Office(EPO) on the antifungal properties of neem. India's traditional medicinal knowledge exists in local languages such as Sanskrit, Hindi, Arabic, Urdu, Tamil etc. is neither accessible nor comprehensible for patent examiners at the international patent offices. It was identified by the TKDL expert group in 2005 that annually around 2000 patents were granted around the world erroneously concerning Indian system of medicine by patent offices around the world. TKDL provides contents of the ancient texts on Indian Systems of Medicines i.e. Ayurveda, Siddha, Unani and Yoga, into five international languages, namely, English, Japanese, French, German and Spanish, with the help of information technology tools and an innovative classification system - Traditional Knowledge Resource Classification (TKRC) Bio-piracy and Misappropriation of TK.

The use of intellectual property systems to legitimize the exclusive ownership and control over biological resources and biological products and processes that have been used over centuries in non-industrialized culture can be defined as "bio-piracy". In other words bio-piracy means misappropriation of traditional knowledge with an intention to gain patent protection over that knowledge. Devolution, encroachment, the bio prospecting rush, lack of appropriate legal systems and a clash of systems all make traditional knowledge highly vulnerable to bio-piracy. Traditional knowledge is associated with biological resources which in turn is a component of biodiversity. The clues/ leads provided by TK can be utilized to develop best practices/processes/ system for mankind

without the investment of huge amount of money for research and results validation through clinical trials in labs, above all such knowledge saves time. In the recent past, several cases of bio-piracy of TK from India have been reported. The following are the most prominent cases with regards to misappropriation of TK from India.

Turmeric Patent

Turmeric is a tropical herb grown in east India. Turmeric powder is widely used in India as a medicine, a food ingredient and a dye to name a few of its uses³. For instance, it is used as a blood purifier, in treating the common cold, and as an anti-parasitic for many skin infections. It is also used as an essential ingredient in cooking many Indian dishes. In 1995, the United States awarded patent on turmeric to University of Mississippi medical center for wound healing property. The claimed subject matter was the use of "turmeric powder and its administration", both oral as well as topical, for wound healing. An exclusive right has been granted to sell and distribute. The Indian Council for Scientific and Industrial Research (CSIR) had objected to the patent granted and provided documented evidences of the prior art to USPTO. Though it was a well known fact that the use of turmeric was known in every household since ages in India, it was a herculean task to find published information on the use of turmeric powder through oral as well as topical route for wound healing. Due to extensive researches, 32 references were located in different languages namely Sanskrit, Urdu and Hindi. Therefore, the

3

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3038276/>

USPTO revoked the patent, stating that the claims made in the patent were obvious and anticipated, and agreeing that the use of turmeric was an old art of healing wounds. Therefore, the TK that belonged to India was safeguarded in Turmeric case.

Neem Patent

The patent for Neem was first filed by W.R. Grace and the Department of Agriculture, USA in European Patent Office. The said patent is a method of controlling fungi on plants comprising of contacting the fungi with a Neem oil formulation. A legal opposition has been filed by India against the grant of the patent. The legal opposition to this patent was lodged by the New Delhi-based Research Foundation for Science, Technology and Ecology (RFSTE), in co-operation with the International Federation of Organic Agriculture Movements (IFOAM) and Magda Aelvoet, former green Member of the European Parliament (MEP)⁴. A tree legendary to India, from its roots to its spreading crown, the Neem tree contains a number of potent compounds, notably a chemical found in its seeds named azadirachtin. It is used as an astringent in so many fields. The barks, leaves, flowers, seeds of neem tree are used to treat a variety of diseases ranging from leprosy to diabetes, skin disorders and ulcers. Neem twigs are used as antiseptic tooth brushes since time immemorial. The opponents' submitted evidence of ancient Indian ayurvedic texts that have described the hydrophobic extracts of neem seeds were known and used for centuries in India, both in curing dermatological diseases in humans and in

4

<http://www.countercurrents.org/bhargava140709.htm>

protecting agricultural plants from fungal infections. The EPO identified the lack of novelty, inventive step and possibly from a relevant prior art and revoked the patent. Apart from this, several US patents were recently taken out on Neem-based emulsions and solutions.

Basmati patent

The US patent office granted a patent to 'RiceTec' for a strain of Basmati rice, an aromatic rice grown in India and Pakistan for centuries. Rice is the staple food of people in most parts of Asia, especially India and Pakistan. For centuries, the farmers in this region developed, nurtured and conserved over a hundred thousand distinct varieties of rice to suit different tastes and needs. In 1997, in its patent application RiceTec also acknowledged that "good quality Basmati rice traditionally come from northern India and Pakistan...Indeed in some countries the term can be applied to only the Basmati rice grown in India and Pakistan." However, the company then went on to claim that it had invented certain "novel" Basmati lines and grains "which make possible the production of high quality, higher yielding Basmati rice worldwide." The Indian Government had pursued to appeal only 3 claims out of 20 claims made in the original patent application of RiceTec Inc. What were being challenged were only claims regarding certain characteristics of basmati (specifically starch index, aroma, and grain dimensions)⁵. It is to be noted that WTO Agreement does not require countries to provide Patent protection to plant varieties. It only requires countries to legislate so that plant varieties are protected

⁵ <http://www.delhiscienceforum.net/intellectual-property-rights/87-victory-on-basmati-by-amit-sen-gupta-.html>

in some manner (not necessarily through patents). However, US being a strong proponent of Patent protection of plant varieties allowed the patent application. Three strains developed by RiceTec are allowed patent protection and they are eligible to label its strain as "Superior Basmati Rice". Therefore, in Basmati case, RiceTec altered the strain through crossing with the Western strain of grain and successfully claimed it as their invention and the case is an example of problems illustrated in TRIPS with regards to patenting biotechnological processes.

TKDL as Global IP watch systems

"Global IP watch monitoring systems have an important role to play in enabling the identification of published TK-related applications on which third parties – in accordance with the patent law of the country concerned – may file observations."⁶

Advantages-

1. TKDL has enabled the submission of third party observations (TPOs) which has proven the only cost-effective way of misappropriation of TK at the pre-grant stage.
2. TKDL has enabled successful opposition of hundreds of patent applications filed around the world.
3. Enables immediate corrective action to be taken with zero cost so as to prevent bio-piracy.

Conclusion

It is to be noted that the IP world has acknowledged the importance of successful

⁶ http://www.wipo.int/wipo_magazine/en/2011/03/article_0002.html

documentation of indigenous TK like India's TKDL- play a role in defensive protection within the existing IP system. As suggested by World Intellectual Property Organization (WIPO) as a global measure to curb bio-piracy and misappropriation of TK the following strategies are discussed. Inventions based on or developed using genetic resources (associated with traditional knowledge or not) may be patentable or protected by plant breeders' rights. The other couple of measures considered, discussed and developed by WIPO⁷ are firstly, defensive protection of genetic resources which aims at preventing patents being granted over genetic resources (and associated traditional knowledge) which do not fulfill the existing requirements of novelty and inventiveness. The said measure further entails the possible disqualification of patent applications that do not comply with Convention on Biological Diversity (CBD) obligations on prior informed consent, mutually agreed terms, fair and equitable benefit-sharing, and disclosure of origin. Secondly, WIPO members want to make it mandatory for patent applications to show the source or origin of genetic resources, as well as evidence of prior informed consent and a benefit sharing agreement.

7

http://www.wipo.int/pressroom/en/briefs/tk_ip.html
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Naked Licensing: Safeguarding the Eminence

Himanshu Sharma

Introduction

A trademark prevents confusion in mind of consumer as to goods and services and facilitates to a consumer in getting level of quality of goods and service. The emergence of the licensing of the trademark as a mode to maximize the use of the trademark has also provided the importance to quality aspect of the goods provided under a brand. Trade mark licensing is a legal document which grants an authorized use of trademark in accordance with terms and condition in consideration of royalty over the sales of products or services licensed under the trademark. Trademark Licensing is beneficial to both licensor and licensee. On the one hand, a licensor can expand his business operations which ultimately helps him to achieve brand recognition where as a licensee derives benefits from super technology to produce better quality products, or established trademark to market his product in a better way.

The licensing agreement is the most important part of a trademark licensing as it defines the future use of the trademark after the licensing. The agreement should contain the clauses related to the quality control in order to safeguard the distinctivity of the trademark. In this reference the term “Naked Licensing” is a legal phenomenon, which denotes a condition where Trademark owner license his trademark to another party, but fails to maintain adequate quality control and standard over the use of trademarks by the licensee. Lack of quality control measure in a license thus leads to the death of a trademark. Whenever a consumer buys a product

belonging to a particular brand, he feels secure towards the quality of the product as he presume that he is buying a product of the desired brand therefore he will get the desired quality. This is where the importance of drafting an impeccable license agreement comes in into the picture. Failure to supervise the activities of licensee can result in cancellation of the mark and may result in undue advantage to the infringer if the matter is brought before a court.⁸

Origin and Background of the Concept:

The doctrine of “Naked Licensing” was developed by the US courts in order to protect consumers who believe that because they buy a product or service under a certain brand hence they would receive a certain quality associated with the trademark.⁹ In order to protect consumers from getting confused, it is the duty of the trademark owner to exercise a certain modicum of control over the quality of the goods or services provided by its licensee. A finding of naked licensing may result in the removal of trademark from the registry.

The structure of a license:

It is necessary, in context of trademark licensing that every agreement should possess quality control measures because trademark serves the commercial purposes and ensures that the goods/ services under a particular mark will be of consistent quality. Usually, licensor includes the specific provision related to the quality control mechanism and

⁸ In this context see *Omega Nutrition v. Spectrum Marketing* (1991)756 (Suppl.) 435.

⁹ There are few decisions given by courts in United States that expressly dealt with the concept of “naked licensing” like *Eurotech Inc., et.al. v. Cosmos European Travels* (Decided on 24 July 2002) Citation n/a.

restriction on use of the licensed trademark and goods and services covered by mark in order to protect the trademark from cancellation.

In *Barcamerica International USA Trust v. Tyfield Imports, Inc*¹⁰, Court cancelled the Barcamerica trademark, on ground of naked licensing and held that:

“It is important to keep in mind that ‘quality control’ does not necessarily mean that the licensed goods or services must be of “high” quality, but merely of equal quality, whether that quality is high, low or middle. The point is that the customers are entitled to assume that the nature and quality of goods and services sold under the mark at all licensed outlets will be consistent and predictable.”

The concept of naked licensing is not only recognized by the US courts but the specific provisions related to the quality control in case of licensing of a trademark are included in the Trade Marks Act, 1999 of India also. We can now drive our attention towards the Indian scenario in this respect.

Indian Scenario

The Indian Trade Marks Act, 1999 specifically contains the provision related to the quality control. The Trade Marks Act, 1999 does not expressly mention “naked licensing”. But there are few provisions in the India’s Trade Mark Act, 1999 through which we can deduce the concept of naked licensing:

Section 49(1)(b)(i) provides that:

“Where it is proposed that a person should be registered as a registered user of a trade mark,

¹⁰ 289 F.3d 589-598(9th Cir. 2002)

the registered proprietor and the proposed registered user shall jointly apply in writing to the Registrar in the prescribed manner, and every such application shall be accompanied by---

a)

b) An affidavit....

i. giving particulars of the relationship, existing or proposed, between the registered proprietor and the proposed registered user, including particulars showing the degree of control by the proprietor over the permitted use which their relationship will confer and whether it is a term of their relationship that the proposed registered user shall be the sole registered user or that there shall be any other restrictions as to persons for whose registration as registered users application may be made”

And Section 50(1) (d) of the Act, which states that:

1. “Without prejudice to the provisions of section 57, the registration of a person as registered user---

a. ...

b. ...

c. ...

d. may be cancelled by the Registrar on his own motion or on the application in writing in the prescribed manner by any person, on the ground that any stipulation in the agreement between the registered proprietor and the registered user regarding the quality of the goods or services in relation to which the trademark is to be used is either not being enforced or is not being complied with”

The foregoing provisions are well placed to check the quality control aspect involved in the licensing of a trademark, which in other

words can also be termed as provisions related to the naked licensing. The quality control as an aspect of maintaining the distinct character of a mark on the basis of the above discussed provisions is also recognized by the various courts in India. For instance, in Double Coin Holdings Ltd. and Anr Vs Trans Tyres (India) Pvt. Ltd. and Anr.¹¹ the Delhi High Court observed that: *"The presumption of law is that the ownership of the trade mark vests in the manufacturer who puts the mark on the product and the onus to displace this legal presumption is on the importer/distributor....Goodwill in a brand does not come to be created only on account of its promotion and advertising. The primary reason for a trade mark acquiring goodwill in the market is the quality of the product, which is sold under that name."*

As far as the meaning of "degree of control" is concerned, it is not provided under the Act and therefore recourse to the judicial pronouncement on the said aspect has to be made. In this context, a reference can be made to a Delhi High Court decision in *Rob Mathys India Pvt. Ltd Vs. Synthes Ag Chur*¹² where court held that *"Control may be exercised or presumed to be exercised in various ways. In some cases, the very relationship between the licensor and the licensee will imply sufficient degree of control for example, where the licensor stipulates that the licensee should manufacture the goods only in accordance with the specifications and the standards of quality prescribed by the licensor, or reserves the right to inspect the goods and methods of manufacture of the licensee. Lack of adequate control or lessening of control over a period of time would be fatal to the distinctiveness of a trade mark."*

¹¹ 181(2011)DLT577

¹² 1997-(SUP)-ARBLR -0218 -DEL

Thus it is clear that quality control is only an aspect of degree of control, but its significance cannot be diluted in any means. If the proprietor imposes a condition as to "quality control" in license agreement, it can be a ground for licensor to escape from naked licensing. Trade Mark Act, 1999, also gives power to Registrar to *suo motu* cancel the mark if any terms of the agreement is not fulfilled or complied with.¹³

In *Gujarat Bottling Co Ltd v. Coca Cola co*¹⁴ the hon'ble Supreme Court observed that *"it is permissible for the registered proprietor of a trade mark to permit a person to use his registered trade mark... provided (i) the licensing does not result in causing confusion or deception among the public; (ii) it does not destroy the distinctiveness of the trade mark... (iii) a connection in the course of trade consistent with the definition of trade mark continues to exist between the goods and the proprietor of the mark..."* Thus it is necessary that the licensor should continue to hold the upper hand when it comes to the quality control measures. The lack of consistent quality of goods and services can lead to death of a trademark.

Conclusion

Trademark owner enjoys the exclusive right to the use of the trade mark in relation to goods and services. At the same time trademark owner should monitor his trademark and ensure that licensee is providing goods and services in a manner consistent with the standard of quality laid down by him. Thus a trademark owner is the watch dog of its trademark. However duty of

¹³ Section 50(1)(d)

¹⁴ AIR1995SC2372

proprietor is not to ensure high quality of goods but to ensure that the products are of consistent quality, as the touchstone of trademark law is to ensure the consistency in meeting consumer's expectation for the brand.

**Delhi High Court reads “export”
included in the Indian Bolar
Exemption - Section 107A**

- Shrimant Singh

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

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

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

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

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

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

(a) any act of making, constructing, using, selling or importing a patented invention solely for uses reasonably related to the development and submission of information

required under any law for the time being in force, in India, or in a country other than India, that regulates the manufacture, construction, use, sale or import of any product;

(b) importation of patented products by any person from a person who is duly authorised under the law to produce and sell or distribute the product, shall not be considered as a infringement of patent rights.

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

The said section came up for interpretation before the Delhi High Court in the writ petition ***Bayer Corporation and Ors. Vs. Union of India and Ors.***¹⁵ To briefly put historical events in-line: in 2012, the Patent Office allowed a compulsory license over Bayer’s Patent SORAFENIB TOSYLATE to Natco Pharma “*solely for the purposes of making, using, offering to sell and selling the drug covered by the patent for the purpose of treating HCC and RCC in humans within the territory of India*”. In the writ petition W.P.(C) 1971/2014, Bayer prayed before the Court that the compulsory license so granted to Natco was limited to the territory of India and export of the same outside India by Natco is contrary to the terms of Compulsory License amounting to infringement under Section 48 of the Act. Pursuant to the same, the Customs Authorities were directed to ensure that no consignment from India containing 'SORAFENAT' covered by Compulsory Licence

¹⁵ W.P.(C) 1971/2014 and CS(COMM) No. 1592/2016

was exported, however, liberty was given to Natco to apply to the Court for permission to export the drug as and when it obtained permission from the Drug Controlling Authority for clinical purposes. Subsequently, on 23rd May, 2014, Natco pointed out that it has already been granted a drug licence and with the consent of the counsel for Bayer, Natco was permitted to export the drug SORAFENIB TOSYLATE' not exceeding 15 gm for development/clinical studies and trials.

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

Bayer also pointed out that by obtaining Compulsory License, Natco has surrendered its rights under Section 107A and is governed by the terms of the Compulsory License. Further, Bayer tried to draw the attention towards the fact that while Section 107A

mentioned terms like "making", "selling", "import" but does not include the word "export", hence, the absence of "export" can only mean that the purpose of the law was not to allow the export of patented invention under Section 107A. The counsel for Bayer emphasized that the term "selling" in Section 107A should be interpreted to mean selling within the territory of India and not outside India and the same does not include "export" of patented product outside India.

The counsel for Natco pleaded that that the exports intended by Natco are only for research and development purposes and to obtain the drug regulatory approvals in the countries to which exports are intended and Natco is not intending export of the product covered by the Compulsory Licence for commercial purposes. It was submitted that the rights of Natco under Section 107A is independent of Compulsory License. Further, Natco emphasized that the drug regulatory regime in China requires clinical trials to be conducted in China and do not recognize clinical trials conducted in India. This makes it mandatory for Natco to seek export under section 107A so that it can launch the product in China immediately after term of patent is over, it was also submitted that process for obtaining drug marketing approvals takes two years time, therefore, not allowing the non-patentee to apply for marketing approvals would amount to extending the life of a patent from 20 year to 22 years or more.

Another Writ Petition - CS(COMM) No.1592/2016 was filed by Bayer to injunct Alembic from making, selling, distributing, advertising, exporting, offering for sale of RIVAROXABAN and any product that infringes Bayer's patent IN 211300. Alembic was manufacturing and exporting RIVAROXABAN to the European Union and had made multiple Drug Master File submissions to the United

States Food and Drug Administration in the United States of America for the drug RIVAROXABAN. Alembic submitted that said exports by Alembic were within the meaning of Section 107A only.

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

The Court refused to agree with Bayer's contention that Section 107A does not contemplate export of product *per se* but is limited to "information" and noted that Section 107A clearly mentions selling of "patented invention". Further, the Court after quoting several dictionaries held that words 'sale'/'selling', as per their literal/natural/textual meaning are without

any geographical limitations and in Section 107A are not to be understood as 'within India' only. The Court went on to hold that language of Section 107A of Patents Act permits exports from India of a patented invention solely for uses reasonably related to the development and submission of information required under any law for the time being in force, in India, or in a country other than India, that regulates the manufacture, construction, use, sale or import of any product. Accordingly, it was held that no suit prohibiting export *per se* of a patented invention can lie.

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

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

Analysis of New Indian Trademark Rules 2017

- Himanshu Sharma

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

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

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

2. **Change in Official fee with special focus on popularizing online filing:** The Official fee for almost all the procedure related to the trademark filing and prosecution is significantly increased. The new Rules of 2017, promotes the online filing and making Indian Trademark Office a paperless office hence there is a discount of 10% on all the online filing in comparison to the over the counter filing. The fee for the filing a new trademark is also categorized on the basis of the type of Applicant. Government of India's special initiative for

the start-ups is also given importance and hence the fee for small and medium enterprises and startups, is significantly less than that of Corporate.

3. **Consideration of Communication through email as official communication:** under the new Rules, Indian Trademark Office has also recognized email communication as the official mode of communication. For the same, an Applicant/Agent has to provide an email address at the time of filing of an application and all the official communication will be sent to the Applicant/Agent on this email. The deadline to respond to the Official communication will be counted from the date of communication of email to the Applicant/Agent. This is also a step in the direction of making Indian Trademark Office a paperless office as an Applicant can also file replies to the examination report and other communication from Indian Trademark Office through online portal of Indian Trademark Office.
4. **Procedure for recognition of a well-known trademark:** Under the new Rule 124 of 2017, an owner of a trademark can apply to Indian Trademark Office, to recognize his trademark as a well-known trademark by paying an official fee of INR 1,00,000/-. Until now, a trademark can be recognized as a well-known trademark by a court in a proceeding related to trademark infringement. An owner of trademark can file an application to this effect along with all the evidences and documents on which the Applicant wants to rely in support of his claim. The Registrar will go through the application and may ask for the additional document and evidences in this regards from the Applicant and if satisfied with the claim, can determine the trademark as a well-known Trademark. The Registrar can ask public for objection against the said application and within 30 days any person can object the application. The Registrar on acceptance of a trademark as a well-known trademark will publish it in Trademark Journal.
5. **Renewals:** under the earlier Rules of 2002, a registered trademark becomes due for renewal six months before the expiry of the trademark. Now under new Rules of 2017, a trademark becomes due for renewal before 1 year from the date of expiry of renewal. Now there is a window of one year to file a renewal for the registered trademark without any surcharges. Therefore as per new Rules, a renewal can be filed for a trademark from the beginning of 10th year of registration of a trademark and will be valid till the expiration of 10th year. The fee for the renewal of Trademark is also doubled under the new Rules from INR 5000 per class to INR 10000 per class.
6. **User Affidavit for a trademark claimed to be in used before filing of a trademark:** under the new Rules of 2017, an application filed for the registration of a trademark, which is claimed to be in use before the date of filing, shall be accompanied by a user affidavit from the Applicant in this regards. Earlier it is not mandatory to file an affidavit for a trademark claimed to be in use and it is on the discretion of the Registrar to ask for the proof of use of trademark but under the new Rules of 2017, it is mandatory to file an affidavit for the use of trademark, if claimed to be in use before the date of filing.

7. **Specific recognition of the sound marks under the new Rules:** Sounds marks were accepted in India under Rules of 2002 but same were not specifically mentioned anywhere under the Rules. The new Rules of 2017, have now specifically mentioned the procedure for filing a sound mark Under Rule 26 (5) of 2017 Rules. Here it is mentioned that the reproduction of a sound mark should be submitted in an MP3 format not exceeding 30 seconds along with the graphical representation of its notation.
8. **Limitation as to seeking adjournments:** The new Rules of 2017, has a special focus on the speedy redressal of disputes amongst the parties to a dispute for the trademark hence under the new Rules 50 of 2017, it is mentioned that no party shall be given more than two adjournment and each adjournment will not be more than thirty days. This will help in speedy disposal of the oppositions which has a lengthy and time consuming procedure.
9. **No extension of time in Opposition proceedings:** The Opposition proceeding under the Rules 50 to 52 of 2002, had provisions related to the extension of time but the same are now done away with, under the new Rules of 2017. There are no provisions related to the extension of time for filing evidences in the Opposition proceedings hence if a party to the proceeding does not file evidences or failed to intimate the Registrar that he wishes to rely on the documents already filed, within stipulated time period provided under the Rules 45 to 47 of new Rules of 2017, then it will be deemed that he has abandoned his application/opposition.
10. **Removal of fee for additional classes while filing application recordal of assignment in a multiclass application:** As per new Rules, Official fee for filing recordal of assignment in a multi class application will bear fee for only one class and fee for additional class, which was required to be paid under old Rules of 2002 is now not applicable. For example, if a trademark is registered under 5 classes through a multiclass application and same is assigned by the original owner. The Assignee in this case requires filing application for the recordal of assignment to enter his name as the owner of the trademark in Register. As per new Rules of 2017, the Assignee has to pay a fee of INR 10000 only and not for additional classes as happened earlier under Rules of 2002.

Inventive step assessment based on Case Laws in India

Saipriya Balasubramanian

Introduction:

The following article intends to provide a study on inventive step requirements based on case laws in India as per the Indian Patents Act 1970. The article further delves into the definition of a person skilled in the art and methodologies employed for evaluating inventive step based on Indian case laws. Corresponding statutory provisions in India and few case laws are discussed with the aim of providing better picture for the determination of inventive step/obviousness in the Indian context.

Requirements of Patentability

As per Indian Patents Act 1970, for an invention to become a patentable subject matter must satisfy the following criteria namely,

1. It should be novel
2. It should have an inventive step or it must be non-obvious
3. It should be capable of Industrial application
4. It should not fall under any of the non-patentable subject matter as mentioned in sections 3 and 4 of the Patents Act 1970.

The criteria related to novelty and industrial applicability is well defined by the provisions mentioned in the Act. However, the criteria for inventive step/non-obviousness regarding an invention are still unclear and are debated in the patent office, courts, patentees and the IPAB.

The presence of Inventive step in an invention is decided in accordance with the provisions

of section 2(1)(ja) of the Indian Patents Act, 1970.

As per section 2(1)(ja), “inventive step” means a feature of an invention that involves technical advance as compared to the existing knowledge or having economic significance or both and that makes the invention not obvious to a person skilled in the art.

Definition of the ‘skilled Person’ in the art

It is critical to understand the definition of skilled person in the context of inventive step analysis.

- A skilled person is a hypothetical person who is presumed to know all prior arts as on that date, even non-patent art that are available to public.
- A skilled person has knowledge of the technical advancement as on that date and the skill to perform experiments with the knowledge of state of the art¹⁶.
- A skilled person is not a dullard and has modicum of creativity¹⁷.
- IPAB, further clarified in Enercon vs alloys Wobbens (order no.123/2013, paragraph 30) “We do not intend to visualize a person who has super skills, but we do not think we should make this person skilled in the art to be incapable of carrying out anything but basic instructions”. Choosing a better alternative/substitute from the known alternative from the prior art to obtain the known results would not go beyond what may be normally expected from person skilled in the art.

Definition of ‘Prior art’

¹⁶ <http://www.ipabindia.in/Pdfs/Order-161-2013.pdf>

¹⁷ <http://www.hkindia.com/images/roche.pdf>

'Prior Art' constitutes any "state of knowledge existing before the priority date of the claim under consideration." Inventive step is always determined in relation to the matter published in any document anywhere in the world or any use before the priority date of the claim. Mosaicing of prior art documents is permissible in the determination of inventive step.

IPAB's decision on patenting mathematical methods: A case on inventive step and exclusions:

On July 5th, 2013, IPAB passed a decision denying a patent to Electronic Navigation Research Institute for their invention that relates to a method for calculating Chaos Theoretical Exponent value (CTEV) under 3624/DELNP/2005. The Deputy Controller in his decision had denied a patent to the applicant on the grounds of non patentable subject matter under Section 3 (k) of The Patent Act.

The invention is about a system which makes it possible to calculate a CTEV that could be processed in a dynamics-changing system and to perform the process thereof at a high speed and on a real time basis, and to calculate a CTEV even from a time series signal which includes noises. In the conventional methods, a stable processing of temporarily changing dynamics is not possible from a continuous speech voice on real time basis.

The IPAB quoted Yahoo Vs Rediff¹⁸ decision, "When the patentee explains that there is an inventive step which is a technical advance compared to the existing knowledge (state-of-the-art) or that it has economic significance that would not give him the right to a patent as such. The 'inventive step' must be a feature which is not an excluded subject itself. Otherwise, the patentee by citing economic

significance or technical advance in relation to any of the excluded subjects can insist upon grant of patent thereto. Therefore, this technical advance comparison should be done with the subject matter of invention and it should be found it is not related to any of the excluded subjects". Therefore, the IPAB upheld the Controller's decision that the Indian Patent law does not allow patent for a mathematical method just because it provides a technical advance.

Bishwanath Prasad Radhey Shyam v. Hindustan Metal Industries: Hon'ble Supreme Court of India on Inventive step¹⁹:

This case can be considered to be the most important case in interpretation of inventive step in the Indian jurisdiction. Though the case was decided in 1978, the principles laid down in the case are followed even today and have been codified in the Indian Patent Act.

The plaintiff (Hindustan Metal Industries, a registered partnership firm carrying on the business of manufacturing brass and German silver utensils at Mirzapur) in this case claimed to have invented a device and method for manufacturing utensils, introducing improvement, convenience, speed, safety and better finish, in the old prevalent method which was fraught with risk to the workers, in as much as the utensils used to fly off from the headstock, during the manufacturing process. The plaintiff got the invention patented, as an assignee, under the Indian Patent and Designs Act, 1911 on May 6, 1951 with effect from December 13, 1951. In September 1952, the plaintiff learnt that the defendant (Bishwanath Prasad Radhey Shyam, a concern carrying on the business of manufacturing dishes and utensils in Mirzapur) was using and employing the method under the former's patent. The plaintiff served a notice upon the defendant asking him to desist from infringing the

¹⁸ <http://www.ipabindia.in/Pdfs/Order-222-11-OA-22-10-PT-CH.pdf>

¹⁹ <https://indiankanoon.org/doc/1905157/>

plaintiff's patent and further claim damages for Rs. 3000. The validity of the patent was challenged by defendants on the ground of lack of novelty and inventive step and also filed a counter claim praying for the revocation of the plaintiff's patent on the same ground. A division bench of a district court of Allahabad started its analysis of inventive step and after considering the prior art in the case, stated that the patented invention was merely an application of an old invention, known for several decades before the plaintiff's patent, which was no more than a workshop improvement. The court as a result had issued the petition for revocation on the patent. The plaintiff made appeals to a division bench of the High Court, where the appellate bench concluded that the method of manufacture did not involve any inventive step or novelty. Furthermore, as the invention was publicly used by the patent holder before the date of filing of the patent application, the Court observed that the novelty of the invention was negated. In the light of its analysis, the court concluded that the invention lacked novelty and inventive step.

Points to Remember in assessing inventive step from ***Bishwanath Prasad Radhey Shyam v. Hindustan Metal Industries*** case

1. In order for the subject matter to constitute an inventive step, the alleged invention should be more than a mere workshop improvement.
2. In case of an improvement patent, the improvement must itself constitute an inventive step.
3. If the alleged invention, constitutes known elements or a combination of known elements the result must be new, **or** result in an article substantially cheaper or better than what existed.

F.Hoffman la Roche v Cipla ²⁰: Hon'ble High Court on inventive step

Brief Background:

Roche sued Cipla in early 2008 for infringement of their Patent IN '774, claiming [6, 7-bis(2- methoxyethoxy) quinazolin-4-yl]-(3-ethynylphenyl) amine hydrochloride' also known as 'Erlotinib Hydrochloride'. No interim relief granted to Roche in the early stages of the suit and the main matter was decided after the trial vide an order dated 7th September 2012. The Single Judge's decision was that while Roche's patent IN '774 was valid (the counter claim for revocation could not be proved), there was no evidence that the alleged infringing product does, in fact, infringe their patent. An appeal was filed before the Division Bench by Roche challenging the non-infringement aspect of the order of the Single Judge and a cross appeal was filed by CIPLA in respect of primarily the validity aspect of 774.

The main issues decided by the Division Bench are:

1. Whether Roche's compound patent, i.e. IN '774, is valid; and
2. Whether CIPLA's product, Erlotinib which is polymorphs B of the compound Erlotinib, infringes Roche's patent for the compound Erlotinib;

The Division bench of the Delhi High Court holding in its judgement that CIPLA infringed Roche's patent.

The Hon'ble Delhi High Court had observed that the obviousness test is what is laid down in *Biswanath Prasad Radhey Shyam vs Hindustan Metal Industries Ltd* (AIR 1982 SC 1444) and that "Such observations made in the foreign judgments are not the guiding factors in the true sense of the term as to what

²⁰ <https://indiankanoon.org/doc/123231822/>

qualities that person skilled in the art should possess. The reading of the said qualities would mean qualifying the said statement and the test laid down by the Supreme Court.”

The Divisional Bench of Delhi High Court laid down the following procedure to ascertain whether an invention has an inventive step or not;

1. To identify the inventive step embodied and claimed in the patent
2. To identify the “person skilled in the art”, i.e. competent craftsman or engineer as distinguished from a mere artisan;
3. To identify the relevant common general knowledge of that skilled person at the priority date;
4. To identify the differences, if any, between the matter cited in the alleged invention as forming part of “state of the art” and the inventive concept of the claim or the claim as construed in the patent;
5. To decide whether those differences, viewed in the knowledge of alleged invention, constituted steps which would have been obvious to the ordinary person skilled in the art and rule out a hindsight approach.

Obviousness: Role of Reasonable expectation of success

- IPAB in Enercon vs Aloys Wobben [ORA/08/2009/PT/CH, Order No. 123 of 2013] [Paragraph 43] explains that that the “coherent thread leading from the prior art to the obviousness” or in other words, “the reasonable expectation of success embedded in the prior art which motivates the skilled person to reach to the

invention, is the most crucial determining factor in ascertaining inventive step”

- IPAB in M/s. BECTON DICKINSON AND COMPANY vs CONTROLLER OF PATENTS & DESIGNS, [OA/7/2008/PT/DEL][280-2012], [Paragraph 32] observes that “Obviousness cannot be avoided simply by showing of some degree of unpredictability in the art so long as there was a reasonable probability of success”.
- IPAB in Ajanta Pharma Limited vs Allergan Inc., ORA/20/2011/PT/KOL, ORDER (No.172 of 2013) [Paragraph 93] observes that “Obviousness does not require absolute predictability of success. All that is required is a reasonable expectation of success”.

Conclusion:

It is evident from the above that there are only a few Indian Case Laws pertaining to the determination of inventive step/obviousness. Hence the Indian Patent Office and the Courts as well as IPAB are in a situation to rely upon case laws of other major patent jurisdictions in the assessment of inventive step. Due to the increase in the amount of patent filing in India, patent practitioners, Stake holders and others could expect more clarity in the interpretation of statutory provisions in future pertaining to determination of inventive step/obviousness.