INTELLECTUAL PROPERTY AND TECHNOLOGY LAW UPDATES

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CONTENTS

Standard Essential Patents - A Cause of Legal Wrestle between Competition Law and IPR

By Monika Shailesh

In order to ascertain the minimum level of performance and safety, every country or a group of countries define certain basic minimum technical requirements. Organizations like ISO (Organization Internationale de Normalization), DIN (Deutsches Institut Fur Normung) - a German Organization, EU (European Union), BIS (Bureau of Indian Standards) etc. formulate and publish standards. ISO creates documents that provide requirements, specifications, guidelines or characteristics that can be used consistently to ensure that materials, products, processes and services are fit for their purpose.[1] The meaning of standard in this framework is a "technical standard" or more specifically an "industry standard". They are standards in technology requirements which need to be met so that a product or process, functions in a specific manner. As per the ISO/IEC Guide 2:2004 "standard" is defined as "a document, established by consensus and approved by a recognized body, that provides, for common and repeated use, aimed at the achievement of the optimum degree of order in a given context.

The idea of "standard" started with the obvious things like weights and measures, and over the last 50 years has developed into a family of standards that cover everything from the shoes we stand in to the Wi-Fi networks that connect us invisibly to each other. Addressing all these and more, National and International Standards mean that consumers can have confidence that their products are safe, reliable and of good quality. Standards on road safety, toy safety and secure medical packaging are just a few of those that help make the world a safer place. Regulators and governments count on standards to help develop better regulation, knowing they have a sound basis established by global experts.

Standard-essential patents safeguard patented technologies that are believed to be indispensable to an industry standard, such as IEEE 802.11, 4G, LTE, 5G, etc. By and large, once the proprietary technology is mandated by the standard, an implementer of the standard cannot produce standard-compliant equipment without use of the patented technology. Consequently, if the standard becomes extensively accepted, the SEP holder may attain an overriding market power that, in many cases, would not exist but for the adoption of the patented technology by the standard. This may create an opportunity for the SEP owner to demand disproportionate licensing terms for, or refuse to license, the technology — a problem generally known as "hold up" — to the detriment of the public interest. To eradicate the problems like "Hold Up", killing the competition and to demand heavy licensing fees, various standard setting organizations usually necessitate

1.https://www.iso.org/standards.html

that SEP owners whose patents are obligatory to the standard agree to license the patents to implementers of the standard on FRAND (Fair, Reasonable, and Non-Discriminatory) terms. SEPs that are subject to a FRAND commitment are deemed to be FRAND-encumbered. However, the legal implications of a FRAND commitment fluctuate by Standard setting Organization, each of which may set the terms of its FRAND commitment and jurisdiction; each of which interprets each FRAND commitment according to local rules of contract. The mix-up is compounded by the fact that the parties seeking to enforce FRAND commitments are usually third parties (e.g., implementers of devices that use the standard) who were not themselves part of negotiating the FRAND agreements (which are between the SSO and the SEP owner). Therefore, the enforcement and licensing of SEPs often implicates global interests, and claims of abuse of market power are pervasive in the context of SEPs, as compared to non-SEPs.

The interplay between standards and patents is essential as the standards ensure that an equipment is safe, reliable and interoperable while patent provides a safety and commercial viability to R&D activities. There is a very delicate balance between the two, if the standard becomes too general it will lose its reliability while if the patent laws become too harsh then it will give a market dominating power to SEPs to charge exorbitant price for the technology. India has the world's second-largest telecommunications network. However Indian jurisprudence on fair, reasonable, and non-discriminatory (FRAND) licensing practices for standard-essential patents (SEPs) is at a nascent stage. As of May 2015, the Delhi High Court has passed interim orders in only two patent-infringement cases concerning FRAND licensing. In addition, the Competition Commission of India (CCI) is simultaneously addressing the first complaints ever filed in India concerning FRAND licensing. Although the CCI has passed initial orders addressing both complaints, it has not reached a final decision in either case. Ericsson is the common stake holder in all the above proceedings. Since Ericsson is a SEP holder and receives licensing royalties, the results of these proceedings will have significant effect on companies licensing practices in India and will also extend to other SEP holders in the market.

In 2013, Micromax filed a complaint with CCI against Ericsson alleging that Ericsson has been misusing the SEP and has been charging deprotonate licensing fees for the use of its SEPs. Micromax alleged that Ericsson have been violating the Competition Act 2002. It was argued that the licensing fees of 1.25% should be charged on the chipset that uses the technology and not on the final finished product that is smart phone in this case. For example if the chipset sells for INR 100 licensing fee should be INR 1.25 while if the smart phone sells for INR 1000 the licensing fee becomes INR 125. It was also argued that how could the same technology be charged differently for use in different segment of smart phone. For example the licensing fee for

the SEP for a smart phone with MRP INR 1000 is 125 while for the smart phone with MRP IN R 10,000 is 1250. It was argued that this practice of charging licensing fee will ultimately harm the end consumer. Based on these arguments, the CCI passed its preliminary order on November 12, 2013, in which it first defined the relevant product market as the market for the GSM and CDMA standards, with the relevant geographic market being India. Second, the CCI said that, in the relevant product market, Ericsson was 'the largest holder of SEPs for mobile communications like the 2G,3G and 4G patents used for smart phones, tablets etc. for which there was no available alternative to existing or prospective licensees'. The CCI concluded that, based on the strength and large number of its patents, Ericsson had a dominant position in the market for devices that implement the GSM or CDMA standards. Third, the CCI expressed that 'FRAND licenses are primarily intended to prevent patent hold-up and royalty stacking' and observed that patent holdup undermines 'the competitive process of choosing among technologies and threatens the integrity of standard-setting activities'. It also said that Ericsson's royalty rates were excessive and discriminatory, given that they were set as a percentage of the price of downstream products instead of as a percentage of the price of the GSM or CDMA chip.

To mitigate the tussle between Competition laws and IPR regime, on November 29, 2017, the European Commission circulated its long-awaited regulation on litigating and licensing standard-essential patents (SEPs). The commission is charged with enforcing the European Union's competition laws. The announcement is part of wider efforts in the EU to boost European intellectual property rights. By this communication, the commission intended to "set out key principles that nurture a well-adjusted, smooth and foreseeable framework for SEPs." According to the commission, these key principles, which we outline below, are intended to: (1) incentivize the development and inclusion of top technologies in standards, by preserving fair and adequate return for these contributions, and (2) ensure smooth and wide dissemination of standardized technologies based on fair access conditions.

Increasing transparency on SEP exposure[2] - The commission recommends a number of structural and administrative changes aimed at improving the quality and accessibility of SEP information recorded in standard developing organization (SDO) databases, imposing fees and essentiality checks on SEP declarations, and implementing a program for certifying transparency compliance.

Principles for licensing of SEPs[3] - In the licensing context, the commission

[2] https://www.lexology.com/library/detail.aspx?g=cc2ad79b-df44-41a5-99e0-b91aa64466e2

[3] https://www.lexology.com/library/detail.aspx?g=cc2ad79b-df44-41a5-99e0-b91aa64466e2

acknowledges the divergent interests of SEP owners and standards implementers, especially as they relate to valuation of SEPs. To that end, the communication recommends the following SEP valuation principles:

- licensing terms must bear a clear relationship to the economic value of the patented technology (with such value deriving from the technology itself, not its inclusion in a technological standard) while allowing for alternative valuation in cases where the technology has little market value outside the standard or substantially adds to the success of the standard.
- FRAND valuation should take into account the present value addition of the patented technology, irrespective of the market success of the product which is unrelated to the patented technology; and to avoid royalty stacking, in defining a FRAND value, an individual SEP cannot be considered in isolation, but instead, must be considered taking into account a reasonable aggregate rate for the standard, assessing the overall added value of the technology.
- The communication encourages measures for establishing patent pools and other licensing platforms, to offer stronger essentiality inquiries, clarity on aggregate licensing fees, and one-stop shop efficiencies. The commission notes that it will monitor licensing practices, particularly those relating to internet-of-things applications.[4]

Principles for litigating SEPs - With the stated objective of fostering a predictable enforcement environment for SEPs, the communication focused on the availability of injunctive relief for SEP owners, a hotly debated issue. On injunctive relief, the commission endorses the CJEU's Huawei v. ZTE decision. Acknowledging that "the possibility to enforce is one of the key aspects of intellectual property rights", the commission affirms that injunctive relief is available to SEP owners, including no practicing entities (NPEs), against a party that refuses to take up a license on FRAND terms. The right to an injunction remains subject to principles of proportionality, an often-used European doctrine of fairness.

The communication also lays out several informational and timing requirements for making licensing offers and counter-offers, including that counter-offers must be concrete and specific, and should not merely reject the offer terms as non-FRAND. The commission also notes that a willingness to submit to a third party's FRAND determination is indicative of

[4] https://www.lexology.com/library/detail.aspx?g=cc2ad79b-df44-41a5-99e0-b91aa64466e2

FRAND behaviour that (presumably) may affect whether an injunction is granted. While the commission endorses the practice of licensing entire patent portfolios, it notes that rights holders cannot require a licensee to accept non-SEPs in order to license SEPs.

Conclusion

Telecommunications and electronics markets in India are experiencing rapid growth. A number of key players like Samsung, Nokia, Apple, Micromax, Xiomi etc are trying to establish their brands and have been offering products with lower prices. India would require a very detailed policy framework as adopted by European Commission and explained as above. The guidelines will be definitive on how India choses to shape its competition laws, IPR and FRAND. One would expect that the CCI would supply clear and precise opinions when evaluating other similar complaints in the future.

Role of IPR in Sports

By Aayush Sharma

With the aim of protecting the ownership, Intellectual Property Rights have been adopted by many industries worldwide. Whenever an idea is created by labour and hard work, need for its protection automatically arises. Intellectual Property Rights provide an incentive to the individual for new creations. The IP Rights protect the expression of an idea and not the idea itself. In this article we will discuss the importance of IPR in Sports Industry.

The scope of Intellectual Property Rights is immense in the sporting arena. IP Rights are vested in almost every component of the sports industry. They start from Patents which encourage technological advances that result in better sporting equipment. Trademarks and designs contribute to the distinct identity of events, teams and their gear. Copyright-related rights generate the revenues needed for broadcasters to invest in the costly undertaking of broadcasting of sports events to fans all over the world.

Example –

A sports shoe could be protected by several IP rights such as Patents protect the technology used to develop the shoe; Designs protect the "look" of the shoe; Trademarks distinguish the shoe from similar products and protect the "reputation" and "brand" of the shoe; and Copyright protects any artwork and audiovisual creations used to publicize the shoe. Further, the IP Rights are also associated with many other aspects of sporting business, such as event promotions, athletes, sponsorship deals, broadcasting and merchandising.

Commercialization of Sports is one of the most promising areas which have added to individual gains and also contributed to the economic growth of the country. Today Intellectual Property Rights are used as marketing tools toward the branding of games and connected events, sports clubs, teams, celebrity status which all in turn require protection to prevent any complications that may arise in future.

Although there are many advantages of IP protection in sports industry, nevertheless there are huge problems as well. It can be better understood by a case study of the International Olympic Committee (IOC) wherein the Olympic symbol has been protected under Nairobi Treaty on the Protection of the Olympic Symbol, which follows the strict rules governing the usage of the symbol, which affects other areas of branding for the games as well. Due to such stringent rules, many companies find it difficult to use the Olympic symbol as a part of their marketing strategy.

These companies then resort to "AMBUSH marketing". Ambush marketing is the term used when a brand attempts to tie itself to a large event, without being a sponsor of the said event. This means the brand or company avoids paying fees, but succeeds in generating commercial revenue from their actions.

For example, in the 1996 Summer Olympics, Nike pulled off a highly successful feat of ambush marketing with its golden shoes that Michael Jordan wore when he competed and won the gold in the 400-meter track event. Nike took heat from the Olympics Committee for the PR stunt, and the incident became the base for the IOC to enact strict rules to make it extremely hard for non-sponsoring brands to profit from Ambush marketing at the Olympics.

In the sports industry, a chain of title has relevance in sports agreements which incorporate the legal release of the talent of the sportsman, so that their work, images, personality rights, etc., can be used by another for profit. In sports leagues like the Indian Premier League (IPL), Hockey India League, Indian Badminton League, Pro-Kabaddi, Indian Super League, various teams have been formed, which are owned by individuals or partners.

Teams are sold to other individuals or partners and in such an event the chain of title becomes an issue, in order to ascertain the title in trademark, copyright and various other IPRs which may form a part of such an event.

Various acts of infringements or unauthorized use of IP, eventually lead to IP disputes. With an increase in the commercial exploration of IPR in sports, various legal issues that can arise in the sports industry include infringement of trademarks, brand abuse, misbranding, misuse in bad faith, using the name of a sports personality without permission or without paying any license fee or royalty; copyright infringement with regard to the copyrighted merchandise, sports equipments, artwork in logo, broadcasting without license, piracy in audiovisual recordings, infringement in promotional material used, use of copyrighted software without license or royalty; infringement of design, use of design without license, use of design for promotion of other goods; and in case of patents, the use of patented technology without authorization from the owner of the patent.

These issues can lead to damage of goodwill, unfair trade practices, unfair competition and commercial disputes which ultimately lead to huge commercial losses which in turn defeats the principal purpose of exploring the commercial aspect of the sports industry.

It is the need of the hour for the Government to formulate stringent laws for enforcement of IP rights in sports. The owners of intellectual properties in the field of sports should be aware about the importance of IP and protect them by doing registration, obtaining proper licenses and making contracts in order to protect the value of sports and sporting assets as well as actively protecting intellectual property from infringement and abuse.

Importance of legal contractual agreements must be identified, and contract must be put in place for protecting all forms of intellectual property created in sporting events, teams, individual players etc., to protect

all the stakeholders and their financial interests. It is recommended that India should come up with sports business model which could build an effective IP rights strategy that would address the use of patents, trademarks, designs in sports as well as use of domain names; and which would also address media and broadcasting rights.

The Ethical, Legal and Scientific Challenges of DNA Patenting

By Suchi Rai

The topic of DNA patenting has galvanized over the past decade because the application of the patent system in the field of biotechnology aims to strike a reasonable balance between the rights of inventors and the public interest. Ethical, legal and scientific concerns intermingle which creates thought provoking discussions.

The commercialization of research in life sciences over the past few decades is strongly influenced by the remarkable development and application of new genetic engineering technologies. The study of genomics greatly expanded when the scientists started to unravel the mechanism between genes and protein in healthy as well as in diseased conditions. In 1990, the Human Genome Project was established in order to identify the genes in human DNA as well as to determine the order of the 3 billion base pairs in human DNA. In 2001, the human genome draft was developed which reported about 30,000-40,000 human genes, majority of which were implicated in diseases and disorders.

'Patenting DNA' or 'Patents that assert rights over DNA' raise a number of ethical issues due to various factors such as the special status of the DNA, legal criteria for patenting as well as the possible deleterious consequences for healthcare and research related to healthcare. It is therefore, important to assess further the application of patent system in relation to DNA sequences.

In general view, it has been envisaged that the law has tended to be generous enough in relation to DNA sequences. In case of many granted DNA patents, the claims were broad in scope and it obtained all protection on all the uses of DNA, including the protein which the DNA produces. Many of these patents were granted only when the criteria for patenting such as inventiveness and utility were weakly applied.

With regard to patent claims, four distinguished applications of DNA sequences are identified viz., diagnostic testing, research tools, gene therapy and therapeutic proteins.

DIAGNOSTIC TESTING

Diagnostic Testing is based on the identification of DNA sequences that are significantly implicated in a disease. BRCA1 is a gene that has been found implicated in some forms of breast cancer. It has been used to develop a diagnostic test. BRCA1 test is protected by product patents as well as by use patents, which contains claims to the use of DNA sequence for diagnosis. There has been a considerable opposition to the grant of these patents, mainly because it creates not only exclusive market for Myriad Genetics, the owner of patents but also prevents others from competing with them through the development of better diagnostic methods, using the same 'BRCA1 gene'. Mutations of individual genes as those manifested in cystic fibrosis, haematochromatosis have been the subject of patents relating to diagnostic tests. The development of such diseases or disorders is affected by many numbers of genes (polygenic) as well as several environmental factors. Therefore, the identification of such genes is very important in the prediction of diseases. Nevertheless, the process of such prediction is very complicated. The authenticity of such prediction is inevitably weaker as the effect of each gene may be smaller.

Although doubts exist that such genes enable reliable disease predictions, some investment is being made into developing a new generation of diagnostic tests which aim to alert patients and their doctors to a predisposition to major diseases. The grant of patents for such genes will be the motivating factor in promoting the investment in research in life sciences.

The knowledge of the DNA sequence in the gene and the disease-associated mutations is applied by using it as a basis for detecting and characterizing the gene in the patients. Hence, the identification of the gene and a disease can be considered more than a discovery. It was argued that at the time when genes such as BRCA1 were patented, the identification required lot of efforts and human intervention. Despite the effort involved, the isolation of the gene BRCA1 was essentially considered a discovery, the application of which was useful. On the other hand, DNA sequences that have been characterized by *in silico* analysis shall not be allowed due to the lack of inventiveness.

The term 'inventing around' means developing a similar product which performs the same function but put together in a different way from the existing inventions. Therefore, if a patent also claims the products

expressed by the gene in question, it becomes an arduous task for other scientists to 'invent around' such genes or the proteins expressed by it. Working with such patents requires an individual to seek a license from the holder of the patent. Broad patents not only thwart the development of improved diagnostic tests but also restrict other forms of research. Research into the genetic basis of diseases is much more expensive than the research and development for diseases associated with a single gene as the method is time-consuming and characterized by high degree of uncertainty[4]. It is evident from the aforesaid, that without the promise of patent system investment in biotechnology and biomedicine through private funding could be on the decline and patients would be denied potentially valuable diagnostic tests.

RESEARCH TOOLS

DNA sequences that are used in research are termed as research tools. Such sequences have no immediate therapeutic or diagnostic use. Two main types of research tools are Expresses Sequence Tags (ESTs) and Single Nucleotide Polymorphisms (SNPs). ESTs represent the coding parts of genes that led to its extensive application as a method of locating genes. SNPs are also important tools used in research to help locate genes associated with diseases or identify genetic variation which may be predisposed to diseases.

The owners of patents commercialize them either by licensing them for particular sequences as in case of CCR5 or by applying the knowledge aimed at discovering new drugs or other research. In cases of patents that assert rights over DNA sequences whose claims amount to routine discoveries with weakly demonstrated and speculative uses, the patents will seldom deserve the status of patentable invention.

GENE THERAPY

Certain diseases are caused by mutations or mistakes in the human genome. A particular disease can be caused by number of different mutations in the same gene. Gene therapy treatments involve the use of DNA sequences. Hence, if the gene is patented, treatment of gene therapy will depend on the availability of a license from the owner of the patent. Once a gene associated with a disease is identified, the use of the relevant DNA sequences in gene replacement therapy to alleviate the effects of mutation in that gene is obvious; hence, it is recommended that the protection by product patents should not be allowed.

THERAPEUTIC PROTEINS

Patents that assert rights over the therapeutic proteins assert rights over the DNA sequences as well as the protein characterization process itself. This is because the DNA is pivotal to the production of the protein and is considered as an intermediate element in the manufacturing process. Therefore, it is recommended that while rights asserted over DNA sequences which are used to make new medicines based on therapeutic proteins are generally acceptable, they should be narrowly defined. By this it is meant that the rights to the DNA sequence should extend only to the protein described.

CONCLUDING REMARKS

Various research institutions and international bodies are involved in fostering healthy debates about the true impact of patent system on health outcomes. It is also equally important to maintain a moderate view on the impact of genetics on health outcomes. The work of sequencing the human genome was a landmark achievement, but it is only a tiny step in a process that will take several years to reach its full potential. Nevertheless, the milestones achieved should be properly rewarded with incentives, in order to handle the barriers and mould the directions of research.

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4. Discussion of the problems and criteria concerning the verification of a verified SNP-Disease association see freely associating [Editorial]. *Nat.Genet*. 1999;22(1):1-2
5. US Patent 6,025,154

Patentability of Stem Cell Technology

By Dr Heena Lamba

Stem cell technology is not a new concept having been popular since last decade. Stem cells are auto-generative cells which have the capability of indefinite division. They can easily be maintained in laboratories as cell lines. Since they can divide and differentiate to form different cells of the body, they have vast scope in medical realm with respect to repair and replacement of human tissues and a probable cure for many conventional and non-conventional diseases. There are two kinds of stem cells i.e. embryonic stem cells and adult stem cells.

Embryonic stem cells are obtained from the blastocyst stage of the human embryo, where embryo is a gestational stage in the human birth cycle. Since this extraction unfortunately makes the embryo non-viable[5], this technology raises many ethical and moral concerns in the society. However, recent advancements in in-vitro fertilization and ability to derive stem cells from umbilical cord blood and amniotic cell lining[6] (a biological waste after delivery of the child) have resolved majority of such issues, thus, accelerating research in the area. Deriving stem cells from umbilical cord blood is deemed more acceptable ethically, and therefore, this process has become very popular in exercising benefits out of stem cell technology. There is high awareness about the preservation of umbilical cord blood among the educated Indians and it has gained popularity with a number of stem cell banks, both public and private, facilitating cryopreservation of stem cells in India.

On the other hand, working with adult stem cells is comparatively easier since the process does not require invasion of the source from which it is taken. Adult stem cells can be obtained mainly through three sources i.e. bone marrow, adipose tissue and blood. Functionality of adult stem cells has been found to be very limited as compared to the functionality of embryonic stem cells. Therefore, majority of the therapeutic researches involve human embryonic cell lines.

Embryonic stem cells are considered to be pluripotent cells i.e. they have the ability to develop into different cell types of the human body. Embryonic cells can even be totipotent if they are obtained from a very young embryo which has undergone only a few cycles of cell division. Such cells, in addition to being pluripotent, have the ability to get differentiated into extraembryonic and placental cells. Adult stem cells have the capability of regenerating only similar or related tissues from which they are derived and therefore, have limited applicability.[7] Such cells are known to exhibit multipotent characteristics but have limited scope compared to pluripotent cells.

Application of stem cells lies primarily in utilizing their pluripotent and totipotent

[5] The Limits of Patentability: Stem Cells. Available at: https://www.researchgate.net/publication/278661138_The_ Limits_of_Patentability_Stem_Cells

[6] Biological characteristics of stem cells from foetal, cord blood and extraembryonic tissues. Available at: https:// www.ncbi.nlm.nih.gov/pmc/articles/PMC2988276/

[7] What is the difference between totipotent, pluripotent, and multipotent? Available at: https://stemcell.ny.gov/ faqs/what-difference-between-totipotent-pluripotent-and-multipotent

characters in repair and replacement of tissues. Technology for making patient specific stem cells, and tissues thereof, has been developed. This ensures the repair and/or replacement offered by such tissues a better probability of getting accepted by the immune system of the body[8]. This therapeutic aspect of stem cells finds benefit in curing various malignant and non-malignant diseases like diabetes, Parkinson's disease, cancer etc.

Different countries have different countenance about this technology as a breakthrough in medical science. Some countries offer full support to researchers to explore this field to the fullest extent, whereas in some others there are no formal policies resulting in the majority of research being governed by private contributors without the support of the government. The countries' acceptance of this technology shows their clear preference toward therapeutic benefits of stem cells over the concerned ethical issues. Countries supporting this technology include United Kingdom, Belgium, Israel, South Korea, India, Japan, Singapore, China and Australia. Other countries like Germany, Austria and Italy offer stricter policies for stem cell research. Some other countries like United States, Canada, European Union, however have limited opportunities which can be availed only if the research is deemed ethically acceptable.

It is to be noted that the majority of the countries, irrespective of whether they support stem cell research or not, exploit this technology only for therapeutic purposes, while cell cloning is highly restrained being used just for the purpose of research. Most research is carried out ethically by either exploiting the embryos that are deemed to be a waste after in-vitro fertilization, or those embryos that are unwanted or sacrificed; or stem cells derived from umbilical cord blood.

Patentability of stem cell research

Just like policy framework, patentability of this kind of research is also highly varied among different countries. For an invention to be patentable, it should suffice three basic requirements of i) novelty, ii) non-inventiveness and iii) industrial applicability. Invention related to stem cell technology generally qualifies these requirements and becomes a patentable subject matter. The Indian Patents Act (1970) says that an application should also qualify criteria given under section 3, for it to be considered as an invention. Stem cell technology falls under the purview of 3(b) of the Act, according to which 'an invention, the primary or intended use or commercial exploitation of which could be contrary public order or morality or which cause serious prejudice to human, animal or plant life or health or to the environment, are not inventions'. Whether the stem cell technology should be considered non-ethical or against moral values, vis-à-vis the various benefits it offers to those who do not have any other cure, is a debatable topic, which keeps recurring between the researchers and the policy makers.

As far as India and most of the other countries are concerned, they have voted for technology only in case ethical ways are used to derive embryonic stem cells. These ethical ways, as

[8] The patentability of stem cells, reforms to patent law. Available at: https://www.lawteacher.net/free-law-essays/medical-law/patent-law-stem-cells.php

reported by the researchers, like using human embryos, produced by in-vitro fertilization, aborted fetuses, and asexually produced human embryos for deriving such cells, are not against public order or morality in any way[9]. India is lucky in a way that the government is supporting researchers in this area for the good of the nation. In addition, nothing has been mentioned in Patents Act (1970) which makes stem cell and related research not patentable. Therefore, stem cell technology is considered patentable, and a good number of patent applications are made every year and several are granted[10] to bring in optimistic competition among the researchers.

It will not be wrong to say that stem cell research is a very promising field and can prove to be a boon for biotechnology sector of the country. Research in this field should be encouraged by giving suitable intellectual property rights to such inventions.

[9] Patent: Stem Cell Patent Debate Never Dies. Available at: https://www.bananaip.com/ip-news-center/stem-cell-patent-debate-never-dies/

[10] ibid

How to Deal with Refusal of Trademark Registration: The Next Step Forward

By- Samridh Ahuja

I. Introduction

Trademark registration process can be easy and complex all at once. There are certain do's and don'ts that must be taken into consideration before one goes for the filing of the Trademark application.

- The applicant must choose a distinctive and unique brand name/business name/ trademark

- The applicant must do a Trademark public search on the "www.ipindiaonline.gov.in" website before he/she goes to the Trademark Registry.

- The applicant must not choose generic words or words that are publici juris i.e. the names that are very common and known to public at large.

- The applicant must not choose names that are also names of places. It is well established in the trademark law that no one can have monopoly over a geographical name. The same is also barred under Section 9 of the Trade Marks Act, 1999, as an absolute ground for refusal of a trademark.

- Obscene words and words that outrage the religious sentiments of the public are a strict no-no. In a recent Supreme Court Case (2015)[11] where the Appellant was using the word "RAMAYAN" for incense sticks, the court stated that the word "Ramayan" cannot be monopolized as it is the name of a religious book.

- The applicant must not choose marks that are similar to the ones already on the Trademark Register, especially when the mark already on the Trademarks Register is a well-known mark.

- The applicant must choose marks that are arbitrary i.e. they, in no way describe the goods of the Applicant. For example- Trademark "APPLE" is used for electronic items thus making the mark very arbitrary and together with the distinctiveness that it established over the years, the mark is a well-known and a distinctive mark.

- The applicant is prohibited from using the name, emblem or official seal of, say, the United Nations Organization/World Health Organization or the National Flag of India, as a trademark and these

[11] *Lal Babu Priyadarshi v. Amritpal Singh*, AIR (2016) SC 461.

words cannot be registered under Section 9 of the Trade Marks Act, as an absolute ground for refusal.

II. **Refusal of Application**

After some careful consideration and/or after having heard the client's response in favor of its application for the registration of the trademark, the Registrar/Examiner is not convinced; he may at his discretion "Refuse" the application. A trademark application can also be Refused in a situation where a successful third-party opposition is received against it.

III. Next Step Forward

- Review Application (Form TM-M)

The next step forward is filing a review application i.e. request for the review of Registrar's decision. The Indian Trademark Office may allot another hearing date, where the applicant gets a chance to present its case again.

- Intellectual Property Appellate Board (IPAB)

Upon Refusal to register trademark, **Section 91 of the Trade Marks Act** provides for an appeal to be filed with the Intellectual Property Appellate Board (IPAB) within 3 months from the date on which the order/decision sought to be appealed against was communicated to such person. There have been instances where the applicant's mark has been refused at a preliminary stage and has been accepted upon appeal and vice-versa.

In the case of *M/s Su Dagadu Teli & Sons v. M/S Dagadu Bhau Teli Chandwadkar*[12], the first respondent had filed an application for registration of trade mark **'Dagadu BhauTeli Chandwadkar'** in class 31 in the year 2003. The user was claimed since **1875.** The Appellants opposed this trademark on the grounds that it violates Section 9 of the Trade Marks Act, as the word "TELI" is a caste name and must not have been adopted in the trademark. The matter went before the Intellectual Property Appellate Board, where it was decided that the mark had acquired distinctiveness and being the prior honest adopter of the trademark, the order was passed in favor of the respondent and the appeal was dismissed.

Further, in the case of *Sri Vishnu Cement Limited v. B.S. Cement Private Limited*[13] the appellant had filed an application for the trademark "VISHNU CEMENT" in the year 1986. After preliminary objections, the mark was advertised in the Trademark Journal as Accepted. It was later successfully opposed by the Respondent, and the trademark was refused. On Appeal, the matter reached IPAB. The Appellate Board looked

[12] OA/88/08/TM/MUM.

[13] TA/18/2003/TM/CH.

into the matter, and ordered in favor of the respondent and against the appellant on the grounds that- the trademark "VISHNU CEMENT" includes the word "VISHNU" which is the name of a Hindu deity and therefore the mark is liable to be refused under Section 9 (d) as it is likely to offend the religious sentiments of public.

- High Court

The aggrieved party may, if not satisfied with the said decision of the IPAB, approach the High Court. The aggrieved party in the case of *M/s Su Dagadu Teli & Sons v. M/s Dagadu Bhau Teli Chandwadkar*[14] had appealed in the Bombay High Court; wherein the court dismissed the appeal on merits.

IV. Conclusion

The applicant must take the necessary steps at the time of filing of the trademark application in order to ease the process for trademark prosecution. Conducting an official trademark search is most advisable, prior to filing the trademark application. Section 9 and Section 11 of the Trade Marks Act, 1999, being the pillars of the Trademark law in India may strengthen or break your case and hence must be adhered to in their entirety so as to avoid any objection from the Registrar at the initial stage of trademark prosecution. The trademark prosecution process does not end when the mark is refused, and the Act provides other legal remedies, which can be availed by the applicant.

[14] WP 3529/2011.