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INTELLECTUAL PROPERTY AND TECHNOLOGY LAW UPDATES

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CONTENTS

An Overview of Design Protection in India

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Introduction

The Designs Act, 2000 ("the Act"), is a complete code in itself and protection under it is totally statutory in nature. It protects the visual design of objects that are not purely utilitarian. *Section 2(d) of the Act*, defines a Design as:

"design" means only the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article whether in two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye; but does not include any mode or principle of construction or anything which is in substance a mere mechanical device, and does not include any trade mark as defined in clause (v) of sub-section (1) of section 2 of the Trade and Merchandise Marks Act, 1958 (43 of 1958) or property mark as defined in section 479 of the Indian Penal Code (45 of 1860) or any artistic work as defined in clause (c) of section 2 of the Copyright Act, 1957 (14 of 1957).

Designs are registered in different classes as per the Locarno Agreement. It is used to classify goods for the purposes of the registration of industrial designs which further helps in design searches. These classes are mainly function oriented. The copyright on a registered design is in total for 15 years. Initially the Copyright in Design is registered for 10 years, which can further be extended by 5 years on making an application for renewal.

In addition to the above, the design sought for protection must be new or original, i.e., not disclosed to the public in India or elsewhere in the world by prior publication or by prior use or in any other way. The design should be significantly distinguishable from designs or combination of designs that are already registered or pre-existing or disclosed to the public. Furthermore, the design shall not include any scandalous or obscene matter or any feature that is purely functional in nature.

As in case of any other IP rights, the design registration also bestows the monopolistic right to the proprietor by which the right holder can legally exclude others from reproducing, manufacturing, selling, or dealing in the said registered design without consent from the proprietor.

Remedies

As per *Section 19 of the Designs Act, 2000*, anytime during the subsistence of the design registration, any person can seek cancellation of the same by filing a Petition before the Controller, on the following grounds for Cancellation of design registration:

"…(a) that the design has been previously registered in India; or

(b) that it has been published in India or in any other country prior to the date of registration; or

(c) that the design is not a new or original design; or

(d) that the design is not registerable under this Act; or

(e) that it is not a design as defined under clause (d) of section 2…"

Further an appeal against the order of the Controller can be made to the High Court.

On the other hand, *Section 22 of the Designs Act, 2000*[1], provides that any fraudulent or obvious imitation of a registered design without the consent of the proprietor is unlawful and also prohibits the import of such material which closely resembles a registered design. The section very specifically provides that in a civil case compensation payable shall not exceed Rs. 50,000/- in respect of infringement of one registered design. Because the compensation payable is statutorily limited, this is a good ground for insisting on an interim injunction even before the commencement of trial.

Comparison of Design registration versus different IPs

Design registration versus Patents registration: A patent protection is granted over a novel product or process comprising inventive step (technical advance) and exhibiting industrial applicability. One of the prime differentiators for design vis-à-vis patent protection is that contrary to designs, patents must contain a functional and/or structural feature of technical significance; while a design is judged on aesthetics only and not the functionality/technicalities of the shape/pattern of an article.

Design registration versus Copyright: Both design and copyright protections relate to aesthetic features of the article. The differentiating factor is clearly provided under Section 15(1) of the Copyright Act, 1957, which states that:

1. Copyright shall not subsist in any design registered under the Designs Act, 1911, or
2. Copyright in any design capable of being registered under the Designs Act, shall cease as soon as any article to which the design has been applied has been reproduced more than fifty times by an industrial process.

Design registration versus trademark registration: A registered design and a trademark (not yet registered) may have an overlapping area. Say if a unique shape is a registered design and the said unique shape of the article attains such level of popularity leading to brand recognition amidst available articles in the same classification of goods, the same may fall under consideration for a trade marks registration by the proprietor/company.

The pros and cons of the Indian design system

Pros: India has a definite governing and established structure for the protection of industrial designs. Essential criteria for protection have been prescribed and are in line with international standards. The procedural formalities for filing design applications are simple and time constrained. It is important that the applicants ensure the procedural requirements carefully, as bulk of Indian design applications are rejected on procedural issues, while very few rejections are due to lack of fulfilment of substantive criteria. Thus, it is important to ensure that both the application form and the representation sheet comply with the guidelines so that design applications are processed speedily and efficiently.

Cons: One of the reasons why design is so infrequently protected is because in many industries such as jewelry and shoes, the designs change rapidly to keep up with consumer trends. The requirement, that prior to registration a design cannot be in public domain, thus cannot be met by most of these industries. Another problem that the design

[1] *Section 22*: Piracy of registered Designs

protection regime faces is the term of protection. 15 years is too short a time. A company/individual would rather resort to trademark or copyright protection depending on the article in question, to get a longer term of protection.

Freedom to Operate - Identifying Inventions in the Public Domain

Heena Lamba

The World Intellectual Property Organisation (WIPO), in 2009, started Technology and Innovation Support Centre (TISC) program. This program provides innovators in developing and least developed countries (LDCs) access to high quality technology information from available patent and non-patent literature and related services, helping them to exploit their innovative potential and to create, protect and manage their intellectual property (IP) rights[2]. India formally became part of this program when Department of Industrial Policy and Promotion (DIPP) made an agreement with WIPO on November 13, 2016[3] for establishing TISCs in order to promote IPR culture. Services offered by TISCs may include[4]:

- Access to online patent and non-patent (scientific and technical) resources and IP-related publications;
- Assistance in searching and retrieving technology information;
- Training in database search;
- On-demand searches (novelty, state-of-the-art and infringement);
- Monitoring technology and competitors;
- Basic information on industrial property laws, management and strategy, and technology commercialization and marketing.

Under this program, WIPO has designed various manuals or guides to facilitate learning 'tools of interest' that will help its member countries meet the objective of the program. One such guide for which WIPO is extensively providing trainings in India is "Guide on identifying[5] and using[6] inventions in the public domain". The guide teaches a three-stage process for searching and analysing published patent documents using the tools of freedom to operate (FTO) determination.

Patent being an important IPR with respect to its commercial value, such guides are widely utilised by innovators for searching patent literature. Patent searches can be performed for three types of objectives:

- To determine novelty of an invention;
- To identify if any patent is infringing client's patent or invention or whether a new invention will infringe some enforceable patent;
- To conduct FTO for checking commercialisation status of a given invention.

Freedom to Operate is a search tool which helps in identifying commercial value of an invention. It helps a person to know whether their invention or product of their interest can be commercialised or not or whether it infringes any enforceable patent.

Apart from giving a clear picture of commercialisation of new products, it opens up multitude of those inventions which come

[2] India's Second Technology and Innovation Support Center (TISC) Established at Anna University, Chennai. Available at http://pib.nic.in/newsite/PrintRelease.aspx?relid=173318

[3] WIPO Technology and Innovation support centers in India. Available at http://www.invntree.com/blogs/wipo-technology-and-innovation-support-centers-in-india

[4] https://www.wipo.int/tisc/en/

[5] WIPO Guide on Identifying Inventions in the Public Domain

[6] WIPO Guide on Using Inventions in Public Domain

in the public domain and at a given point of time can be commercialised without calling out any legal prosecution. Inventions usually come in public domain mainly by virtue of abandonment, revocation, withdrawal, ceased, expired or being disclaimed by the applicant.

Once the objective of the search is decided, FTO search can be performed following the three basic steps i.e. **Describe, Search and Analyse**[7].

I. Describe

- Gather information from client about the invention - what is the invention, what does the client plan to do with it, where does the client plan to use the invention and when does the client plan to use the invention?
- Describe the invention and its planned use.
- Information received from the client can be summarized in the format as provided in the annexure[8] to the guide on identifying inventions of interest.
- The format as provided by annexure divides the gathered information under two heads i.e. Technical information about the invention (overview, technical description, essential features, optional features, functional features, background information, differences and distinguishing features) and Business information (Countries and time frames to be searched) about the invention.

II. Search

- Break down or deconstruct the invention into parts and identify keywords corresponding to every deconstructed part of the product as well as the process.
- Functional features can also be used to create keywords for an appropriate search.
- Choose search parameters relevant to the search - key words, International Patent Classification (IPC) codes, suitable databases based on the countries to be searched, year(s) suitable for the time frame to be searched and language in which information is required.
- Test devised keywords and corresponding IPC codes for relevance.
- Search for patent documents with claims that might cover the invention or one of its essential features, and identify potentially relevant documents to analyse.

III. Analyse

- Determine the legal status of each analysed patent, whether it is still in-force or is it enforceable in the desired territory or country or does it fall under public domain for one or more of reasons of being expired, abandoned, invalidated, or revoked or is the legal status ambiguous or unsettled.
- Analyse claims of each potentially relevant patent document to determine their scope of patent rights.
- Recommended: Construct a broad independent claim based on client's invention including all its essential features. This broad claim can be expediently compared with the claims of the relevant patents for analysing potential covering or infringement on relevant enforceable patent.

[7] WIPO Guide on Identifying Inventions in the Public Domain

[8] Annexures to WIPO Guide on Identifying Inventions in the Public Domain

- Response to comparison made between client's invention and relevant patent documents may be given in terms of yes or no or cannot be determined.

One thing is always certain even for such stretched out searches like FTO that no matter how extensive search you have conducted but one cannot be entirely sure that they have analysed all the relevant patent and non-patent literature available on the subject matter. So, there is always a probability of error, which could be based on following[9]:

- how the invention is characterized
- how the technical disclosure in patent documents is characterized
- how information was entered into and retrieved from databases
- quality and content of the databases searched
- the timeliness of database contents
- the accuracy of search inputs
- the scope of the search
- the quality of support tools such as translation or expansion functions
- evolution of rules and standards throughout the world

Having known the limitations of FTO, such factors can be kept in mind while describing the invention and searching and analysing the relevant patents to reduce the probability of error to the least.

After conducting FTO search, apart from getting relevant patents, another stream of search result is obtained which identifies patents that are related to the client's invention but have come under public domain. This area becomes important in cases where the client's invention is covering an enforceable patent. In such an event, client instead of leaving his invention would want an alternative way to commercialise his product. Such alternative ways could be found utilising relevant and related patents in the public domain. As a recommendation, instead of directly commercialising the alternative product so obtained, one must carry out FTO analysis again to find if any modification of that patent is already in force.

[9]WIPO Guide on Identifying Inventions in the Public Domain

Patent Prosecution Highway (PPH)

Monika Shailesh

Patent offices across the world are seeing increasing number of patent applications. Globalization in sectors like commerce, technology, education etc. has led to an increase in patent applications. It has been observed that same patents are filed in multiple countries, increasing the redundancy of applications. This has led to all the patent offices and officers working together in cooperation. It is believed by many patent examiners and commissioners that this type of co-operation is very crucial to increase productivity. In addition to this, large number of pending applications and backlogs has made this cooperation a must and giving rise to what is known as Patent Prosecution Highway.

The Patent Prosecution Highway (PPH) speeds up the examination process for corresponding applications filed in participating intellectual property offices. Under PPH, participating patent offices have agreed that when an applicant receives a final ruling from a first patent office that at least one claim is allowed, the applicant may request fast track examination of corresponding claim(s) in a corresponding patent application that is pending in a second patent office. PPH leverages fast-track examination procedures already in place among participating patent offices to allow applicants to reach final disposition of a patent application more quickly and efficiently than standard examination processing.[10]

[10] Source http://www.uspto.gov/patents/init_events/pph

Supporters of this program often cite following advantages:

PPH, through the exploitation of all the search/examination-related information of the OEE,

(1) Delivers lower prosecution costs,

(2) Supports applicants in their efforts to obtain stable patent rights efficiently around the world; and

(3) Reduces the search/examination burden and improves the quality of the examination of the major patent offices in the world.

The Patent Prosecution Highway was first developed between the USPTO and the Japan Patent Office ("JPO") as a pilot program that began on July 03, 2006.[11]

This Pilot program was started to explore a way to reduce burden on both the US and Japan patent offices for the same patent filed in both the countries. The sole purpose of this pilot project was to expedite the patent examination in the second office by considering the examinations results of the first office of applications if the patent application was found to be patentable in the office of first examination.

PPH Program - India and Japan

India and Japan have always been celebrating a very close collaboration in almost every aspect. The two bid Asian countries have

[11] http://www.uspto.gov/web/offices/pac/dapp/o pla/preognotice/pph_pp.pdf

partnered in a number of projects and now another partnership have been marked in the field of intellectual property rights. Since 2015 the two countries have been initializing various cooperative steps in the field of IPR. In 2015 the two countries entered in the Memorandum of Cooperation (MoC) in order to further the investment and business expansion by Japan's industrial sector in India. Further in May 2017, the Office of Controller General of Patents, Design and Trade Marks (CGPDTM) of India and patent office of Japan signed an enhanced new action Plan. It was agreed that both the national bodies would start new initiatives with respect to IPR. Action plan included follow up training courses for new patent examiners of CGPDTM or sending JPO officials who are well- versed with patent prosecution highway to India.

In one of the latest event on October 30th of this year the head of state of both the countries advanced their collaboration for developing and enlarging the scope of intellectual property rights by realizing the true potential of India-Japan economic relationship. The two partner countries emphasized on Patent prosecution which led to Japan's strong sustenance for key transformational enterprises such as "Make in India", "Skill India" and "Clean India Mission", through sharing of resources and advanced technologies, and active mobilization of Japanese public and private sector investments. The number of patent filings by Japanese Companies in India has nearly tripled over the last decade. Ascertaining such collaboration of the two countries in the area of IPR, Japan and India established to start a bilateral Patent Prosecution Highway Program on experimental basis in specifically recognized fields of inventions during the first quarter of Financial Year 2019. Through this, they welcomed the expansion of Japan's Foreign Direct Investment in India under the "India-Japan Investment Promotion Partnership", the progress made in Japan Industrial Townships (JIT) and other initiatives included in the Japan-India Roadmap for Investment Promotion.

At the Japan-India Summit Meeting on October 29, 2018, the leaders of the two countries concurred to start a bilateral PPH program on a pilot basis in certain identified fields of inventions in the first quarter of fiscal year 2019. Under the program, Japanese companies can request expedited examinations in India through simplified procedures, based on their applications whose claims have been determined to be patentable in Japan. The number of IP offices that Japan has set up in the PPH program will reach 43.Going forward; the Japan Patent Office (JPO) continues supporting Japanese companies to promptly acquire patents overseas, by expanding the PPH network, as well as standardizing and simplifying the procedures at IP offices worldwide.[12]

Conclusion

Overall, PPH offers a lot of benefits to patent applicants. PPH model which allows applicants to influence allowance of claims from one office to another might lead to an increase in domestic patent filings. It will play a crucial role in increasing patent filling in India. A quicker patent prosecution will attract many applicants for Indian jurisdiction,

[12] http://www.meti.go.jp/english/press/2018/1030_001.html

which will unquestionably contribute towards the patent prosecution development.

Patent Licensing

Aayush Sharma

A patent is a right granted to the owner to stop others from using his invention without his consent for making, using, selling or offering for sale his patent. Therefore, only on mutually agreed terms can other parties use the creator's patented invention and this gives rise to the concept of licensing. Licensing is a legal tool through which the patent rights can be transferred to any person who wishes to work the invention at any time before the expiry of patent. Through this, the patent owner authorizes the person (licensee) to utilize the patent rights upon agreed conditions.

Trade Related Aspects of Intellectual Property Rights (Trips)

The Doha Conference 2001 of WTO declared the necessity of giving priority to public health over IPR. It was decided in that conference that the countries have right to protect public health and provide cheap medicines and the member countries could decide on their own the terms and conditions for providing compulsory license.

In India, the concept of Compulsory Licensing is in play. It refers to a license given to a party to manufacture, sell or use the product or process which has been granted a patent without the permission of the owner. The conditions for compulsory licensing is covered under section 84 and 92 of the Indian Patent Act 1970 which states that:

Compulsory license will be granted on the following grounds (Section 84):

- That the reasonable requirements of the public with respect to the patented invention have not been satisfied or,
- That the patented invention is not available to the public at a reasonably affordable price or,
- That the patented invention is not worked in the territory of India.

Section 92 of Patent Act, 1970, deals with other grounds on which the compulsory license will be granted. These are special provision for compulsory licenses on notifications by Central Government. Government grants compulsory licenses in the following grounds:

- For exports, if the product is used for exporting to another country then government can grant licenses but this is only in exceptional circumstances.
- If there is national emergency, where the product is needed on an urgent basis like in war or in health crisis.

Advantages of granting compulsory license:

- Compulsory license is important for providing affordable products such as

medicines and drugs to the public. It ensures that such an invention is utilized for the public good instead of being reserved with the patentee, thus, proving beneficial for the underdeveloped and the developing countries.

- Compulsory license has provisions for concurrently rewarding the owner of the patent so that it continues to act as an incentive along with the product being used by the public.
- In cases where there isn't any financial strength of the patentee for production of the invention, the same can be granted to the licensee to carry out the production.

Natco Pharma Ltd. is the first company to file for compulsory licensing for producing generic version of Bayer's Corporation's patented medicine Nexavar. This drug was used in the treatment of kidney and liver cancer. The patent office in 2012 granted the compulsory license to Natco Pharma for the same drug for the reason that the public did not have access to this drug at affordable price and the patented invention was not worked in India. They stated that all the 3 conditions of sec 84 were fulfilled that,

- The reasonable requirements of the public were not fulfilled
- That it was not available at an affordable price
- Patented invention was not worked around in India.

So, Natco applied for the compulsory license under section 84 of the Patent Act for Bayer's patented drug Nexavar. Nexavar was available by the Bayer Corporation for $ 6299 for a month's course. Natco Pharma proposed that the same drug would be available by the name of Sorafenib Tosylate for just $196. It was proposed that it would benefit the whole population of India which is in millions. The government decided in favour of the general public health and granted the compulsory license to Natco Pharma.

In another case of compulsory licensing in India, Lee Pharma, a Hyderabad based Indian pharma company, filed an application for compulsory license (dated 29.06.2015) for the patent covering AstraZeneca's diabetes management drug Saxagliptin. The grounds alleged by Lee Pharma were that:

- the patentee has failed to meet the reasonable requirements of the public,
- the patented invention is not available to the public at a reasonably affordable price, and
- the patented invention is not worked in India.

However, all the three grounds of Lee Pharma were rejected by the Controller General and the Compulsory license application was refused on the ground that Lee Pharma failed to demonstrate what the reasonable requirement of the public was with respect to Saxagliptin. The Controller General also stated that Lee Pharma failed to show the exact number of patients being prescribed the patented drug and how many of them were unable to obtain it due to its non-availability and consequently it was difficult to hold whether manufacturing in India was necessary or not.

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