

Puri, Mahima; Varma, Anjali

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WORKING PAPER NO. 166

INTELLECTUAL PROPERTY CONVENTIONS AND INDIAN LAW

*Mahima Puri
Anjali Varma*

JULY 2005



INDIAN COUNCIL FOR RESEARCH ON INTERNATIONAL ECONOMIC RELATIONS

Core-6A, 4th Floor, India Habitat Centre, Lodi Road, New Delhi-110 003

Website: www.icrier.org

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Foreword

Intellectual property rights which envelope Copyrights, Trade Marks, Patents, Semi-Conductor Integrated Circuits Layout Designs, Industrial Designs, Geographical Indications and Undisclosed Information, provide legal recognition and protection to the same. The Trade Related Aspects of Intellectual Property Rights Agreement was the first international attempt to address these intellectual property rights simultaneously and comprehensively, to ascribe minimum standards for their protection and in instances elevate the level of protection from that provided under the earlier conventions (the Paris Convention, the International Convention for the Protection of Performers, Producers of Phonograms, and Broadcasting Organizations (Rome Convention) (1961), the Berne Convention for the Protection of Literary and Artistic Works (1971) and the Treaty on Intellectual Property in Respect of Integrated Circuits (1989). The scope of protection, the terms of protection, rights granted, exception's provided to counter-balance the interests of right holders with the users and the remedies and penalties provided vary with the underlying purpose for the protection of each intellectual property. The incorporation of these intellectual property rights within the folds of the World Trade Organizations recognizes and entrenches them in the realm of international economic relations.

Given Article 1, the Agreement permits the WTO members to determine the appropriate methods of implementing the provisions of the Agreement within their own legal systems and practices. Even in countries where international law is self-executing or directly applicable the domestic legislation has been either amended or enacted to implement the provisions of the Agreement. To fulfill its international obligation under the WTO, India has amended its Copyright, Patents, Trademarks and Industrial Designs regime and enacted its Geographical indications and Semi-Conductor Integrated Circuits Layout Designs regime.

The current paper reviews the Indian Laws in the light of international convention and agreements and shows where we stand today.

We are very grateful to the Sir Ratan Tata Trust for supporting our research on WTO issues.

Dr. Arvind Virmani
Director & Chief Executive
ICRIER

July 2005

1 Introduction

The Trade Related Aspects of Intellectual Property Rights Agreement (TRIPS) culminated at the end of seven years of negotiations from 1986 to 1993, as part of the Uruguay Round of Multilateral Trade Negotiations of the GATT. The TRIPS Agreement came into force on the 1st of January 1995, with the establishment of the World Trade Organization. The Trade Related Aspects of Intellectual Property Rights Agreement (1995) provides for minimum norms and standards in respect of the following categories of intellectual property rights: Copyrights and Related Rights (rights of performers, producers of phonograms and broadcasting organizations), Trademarks, Geographical Indications, Industrial Designs, Patents, Layout Designs of Integrated Circuits and the protection of Undisclosed Information. The Trade Related Aspects of Intellectual Property Rights Agreement under Article 2 (Intellectual Property Conventions) obligates a compliance with Articles 1-12 and Article 19 of the Paris Convention for the Protection of Intellectual Property (1967) and provides that nothing in the given Agreement shall derogate from the existing obligations prescribed under the Paris Convention, the International Convention for the Protection of Performers, Producers of Phonograms, and Broadcasting Organizations (Rome Convention) (1961), the Berne Convention for the Protection of Literary and Artistic Works (1971) and the Treaty on Intellectual Property in Respect of Integrated Circuits (1989).

The aim of the study is first to compare the Trade Related Aspects of Intellectual Property Rights Agreement with the Paris Convention, Rome Convention, Berne Convention and the Treaty on Intellectual Property in Respect of Integrated Circuits and then with the provisions of Indian Law provided under the Trademarks Act (1999), The Copyright Act (1957), the Designs Act (2000), The Semi-Conductor Integrated Circuits Layout-Out Designs Act (2000), The Patents Act (2005) and the Geographical Indications of Goods (Registration and protection) Act (1999).

2 National Treatment And Most Favoured Nation Treatment:

A basic principle postulated by the TRIPS Agreement is that of national treatment¹, where, each member country is required to provide nationals of other member country's treatment *no less favourable* than it accords to its own nationals with respect to the protection of industrial property rights subject to exceptions² and protection³ provided for in the Paris Convention,⁴ Rome Convention,⁵ and Berne Convention⁶ and the IPIC Treaty⁷. Further, in respect of producers of phonograms, performers and broadcasting

¹ Article 3, TRIPS Agreement

² For example, Berne Convention," *Article 7(8)*, "[t]he term shall be governed by the legislation of the country where protection is claimed; however, unless the legislation of that country otherwise provides, the term shall not exceed the term fixed in the country of origin of the work."

³ Article 1(3) and Article 2, TRIPS Agreement

⁴ Paris Convention: *Article 2 (1)* nationals of any country of the union shall as regards the protection of industrial property, enjoy in all the other countries of the union the advantages that their respective laws now grant, to nationals; all without prejudice to the rights specifically provided for by the convention. *Article 2(2)* no requirements as to domicile or establishment in the country where protection is claimed may be imposed upon nationals of country's of the union for enjoyment of any intellectual property right.

⁵ Rome Convention: *Article 2* (protection accorded by the Rome Convention consists basically of the national treatment that a member country accords under its domestic law to domestic performances, phonograms and broadcasts), *4* (conditions under which national treatment granted to performers: performance takes place in another contracting state *irrespective* of the country to which the performer belongs, if it is incorporate in a phonogram protected under the convention or where the performance took place or if it transmitted live in a broadcast protected by the convention *irrespective* of the country to which the performer belongs), *5* (conditions under which national treatment granted to producers of phonograms: if the producer is the national of another member country or first fixation was made in another contracting country or the phonogram was first or simultaneously published in another contracting country) *and 6* (conditions under which national treatment granted to broadcasting organizations: the headquarters of the broadcasting organization is situated in another contracting state or the broadcast was transmitted by a transmitter in another contracting state). The Convention allows reservations in respect of these alternative criteria.

⁶ Berne Convention: *Article 3*: Authors of works are protected for their published and unpublished works if they are nationals or residents in a member country or they first publish their works in a member country or simultaneously in a non-member country and in a member country. *Article 4*: Even if Article 3 is not applicable (above) the protection of the convention shall apply in case of an author of a cinematographic work the maker who has his head quarter or habitual residence in one of the countries of the union. *Article 5*: Authors shall enjoy in respect of works in countries of the union other than country of origin, the rights which their respective laws do now or may hereafter grant to their nationals and rights specifically granted by the convention. This is reinforced by *Article 5(3)*, "[h]owever, when author is not a national of the country of origin of work for which he is protected under this convention, he shall enjoy in that country, the same rights as national authors."

⁷ *Article 5 (1)* Each Contracting Party shall accord, within its territory, (i) to natural persons who are nationals or domiciliaries of any of the other Contracting States, and (ii) to legal entities or natural persons who, have a real and effective establishment for the creation of layout-designs (topographies) or the production of integrated circuits in any of the member countries, the same treatment that it accords to its own nationals.

organizations, this obligation only applies in respect of the rights provided under TRIPS. The TRIPS Agreement also postulates the Most Favoured Nation Treatment, traditionally not provided for in the context of intellectual property rights as a multilateral level, in Article 4, “Any advantage, favour, privilege or immunity granted by a member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other members,” subject to given exceptions.

3 Geographical Indications

Geographical indications under TRIPS include the concepts of appellations of origin⁸ and the indications of source.⁹ As defined in the Agreement, Geographical indications are distinctive signs or indications which identify *any* good as (i) originating in a specified territory or a region or locality in that territory, (ii) where a specific “quality, reputation or other characteristics of the good” *is* (iii) “essentially attributable” to such origin.¹⁰ The Agreement provides a bifurcated level, that is, a different level of protection between geographical indications for wines and spirits and those for other products. Articles 22 (2)¹¹ and (3)¹² stipulate the *misleading test*, guaranteeing interested parties a negative right to prevent the use of geographical indications where (i) the public is misled by the use of geographical indications as to the true place of geographical origin of the product *or* (ii) where such use constitutes an act of unfair competition within the

⁸ Lisbon Agreement for the protection of appellations of origin and their international registrations

⁹ Madrid Agreement for the representation of false and deceptive indications of source on goods

¹⁰ IP/C/W/383: This could for example include local geographical factors (such as climate and soil) or human factors present at the place of origin of the products (such as certain manufacturing techniques or traditional product method). At the same time, such definition clearly excludes rules of origin or indications of source which do not indicate any quality, reputation or other characteristic of the product but just the geographical origin of such product

¹¹ “In respect of geographical indications, members shall provide the legal means for interested parties to prevent: (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographic origin of the goods; (b) any use which constitutes an act of unfair competition within the meaning of article 10*bis* of the Paris Convention”

¹² “A Member shall, *ex officio* if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin”

meaning of Article 10bis¹³ of the Paris Convention (1967). Article 22(4) also makes such protection applicable to indications which although literally true as to the territory, region or locality in which the goods originate, falsely represents that the goods originate in another territory. The *misleading test* leads to legal uncertainty with reference to the enforcement of protection at an international level as the non-objective criteria leave decision making to the discretion of the national courts and administrative authorities. Protection in India extends to registered geographical indications only and no person shall be entitled to institute proceedings to prevent, or to recover damages for, the infringement of an unregistered indication.¹⁴ The same criteria for the protection of geographical indications¹⁵ is adopted under Sections 22(1)(a) and (b).¹⁶

Geographical Indications protect wines and spirits preferentially under Article 23(1), which prohibits *per se* the use of geographical indications for wines and spirits not originating in the place indicated by the geographical indication and the illegitimate use of a geographical indication with a '*délocalisant*' (semi-generics)¹⁷ indicating the true

¹³ Article 10 *bis* of the Paris Convention deals with honest competition. It prohibits any act of competition contrary to honest practices in industrial or commercial matters which is termed as honest competition. All acts of such a nature as to create confusion by any means whatsoever with, false allegations in the course of trade of such nature as to discredit, the establishment of goods, or the industrial or commercial activities of a competitor are prohibited. Indications or allegations, the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose or the quantity or the goods are prohibited.

¹⁴ Section 20, The Geographical Indication of Goods (Registration and protection) Act, 1999. Protected under the common law tort action of *passing off* which is basically protects commercial goodwill, to ensure the peoples reputations are not exploited. To succeed in a claim of passing off, the plaintiff has to establish the existence of the business reputation, which he seeks to protect, the possibility for confusion and deception and, therefore, the probability of sufferage of damage.

¹⁵ Section 2(e) 'geographical indications' in relation to goods, means an indication which identifies such goods as agricultural, natural or manufactured goods as originating, or manufactured in the territory of country, or a region or locality in that territory, where the given quality, reputation, or other characteristics of such goods is *essentially attributable* to its geographical origin and in case where such goods are manufactured one of the activities of either the production or of processing or preparation of the goods concerned takes place in such territory, region or locality

¹⁶ A registered geographical indication is infringed by a person who, not being an authorized user thereof, (a) uses such geographical indication by any means in the designation or presentation of goods that indicates or suggests that such goods originate in a geographical area other than the true place of origin of such goods in a manner which *misleads* the persons as to the geographical origin of such goods, or (b) uses any geographical indication in such manner which constitutes an act of *unfair competition* [same as 10bis, Paris Convention] *including passing off in respect of registered geographical indications*

¹⁷ IP/C/W/353

origin or use in translation or with expression such as “kind”, “type”, “style”, “imitation” or the like.¹⁸ While Article 22(2) enhances consumer protection, Article 23 provides sufficient protection for the benefit of producers entitled to use a geographical indication. Free-riding on the reputation of genuine geographical indications given the apparent risk of confusion harms legitimate producers and the marketing of their products which originate from the place indicated by the geographical indication irrespective of the nature of the product. Sections 22(2) and (3) empower the Central Government to provide *additional protection* for specified goods or classes of goods, if necessary by notification in the Official Gazette. Any unauthorized user who uses another geographical indication to the notified goods not originating in the place indicated by the other geographical indications or uses other geographical indications to the notified goods even indicating their true origin or uses such other geographical indications in translation of their true place of origin or accompanied by ‘*délocalisant*,’ shall infringe the registered geographical origin. Section 22(4) establishes that where goods relating to registered geographical goods are lawfully acquired by a person other than the authorized user, further dealings in those goods shall not constitute an infringement, except where the condition of goods is impaired after being put on the market.

Article 23(3)¹⁹ specifically covers the case of homonymous geographical indications for wines, where such use does not falsely represent to the public that goods originate in another territory as provided in Article 22(4). This objective test based on “practical conditions” is followed in Section 10 of the Indian legislation.

With reference to the relationship between trademarks and geographical indications, Article 23(2) of the TRIPS Agreement becomes effective in the case of the

¹⁸ The practical effect of this provision is to permit interested parties to prevent, without having to prove that the public is misled or that there is an act of unfair competition

¹⁹ “In the case of homonymous geographical indications for wines, protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22. Each Member shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.” Also envisages cases where the name of a territory, region or locality of a country where the geographical indication is protected or any name that invokes a geographical origin is the same or similar to a known territory, region or locality of another country.

registration of a trademark which contains or consists of a geographical indication identifying wines or spirits, “the registration of trademarks for wines which contains or consists of geographical indications identifying wines or for spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidates, ex officio if a members legislation so permits or at the request of an interested party, with respects to such wines and spirits not having this origin.” In all other circumstances, the general standard protection of Article 22(3) of the TRIPS Agreement applies, “a member shall, ex officio if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that member is of such a nature as to *mislead the public* as to true place of origin.” Under Section 25 of the Indian legislation prohibition of the registration of geographical indications as trademarks is provided on the same criteria.²⁰ All exceptions provided in Articles 24(4) to (9) generally apply to all products (including wines and spirits) alike, with the exception of Article 24(4) and, to a certain extent, Article 24(6) which may need to be adapted. Article 24(4),²¹ a grandfathering provision, reflected in Section 84(2) of the Geographical Indications of Goods (Registration and Protection) Act 1999 and Article 24(5)²² reflected in Section 26 of the Geographical Indications of Goods (Registration and Protection) Act 1999 were incorporated to make adjustments for the pre-TRIPS scenario. Article 24(7), same as Section 26(4) draw exception where the request for use or registration of a trade mark must be presented within 5 years after the adverse use of the protected indications has

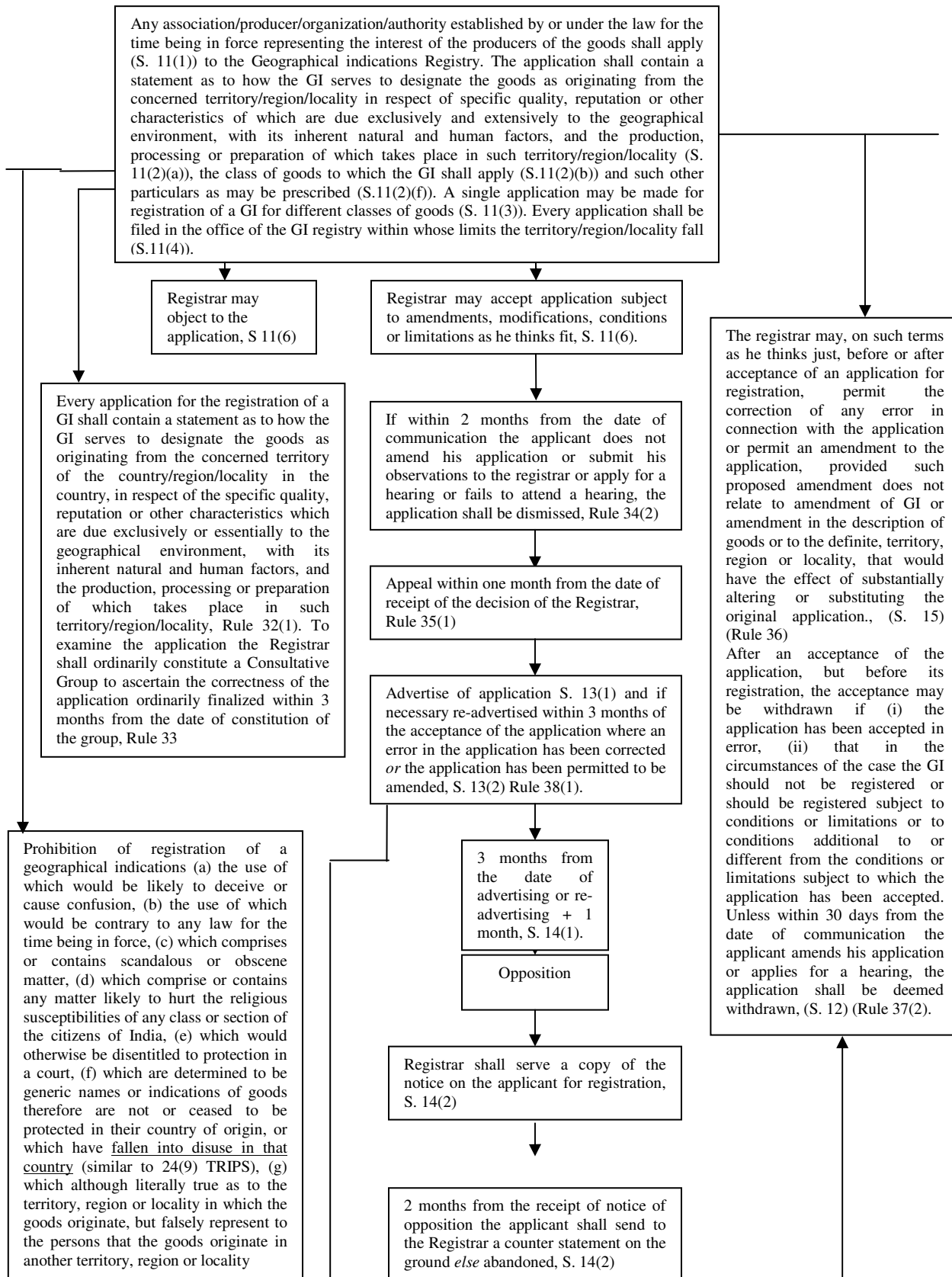
²⁰ Section 25: The Registrar of trademarks is empowered to refuse or invalidate the registration of a trade mark on his own motion or at the request of an interested party, where (i) the trade mark contains or consists of a geographical indication so as to confuse or mislead as to the place or origin of the goods or class of goods or which contains or (ii) which consists of goods identifying goods or class of goods notified under section 22(2)

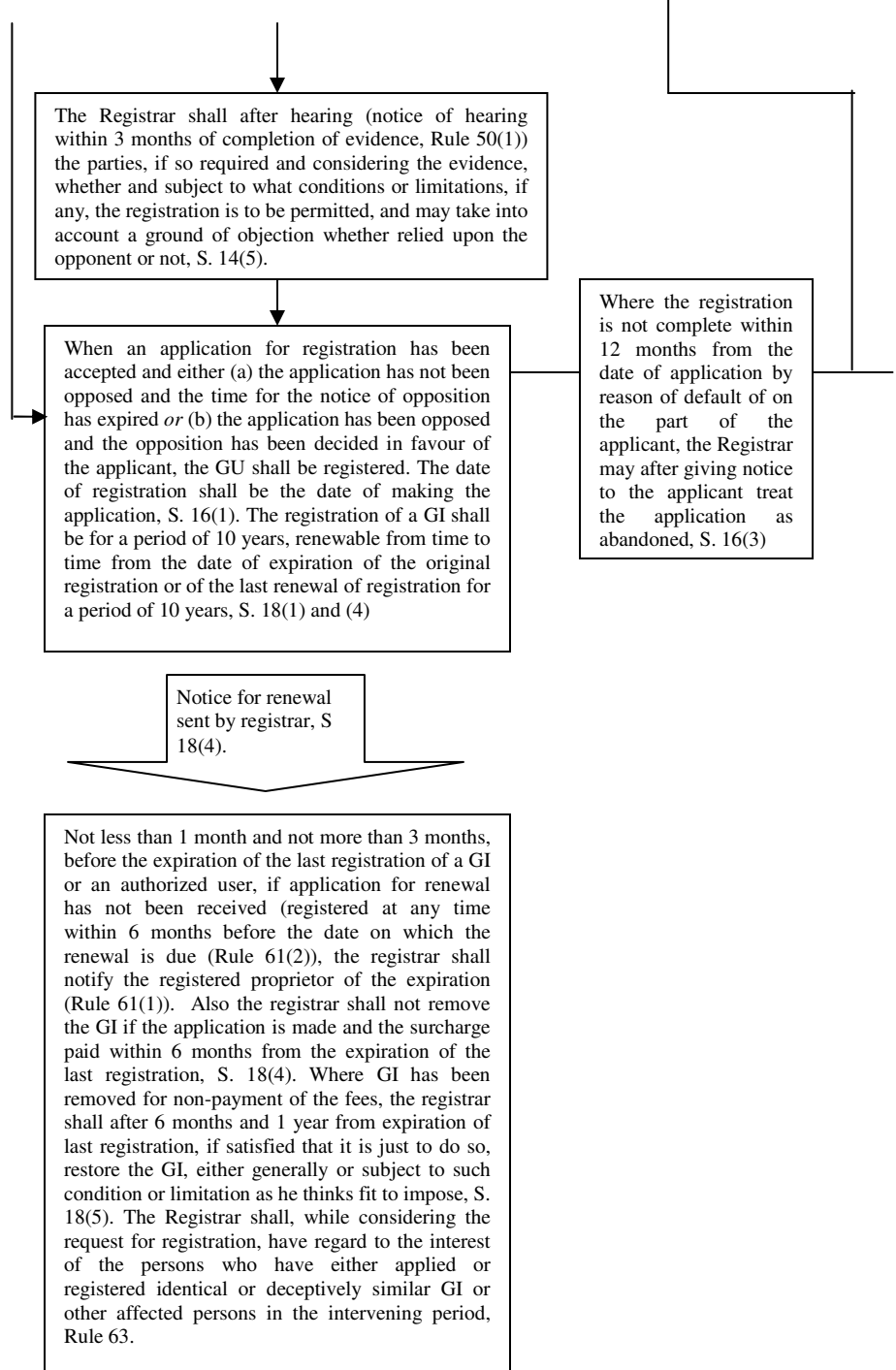
²¹ Where members are not required to prevent the continued and similar use of a particular geographical origins of another member identifying wines or spirits in connection with goods or services by any of its nationals or domiciliaries who have used the geographical indications in a continuous manner with regard to the same or related goods or services in the territory of the members either (a) for atleast 10 years preceding the 15th of April, '94 or (b) in good faith preceding that date

²² Where trade mark (similar or identical to the geographical indication) has been applied for or registered or the rights to trade marks have been acquired through use in good faith, either (a) before the date of application of these provisions in the member country, or (b) before the geographical indication is protected in its country of origin.

become generally known in that member or after the date of registration, if such date is earlier than the date on which adverse use becomes generally known in the member, provided that the geographical indication is not used or registered in bad faith. Article 24(6) provides an exception with reference to (generics) goods or services or wine which are identical with the term customary in common language as the common name for such goods or services in the territory of the member as on the 1st of January 1995 or identical with the customary name of a grape variety, respectively. This Article has been qualified by Section 26(2) of the Geographical Indications of Goods (Registration and Protection) Act 1999 to apply in respect of goods notified under Section 22(2).

GENERAL PROCEDURE FOR THE REGISTRATION OF A GEOGRAPHICAL INDICATION





* Any person aggrieved by the order or decision of the Registrar or in an application for rectification of the register (under Section 27) or the rules made thereunder, may appeal to the Appellate Board within 3 months from the date on which the order or decision sought to be appealed against is communicated to such person *provided* that an appeal may be admitted after the expiry of the period specified therefor, if the appellant satisfies the Appellate Board that he had sufficient cause for not preferring the appeal within the specified time (S. 31(1)).

4 Copyrights

Generally copyright protection which protects the original (that a sufficient amount of labour, judgement, capital and skill has been expended by the author) creative expression of an idea²³ begins automatically from the date of creation, usually without being subject to any formalities as specified Article 5(2) of the Berne Convention, where “[] the enjoyment and the exercise of these rights shall not be subject to any formality [].” “Copyright does not extend to ideas, or schemes, or systems, or methods; it is confined to their expression,” per Lindley, L.J, *Hollinrake v. Trustwell*, (1894) 2 Ch. 420.

Article 9(1) of the TRIPS Agreement stipulates that members shall comply with Article 1 to 21 of Berne Convention with the exception of Article 6bis²⁴ and the Appendix as provided.²⁵ *Droit a la paternite* and *droit au respect de loeuvre* are recognized under Section 57 of the Indian Copyright Act (1957) and survive even after the assignment of the copyright, either wholly or partially with exception to computer

²³ As provided in Article 9(2) of the TRIPS Agreement copyright protection shall extend to “*expression* and not ideas, procedures, methods of operation or mathematical concepts” [emphasis added]. Article 2(1) of the Berne Convention further adds that “the *expression* of literary and artistic works shall include every production in the literary, scientific and artistic domain whatever may be the mode or form of expression” [emphasis added].

²⁴ Referred to as the ‘moral rights’ of the author. Article 6bis “(1) Independent[] of the author's economic rights, and even after the[ir] transfer [] the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation. (2) The[se] rights [shall] after [the authors] death, be maintained, at least until the expiry of the economic rights [], (3) The means of redress []shall be governed by the legislation of the country where protection is claimed.” Moral rights are (1) the right to decide whether to publish or not to publish the work (*droit de divulgation* – the right to publication); (2) the right to claim authorship of a published or exhibited work (*droit a la paternite* – the right of paternity); and (3) the right to prevent alteration and other actions that may damage the author's honour or reputation (*droit au respect de loeuvre* – the right of integrity)

²⁵ Under the Paris Act of the Berne Convention special provisions in the nature of non-exclusive and non-transferable licenses compulsory licenses for developing countries concerning the, translation (Section 5 Article II “Any license under this Article shall be granted only for the purpose of teaching, scholarship or research,” Article II also provides limitations to the rights of translation) and reproduction of works (Article III provides for the limitations of the rights of reproduction) of foreign origin are provided for along with the provision of just compensation consistent with standards of royalties normally operating on licenses freely negotiated between persons in the two countries concerned (Article III provides the relevant provisions). The Appendix enhances the Convention’s existing exceptions to the author’s exclusive rights, including those of reproduction and translation (Articles 2bis, 9(2), 10(2), 10bis) and the ten-year rule (Article 30(2)(b)).

programmes.²⁶ Under the Berne Convention broadly, the exclusive rights of ‘making or authorizing’ granted to authors of artistic and literary works under the Convention include the right of translation²⁷, the right of reproduction in any manner or form, which includes any sound or visual recording²⁸, the right to authorize the performance of their dramatic, dramatico-musical and musical works through public performances by any means or process, the public communication of these performances and their rights of translation,²⁹ the right to broadcast and communicate to the public, by wire, rebroadcasting or loudspeaker or any other analogous instrument, the broadcast of the work³⁰, the right of public recitation by any means or process, any public communication of the recitation of their work and their rights of translation³¹, the right to make adaptations, arrangements or other alterations of their work³² and the right to make cinematographic adaptations and reproductions of their work, the performance and communication by wire of these adaptations or reproductions.³³ Copyright of works first made or published in a country or the author of which was, at the date of such publication, a national of a country who is Member of the Berne Convention for the Protection of Literary and Artistic Works, or Universal Copyright Convention or World Trade Organization, are protected in India as if they are Indian works, based on section 40 of the Indian Copyright Act, 1957 read with International Copyright Order, 1999. Accordingly all provisions of the Indian Copyright Act, 1957 will apply as if they are Indian works.

Copyright is a statutory creation and registration is not mandatory under the Indian Copyright Act, 1957. It consists of a bundle of rights which rights can be assigned

²⁶ “[] the author shall have *no* rights to restrain or claim damages in respect of any adaptation of a computer programme of a lawful possessor in order to utilize the computer programme for the purposes for which it was supplied or to make back up copies purely as a temporary protection against loss, destruction or damage to use the programme for the purpose for which it was supplied”

²⁷ Article 8 Berne Convention

²⁸ Article 9 Berne Convention

²⁹ Article 11 Berne Convention

³⁰ Article 11 *bis*, Berne Convention

³¹ Article 11 *ter*, Berne Convention

³² Article 12, Berne Convention

³³ Article 14, Berne Convention

or licensed either as a whole or separately.³⁴ Section 13 of the Indian legislation provides that copyrights shall subsist throughout India [given, in the case of published work, it is first published in India or the author is a citizen of India at the date of publication or at the time of his death *and* in the case of unpublished work the author at the date of making the work a citizen or domiciliary of India] in original literary, dramatic, musical and artistic³⁵ works, cinematograph films³⁶ *except* if a substantial part of it is an infringement of a copyright in another work³⁷ and a sound recordings³⁸ *except* where in making the sound recording³⁹ a copyright in a literary, dramatic or musical work is infringed.⁴⁰ The copyright in a cinematograph film or a sound recording shall not affect the separate copyright in any work in respect of which or a substantial part of which, the film or the sound recording is made. Section 14⁴¹ of the Indian legislation provides that copyright in case of a literary, dramatic, or musical work and largely in the case of artistic works⁴² or a substantial part thereof, means the right *to do* or *authorize* the reproduction of the work in any material form including the storing of it in any medium by electronic means, to

³⁴ Assignment is in essence a transfer of ownership even if it is partial; on the other hand a licence is a permission to do something which but for the licence would be an infringement.

³⁵ Section 2©, Indian Copyright Act (1957), “a painting, a sculpture, a drawing, an engraving or a photograph, whether or not such work possesses artistic quality, a work of architecture and any other work of artistic craftsmanship.”

³⁶ Section 2(f), Indian Copyright Act (1957), “any work of visual recording or any medium produced through a process from which a moving image may be produced by any means, and, includes a sound recording accompanying such a visual recording and a cinematograph shall be construed as including any work produced by any process analogous to cinematography including video films”

³⁷ Section 13(3)(a)

³⁸ Section 2(xx), Indian Copyright Act (1957), “a recording of sounds from which such sounds may be produced regardless of the medium on which such recording is made or the method by which the sounds are produced”

³⁹ Section 2 (p) “musical work” means a work consisting of music and includes any graphic notation of such work but does not include any works or any action intended to be sung, spoken or performed with the music.

⁴⁰ Section 13(3)(b)

⁴¹ The rights conferred by s.14 on a copyright owner are economic rights because the exploitation of the work by the exercise of these rights may bring economic benefit to the author of the copyright.

⁴² No right to translation, performance and in the case of cinematographic work the right of ‘inclusion’ and the additional right of “(i) reproduce[ing] the work in any material form including depiction in three dimensions of a two dimensional work or in two dimensions of a three dimensional work; (ii) to include the work in any cinematograph film”

issue copies of, to perform or communicate the work to the public,⁴³ to make any cinematograph film or sound recording in respect of the work, to make any translation of the work, to make any adaptation of the work, or do any of the above in relation to a translation or an adaptation of the work. In the case of cinematograph film the right extends to making a copy of the film, including a photograph of any image forming a part thereof, the right to sell or give on hire or offer for sale or hire, any copy of the film and the right to communicate the film to the public. The rental right provided in the case of cinematographic works digress from Article 11 of the Agreement as the latter excludes cases “where the rental right has led to widespread copying which [] materially impar[es] the exclusive rights of reproduction.” In the case of sound recordings the right extends to making another sound recording embodying the former, to sell or give on hire, or offer for sale or hire, any copy of the sound recording and to communicate the sound recording to the public.

The TRIPS Agreement provides protection to “computer programmes⁴⁴ whether in source or object code [] protected as *literary works* under [the] Berne Convention.”⁴⁵ Computer databases⁴⁶ are protected under Article 10(2)⁴⁷ where “[such] protection shall not extend to the data or material itself and shall be without prejudice to any copyright subsisting in the data or material itself.” These provisions reinforce Article 2(5) of the

⁴³ Section 2(ff), Indian Copyright Act (1957) “communication to the public means making any work available for being seen or heard or otherwise enjoyed by the public directly or by any means of display or diffusion other than by issuing copies of such work regardless of whether any member of the public actually sees, hears or otherwise enjoys the work so made available”

⁴⁴ *Copyright Act, Narayanan, page 44*: Computer software which are included within the scope of literary works in India, may include manuals and paper included in computer software, printouts, punched cards, magnetic tapes and discs including floppy discs, programme devised for working the computer

⁴⁵ Article 10(1), TRIPS

⁴⁶ A computer database is a collection of information stored on computer media. These works are protected by copyright as literary or artistic works and a collection of works will be protected as a compilation notwithstanding the separate copyrights subsisting in the individual works. It does not matter if the work is never produced on paper and only even exists on computer storage media (Software Computer Law by David Bainbridge, 2nd Ed, 1994 at p.65)

⁴⁷ “ [] compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents constitutes intellectual creations shall be protected”

Berne Convention.⁴⁸ Also, under the Agreement rental rights are provided to authors and their successors in title to either authorize or prohibit the commercial rental of originals or copies of their copyright works in computer programmes, where the computer programme is the essential object of rental.⁴⁹ This rental rights is enforced in India under Section 14 (b)(ii). Under Section 14 (b)(i) of the Indian Copyright Act 1957, copyright with respect to the computer programmes⁵⁰ or a substantial part thereof means the exclusive right *to do or authorize*, the reproduction of the work in any material form including the storing of it in any medium by electronic means, to issue copies of, to perform or communicate the work to the public, to make any cinematograph film or sound recording in respect of the work, to make any translation of the work, to make any adaptation of the work, or do any of the above in relation to a translation or an adaptation of the work. Courts in India have recognized collection of databases in electronic format and protected them under the Copyright Act in *Burlington home shopping Pvt. Ltd. v. Rajnish Chibber and Anr*, 1996 *Patent and Trade Mark Reporter*, 40 (Delhi High Court).⁵¹ Further exceptions to copyrights are provided under Section 52(aa), (ab), (ac) and (ad) which entail the making of copies or adaptation of a computer programme by the lawful possessor to make back-up copies purely as a temporary protection against loss, destruction or damage in order to utilise the computer programme for the purposes for which it was supplied, the doing of an act necessary to obtain information essential for operating inter-operability of an independently created computer programme with other programmes provided that such information is not otherwise readily available, the observation, study or test of functioning of the computer programme in order to determine the ideas and principles which underline any elements of the programme while performing such acts necessary for the functions for which the computer programme was

⁴⁸ Article 2(5) of the Berne Convention, “[] collection of literary and artistic work [] which, by reason of selection and arrangement of their contents constitute intellectual creations.” Also, “[] without prejudice to copyright in each of the works forming part of such collections”

⁴⁹ Article 11, TRIPS

⁵⁰ Section 2(ffc), Indian Copyrights Act (1957), “computer programme means a set of instructions expressed in words, codes, schemes or any other form, including a machine readable medium, capable of causing a computer to perform a particular task or achieve a particular result.”

⁵¹ Section 2(o), Indian Copyrights Act (1957), “literary work includes computer programmes, tables and compilations including databases.” The term “databases” has not been defined.

supplied and the making of copies or adaptation of the computer programme from a personally legally obtained copy for non-commercial personal use.

Article 13 of the Agreement provides limitations and exceptions to rights granted under exceptional cases which do not conflict with the normal exploitation of the work, and do not unreasonably prejudice the legitimate interests of the right holder. This provision mirrors Article 9(2) of the Berne Convention.⁵² Other exceptions provided to copyrights are under Article 10 (quotations and use of work by way of illustration for teaching purposes), Article 10*bis* (reproduction of newspapers or similar articles and use of work for purposes of reporting current events). Compulsory Licenses are granted under Articles 11*bis*(2)⁵³ and 13(1) (possible limitations of the rights of recording of musical works and any words pertaining thereto).⁵⁴ Limitations and exceptions to the

⁵² Reproduction rights of authors or literary and artistic works “matter for the legislation in the Berne countries of the union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with the normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author”

⁵³ “It shall be a matter for legislation in the countries of the Union to determine the conditions under which the rights [of authors of literary and artistic works to authorize the broadcasting or re-broadcasting (when communication made by an organization other than the original) of their works or communication to the public through wire (when communication made by an organization other than the original), wireless diffusion or loudspeaker and any other analogous instrument broadcasting the work through signs, sounds or images] may be exercised, but these conditions shall apply only in the countries where they have been prescribed. They shall not in any circumstances be prejudicial to the moral rights of the author, nor to his right to obtain equitable remuneration which, in the absence of agreement, shall be fixed by competent authority.”

⁵⁴ “We believe that Article 11*bis*(2) of the Berne Convention (1971) and Article 13 cover different situations. On the one hand, Article 11*bis*(2) authorizes Members to determine conditions under which the rights conferred by Article 11*bis*(1)(i-iii) may be exercised. The imposition of such conditions may completely replace the free exercise of the exclusive right of authorizing the use of the rights embodied in subparagraphs (i-iii) provided that equitable remuneration and the author’s moral rights are not prejudiced. On the other hand, it is sufficient that a limitation or an exception to the exclusive rights provided under Article 11*bis*(1) of the Berne Convention (1971) as incorporated into the TRIPS Agreement meets the three conditions contained in its Article 13 to be permissible. If these three conditions are met, a government may choose between different options for limiting the right in question, including use free of charge and without an authorization by the right holder. However, also in these situations Article 11*bis*(2) of the Berne Convention (1971) as incorporated into the TRIPS Agreement would nonetheless allow Members to substitute, for an exclusive right, a compulsory licence, or determine other conditions provided that they were not prejudicial to the right holder’s right to obtain an equitable remuneration.” [Panel Report on *US – Section 110(5) Copyright Act*, paras. 6.87-6.89]

exclusive rights are contained in Section 31 (compulsory licenses),⁵⁵ 31 A (compulsory licenses in unpublished Indian works),⁵⁶ 32 (license to produce and publish translations),⁵⁷ 32 A⁵⁸ and 52 of the Copyright Act, 1957. Section 39 deals with exceptions relating to broadcast⁵⁹ reproduction right and performers' right. These exceptions and limitations are for special cases and without prejudice to the normal exploitation of rights by right holders and do not unreasonably prejudice the legitimate rights of the author. Section 52 of the Copyrights Act (1957) provides exceptions to infringement under Section 51⁶⁰ under (i) fair dealing (sections 52(1)(a) and (b)) and (ii) allowances for reproduction. The term fair dealing is not defined in the act and is a question of fact and impression where the court will take into consideration the quantum and value of the matter taken in relation to the comments or criticism, the purpose for

⁵⁵ The owner of copyright has refused to republish or allow the republication of the work or has refused to allow the performance in public of the work, or has refused to allow communication to the public by broadcast, or in the case of sound recording the work recorded in such sound recording, on terms which the complainant considers reasonable

⁵⁶ Where, in the case of an Indian work, the author is dead or unknown or cannot be traced, or the owner of the copyright in such work cannot be found, the Central Government may require the heirs, executors or legal representatives of the author to publish such work where the publication of the work is desirable in national interest

⁵⁷ License to produce and publish translations of a literary or dramatic work in any language after a period of 7 years from the first publication of the work *or* a translation, in printed or analogous forms of reproduction other than an Indian work, in any language in general use in India after a period of three years from the date of first publication, if such translation is required for the purpose of teaching, research or scholarship. Broadcasting authority may also apply for a license to produce and publish the translations.

⁵⁸ Where after expiration [of seven years from the date of first publication of artistic work or relating to fiction, poetry, drama, music or art and three years from the date of first publication of works relating to natural sciences, physical sciences, mathematics or technology, and 5 years after publication of any other work] an edition of a literary, scientific or artistic work copies of such works are not available in India *or* such copies have not been put on sale in India for a period of 6 months to the general public or in connection with systematic instructional activities at a price reasonably related to that normally charged in India for comparable work, any person may apply for a license to reproduce and publish.

⁵⁹ Section 2(dd), Indian Copyright Act (1957), “broadcast means communication to the public by any means of wireless diffusion, whether in one or more of the signs, sounds or visual images, or by wire”

⁶⁰ A work is deemed infringed, when a person without a license does anything, the exclusive right of which is conferred upon the owner of the copyright, or permits the use of any place for an unauthorized public performance for profit unless he was aware and had no reasonable ground for believing that such performance would be an infringement of copyright, or when any person make for sale or hire, or sells or lets for hire, or by way of trade displays or offers for sale or hire, or distributes either for the purpose of trade or to such an extent as to affect prejudicially the owner of the copyright, or by way of trade exhibits in public, or imports (except for the private and domestic use of the importer) into India, any infringing copies of the work. The reproduction of a literary, dramatic, musical or artistic work in the form of a cinematograph film shall be deemed to be an infringing copy.

which it was taken, whether the work is published or unpublished and the likelihood of competition between the two works.⁶¹ The basic purpose of fair dealing which applies as a defence only to literary, dramatic, musical or artistic works is to protect the freedom of expression under Article 19(1) of the Indian Constitution.

Copyrighted work (other than photographic work or applied art) calculated on a basis of “other than life of natural person” shall not subsist for less than 50 years from end of calendar year of its authorized publication or else within 50 years of making the work or 50 years from the end of the calendar year of making. Under Berne the term is life of author plus 50 years.⁶² Articles 7(2) and (3) provide that the term of protection for cinematographic and anonymous or pseudonymous work expires 50 years after work becomes lawfully available to the public. In the case of photographs and applied art it spans to atleast the end of 25 years from making the work. Under Section 22 of the Indian Copyrights Act (1957), the term of protection extends until sixty years from the beginning of the calendar year following the year in which the author dies in the case of literary, dramatic, musical or artistic works (excluding photographs) published within the life of the author. A term of sixty years shall apply for anonymous and pseudonomous works in the case of literary, dramatic, musical or artistic works and for posthumous works in the case of literary, dramatic, musical works or engravings and for photographs and cinematographic film and for records from the beginning of the calendar year following the year in which the work (or photograph) is first published under Sections 23, 24, 25, 26 and 27 respectively.

⁶¹ *Beloff v. Pressdram Ltd* [1973] RPC 765

⁶² Article 7(1)

COMPULSORY LICENCE FOR PUBLICATION OF UNPUBLISHED WORKS, TRANSLATION AND REPRODUCTION OF WORKS:

An application for a license at any time during the term of the copyright in any Indian work which has been published or performed in public where (i) the owner of the copyright has refused to re-publish or allow the re-publication of the work or has refused to allow the performance of the work in public, or (ii) has refused to allow communication to the public by broadcast of such work or in the case of a sound recording on terms which the complainant considers reasonable (S. 31, Act) and any person may apply to the copyright board for a license to produce and publish a translation of a literary or dramatic work, other than an Indian work, in any language in general use in India after a period of 3 years from the first publication of such work, if such translation is required for the purposes of teaching, scholarship or research (S. 31(1A), or where after the expiration of the relevant period from the date of the first publication of an edition of a literary, scientific or artistic work, (i) the copies of such edition are not made available in India, or (ii) such copies have not been put on sale in India for a period of six months to the general public, or at prices reasonable related to that normally charged in India for comparable works (S. 32A, Act) [Rule 11A]. Every such application made shall be in respect of one work only and of translation of work into one language [Rule 11B].

A copy shall be served on the owner of the copyright or the publisher whose name appears on the work (Rule 11C).

If the copyright board is satisfied that the license for the translation/reproduction of the work or publication of unpublished work may be granted and in the event there is more than one applicant to the one that in the opinion of the copyright board would best serve the interest of the general public, it shall grant a license, (Rule 11C (4)).

Every license shall specify the period within which such works should be published, the rate at which the royalties in respect of the copies of such work sold to the public shall be paid to the owner of the copyright in the work [for which the copyright board takes into consideration the proposed retail price of a copy of such work, the prevailing standards of royalties in regard to such works, and such other matters as may be considered relevant by the copyright board, (Rule 11D)], in a case of translation of the work, the language in which the translation shall be produced and published, and the person or persons to whom royalties shall be payable.

The copyright board may if satisfied that the licensee was for sufficient reasons unable to produce and publish the translation or reproduce the work or publish the unpublished work within the period specified in the license, extend it (Rule 11E).

The copyright board may cancel the licensee on the basis that the licensee has failed to produce and publish such work within the time specified in the license or within the time extended on the application of the licensee, that the license was obtained for fraud or misrepresentation as to any essential fact, or that the licensee has contravened any of the terms and conditions of the license (Rule 11F).

The Rome Convention, which regulates the derivative rights for performers, producers and broadcasting organizations, provides that the protection granted under that Convention shall not affect the protection of copyright in literary and artistic works.

The Rome Convention under Article 7 of the Convention guarantees negative rights to performers, that is, the fixations of their unfixed performances, reproduction of the fixation without their consent if the original fixation was made without their consent or if the reproduction is made for purposes different than original consent or the purposes are in violation of Article 15,⁶³ the broadcasting (including wireless means) and the communication of the performances to the public without their consent, *except* where the performance used in the broadcast or the public communication is itself already a broadcast performance or is made from a fixation. Article 14(1) of the TRIPS Agreement is more limited in its impact and provides the possibility of *preventing* the performer's rights of attaching (fixation) their unfixed performances on a phonogram, the reproduction of such fixation and the broadcast by wireless means and communication to the public of their live performances, when undertaken without their authorization.

Section 38(3) of the Indian Copyrights Act (1957) provides that, any person who, without the consent of the performer, (a) makes a sound recording or visual recording of the performance, (b) reproduces a sound recording or visual recording of the performance, which sound recording or visual recording was (i) made without the performer's consent; or (ii) made for purposes different from those for which the performer gave his consent; or (iii) made for purposes different from making a sound or visual recording for private use or for bona fide purposes of teaching and research, or use consistent with fair dealing of excerpts of a performance or any such acts with necessary

⁶³ TRIPS 14(6) provides that where any member may provide for rights under Article 14(1), (2) and (3) subject to Article 15 of the Rome Convention: (1) Any Contracting State may, in its domestic laws and regulations, provide for exceptions to the protection guaranteed by this Convention as regards: (a) private use; (b) use of short excerpts in connection with the reporting of current events; (c) ephemeral fixation by a broadcasting organisation by means of its own facilities and for its own broadcasts; (d) use solely for the purposes of teaching or scientific research. (2) Any Contracting State may also in its domestic laws and regulations, provide for the "same kinds of limitations" with regard to the protection of performers, producers of phonograms and broadcasting organisations, as it provides for the protection of copyright in literary and artistic works. However, compulsory licences may be provided for only to the extent to which they are compatible with this Convention.

adaptations and modifications which do not constitute an infringement of copyright under Section 52,⁶⁴ or (c) broadcasts the performance except where the broadcast is made from a sound recording or visual recording other than one made in accordance with section 39, or is a re-broadcast by the same broadcasting organisation of an earlier broadcast which did not infringe the performer's right; or (d) communicates the performance to the public otherwise than by broadcast, except where such communication to the public is made from a sound recording or a visual recording or a broadcast, shall be deemed to have infringed the performance or a substantial part thereof. However, the aforementioned provisions are unenforceable where a performer has consented to the incorporation of his performance in a cinematograph film.⁶⁵

Article 14(2) of the Agreement reiterates Article 10 of the Rome Convention, where producers are given the right to *authorize or prohibit* the direct or indirect reproduction of their phonograms. What TRIPS does not incorporate is Article 12 of the Rome Convention which provides for a “single equitable remuneration payable to the performers or producers of phonograms or both where a phonogram is published for commercial purposes or its reproduction is used directly for broadcasting or for any communication to the public.”

Under Article 14(3) of the Agreement broadcasting organizations have the right to *forbid* the fixation of broadcasts, the reproduction of fixation of broadcasts, the rebroadcasting by wireless means of broadcasts and the communication to the public of television broadcasts, when undertaken without their authorization.⁶⁶ Article 13 of the Rome Convention provides broadcasting organizations the rights to *authorize or prohibit*, the fixations of their broadcasts, the rebroadcasting of the fixations made without their

⁶⁴ Section 39, Copyright Act (1957)

⁶⁵ Section 38(4), Copyright Act (1957)

⁶⁶ Article 14(3) “[] members do not grant such rights to the broadcasting organizations they shall provide the owners of copyright in the subject matter of broadcasts with the possibility of preventing the above acts, subject to Berne.”

consent or the reproduction of lawful fixations made in contravention of Article 15, rebroadcasting of their broadcasts and the communication to the public of television broadcasts where the communication is made in publicly accessible places against payment. Section 37(3) of the Indian Copyrights Act (1957) provides that any person who, without the licence of the owner of the right re-broadcasts, or broadcast to be heard or seen by the public on payment of any charges, makes any sound recording or visual recording of the broadcast, or makes any reproduction of such sound recording or visual recording where such initial recording was done without licence or, where it was licensed, for any purpose not envisaged by such licence, or sells or hires to the public or offers for such sale or hire, any such sound recording or visual recording shall, be deemed to have infringed the broadcast reproduction right or any substantial part thereof. Exceptions to this right are provided in Section 39, where, no broadcast reproduction right shall be deemed to be infringed by a person making a sound or visual recording for private use or for purpose of bona fide research or teaching, use of a broadcast in the reporting of current events or of a bona fide review, teaching or research, or such acts with any necessary modification and adaptations which do not constitute infringement under Section 52.

The term of protection under Article 14(5) provided for performers and producers shall last till end of 50 years computed from the end of the calendar year in which the fixation was made or the performance took place. In the case of broadcasting organizations it shall extend till atleast 20 years from the end of the calendar year in which broadcasts took place. Section 38 (2) of the Indian Copyright Act (1957) stipulates that performers rights subsist until fifty years from the beginning of the calendar year next following the year in which the performance is made. Section 37(2) of the Indian Copyrights Act (1957) provides for broadcasting rights until twenty-five years from the beginning of the calendar year following the year in which the broadcast is made.

5 Trademarks

“A trademark is the name, symbol, figure, letter, form or device adopted and used by the manufacturer or merchant in order to designate the goods that he manufactures or

sells, and to distinguish them from those manufactured and sold by another, to the end that they may be known in the market as his, and thus enable him to secure such profits as result from a reputation for superior skill, industry or enterprise.” *The Law Lexicon* (2nd edition, 2001), page 1908.

A trademark identifies the product and its origin, it proposes to guarantee its quality, it advertises the product. This protection is also extended to service marks⁶⁷ under the purview of both the Paris Convention (Article 6 *sexies*)⁶⁸ and TRIPS (Article 15(1)). Article 15(1)⁶⁹ of the TRIPS Agreement establishes that “any sign or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of another undertaking shall be *capable* of constituting a trade mark,” that is that they are eligible for registration.⁷⁰ Signs, words including personal name, letters, numerals, figurative elements, combinations of colors combination of such signs are eligible for registration. As defined in Section 2 (zb)⁷¹ a trademark, means a mark capable of being represented graphically and which is capable of distinguishing the goods or

⁶⁷ Section 2(z), Trade Marks Act (1999), India: “means services of any description [] and includes the provision of services in connection with the business of any industrial or commercial matter such [].” It provides a non-exhaustive list of services.

⁶⁸ However the registration of such marks was not provided for

⁶⁹ *United States-Section 211 Omnibus; Appropriations Act of 1999, Report of the Appellate Body (WT/DS176/AB/R)*: Article 15.1 of the *TRIPS Agreement* limits the right of Members to determine the “conditions” for filing and registration of trademarks under their domestic legislation pursuant to Article 6(1) of the Paris Convention *only* as it relates to the distinctiveness requirements enunciated in Article 15(1) (para. 165)

⁷⁰ *United States-Section 211 Omnibus; Appropriations Act of 1999, Report of the Appellate Body (WT/DS176/AB/R)*: WTO Members are obliged under Article 15(1) to ensure that those signs or combinations of signs that meet the distinctiveness criteria set forth in Article 15(1) and are, thus, *capable of constituting a trademark*, are *eligible for registration* as trademarks within their domestic legislation (para. 154).

⁷¹ The Trademarks Act (1999), India

services of one person from those of another,⁷² they may include the shape of goods, their packaging and the a combination of colours. Article 6 *quinquies* (c) of the Paris Convention provides that in determining a trademarks eligiblity for protection all factual circumstances must be taken into consideration, particularly the length of time the mark has been in use. A trademark shall not be refused registration for the sole reason that it differs from the mark protected in the country of origin with respect to elements that do not affect its identity. Article 7 of the same Convention specifies that the nature of goods to which a trade mark is applied shall not form an obstacle to the registration of a trademark.

Under TRIPS Article 15(2) members are *not* prevented from denying registration of a trade mark on any ground provided that ground does not derogate from the Paris Convention.⁷³ Under Article 16(4) the nature of the goods or services to which a trademark applies shall in no case form an obstacle to its registration. Article 6 *quinquies* (B) the Paris Convention provides that trade mark *may* neither be *denied registration nor invalidated, except* when they are of such a nature as to infringe the rights acquired by the third parties in the countries where protection is claimed, are devoid of any distinctive

⁷² Trademarks are used to indicate a connection in the course of trade between goods or services and some person having the right to use the mark for the same, whether with or without any indication of the identity of that person, including a certification trade [Section 2(e) Trade Marks Act [India] (1999) means a mark capable of distinguishing the goods or services in connection with which it is used in the course of trade which are certified by the proprietor of the mark in respect of origin, material, mode of manufacture of goods or performances of services, quality, accuracy or other characteristics from goods or services not so certified and registrable] mark and collective mark [The primary function of the collective mark is to indicate a trade connection with the proprietor of association. Section 2(g) Trade Marks Act [India] (1999) “means a trade mark distinguishing the goods or services of members of an association of persons which is the proprietor of the mark from those of others. Paris Convention Article 7 *bis* (1) provides that the countries of the union undertake to accept for filing and to protect collective marks belonging to associations the existence of which is not contrary to the law of the country of origin. (2) each country shall by the judge of the particular conditions under which a collective mark shall be protected and may refuse protection if the mark is contrary to public interest-but-the protection of these marks shall not be refused to any association the existence of which is contrary to the law of the country of origin, on the ground that such association is not established in the country where protection is sought or is not constituted according to the law of the latter country]

⁷³ *United States-Section 211 Omnibus; Appropriations Act of 1999, Report of the Appellate Body (WT/DS176/AB/R)*: The reference in Article 15(2) to Article 15(1) makes it clear that "other grounds" for denial of trademark registration are grounds *different from* those already mentioned in Article 15(1), such as lack of inherent distinctiveness of signs, lack of distinctiveness acquired through use, or lack of visual perceptibility (para. 158).

character or consist exclusively of signs or indications which may serve in trade to designate the “kind, quality, quantity, intended purpose, value, place of origin of the goods, or the time of production or have become customary in the current language or in the bona fide and established practices of the trade of the country where protection is claimed,” when they are contrary to morality or public order and of a nature as to deceive the public or subject to Article 10*bis* of the Paris Convention. Article 16(1)⁷⁴ of the Agreement stipulates that owners of a registered trade mark shall have the exclusive right to prevent third parties from using signs for goods or services in the course, without the owner’s consent, which are identical or similar to a registered trade mark for goods or services, where use would result in likelihood of confusion. Article 17 specifies that “members may provide limited exceptions to rights conferred by the trade mark, being a fair use of descriptive term, exceptions to take account of the legitimate interests of owners of the trade mark and third parties.”⁷⁵ Compulsory non-voluntary licenses do not provide an exception to the rights of the right holder of a trademark.⁷⁶

⁷⁴ *United States-Section 211 Omnibus; Appropriations Act of 1999, Report of the Appellate Body (WT/DS176/AB/R)*: Article 16 confers on the *owner* of a registered trademark an internationally agreed minimum level of "exclusive rights" that all WTO Members must guarantee in their domestic legislation. These exclusive rights protect the owner against infringement of the registered trademark by unauthorized third parties (para. 187)

⁷⁵ *EC Protection of Trademarks and geographical Indications for agricultural products and food stuff, Panel Report [WT/DS290/R]*: Article 17 expressly permits Members to provide limited exceptions to the rights conferred by a trademark, which include the right provided for in Article 16.1 of the TRIPS Agreement (para. 7.647). Article 17 permits "limited exceptions." It provides an example of a limited exception, and is subject to a proviso that "such exceptions take account of the legitimate interests of the owner of the trademark and of third parties." The example of "fair use (Fair use of descriptive terms is inherently limited in terms of the sign which may be used and the degree of likelihood of confusion which may result from its use, as a purely descriptive term on its own is not distinctive and is not protectable as a trademark (para. 7.654)) of descriptive terms" is illustrative only, but it can provide interpretative guidance because, *a priori*, it falls within the meaning of a "limited" exception and must be capable of satisfying the proviso in some circumstances (para. 7.48). Article 17 puts third parties at par with right holders. With reference to limited exceptions the addition of the word "limited" emphasizes that the exception must be narrow and permit only a small diminution of rights. The limited exceptions apply "to the rights conferred by a trademark (7.650)." Given that Article 17 creates an exception to the rights conferred by a trademark, the "legitimate interests" of the trademark owner must be something different from full enjoyment of those legal rights. The "legitimate interests" of the trademark owner are also compared with those of "third parties", who have no rights conferred by the trademark. Therefore, the "legitimate interests", at least of third parties, are different from simply the enjoyment of their legal rights. (para. 7.662).

⁷⁶ Article 21, TRIPS

Article 15(1) and (3) of the Agreement established that where signs are inherently incapable of distinguishing the relevant goods or services, member countries may make *registrability* depend on distinctiveness acquired through use, however such use shall not be a condition for fulfilling an application for registration and an application shall not be refused solely on the ground that the intended use has not taken place before 3 years from the date of application.⁷⁷ 5©(1) of the Paris Convention stipulates that if the use of the *registered* mark is compulsory, the registration may be cancelled only after a reasonable period and then if the person concerned does not justify his inaction.⁷⁸ Under Article 19, the TRIPS Agreement specifies a period of 3 years under Article 5©(1) of the Paris Convention, further use of a trade mark shall not be unjustifiably encumbered.⁷⁹ Section 47 of the Indian Trademarks Act (1999) prescribes a period of 5 years subject to qualifications.⁸⁰ Members *may* also require that signs be visually perceptible as a condition for registration.

Sections 9 and 11 of the Indian Trade Marks Act (1999) lay down the absolute and relative grounds for the refusal of *registration*. The absolute grounds for refusal of

⁷⁷ *United States-Section 211 Omnibus; Appropriations Act of 1999, Report of the Appellate Body (WT/DS176/AB/R)*: In other words, Article 15(1) refers to "use" as a basis for signs which are not inherently distinctive to acquire distinctiveness and thus qualifying as "protectable subject matter". Article 15(3) relates to "use" as a basis for registrability of a trademark by a particular applicant (para. 163).

⁷⁸ Article 5©(2) of the Paris Convention stipulates that the use of a trade mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered shall not entail invalidation of the registration and shall not diminish the protection granted to the mark. Use in general understood as meaning the sale of goods bearing the trade mark, although national legislation may regulate more broadly the manner in which use of the trade mark is to be complied with.

⁷⁹ Article 20, TRIPS: "The use of the trade mark in the course of trade shall not be unjustifiably encumbered by special requirements such as use with another trade mark, use in special form, use in manner detrimental to its capacity to distinguish the goods or services of one undertaking from those of another."

⁸⁰ Section 47 If a trade mark is registered without a bona fide intention to 'use' on the part of the applicant and there has been no bona fide use of the trade mark or that a continuous period of five years or longer has elapsed during which there has been no bona fide use of the trade mark, then the trademark may be taken of the register, unless such non-use is shown to have been due to "special circumstances" in the trade, and not due to any intention to abandon the mark. Where, the non user is for a period of *less* than five years, he has not only to prove the non user (only requirement to be proven for non-use over five years) for the requisite period but also has to prove that the applicant for registration of the trade mark has no bona fide intention to use the trade mark when the application for registration was made.

registration are as follows: (i) where the trademark is devoid of any distinctive characteristic (Section 9(1)(a))⁸¹ and consist solely of marks⁸² or indications which in the course of trade might serve to designate the “kind”, “quality”, “quantity”, “intended purpose”, “values”, “geographical origin” or “the time of production of the goods or rendering of the service” or “other characteristics of the goods or service” (Section 9(1)(b)) or which have become “customary in the current language or in the bona fide and established practices of the trade,” that is ‘generic’ *unless* it is proven that before the date of registration the mark had acquired a distinctive character based on usage or is a well known trade mark (Section 9(1)(c)), (ii) the mark is of a nature to deceive the public or cause confusion⁸³, it contains matters likely to hurt the religious susceptibilities of any class/section of the citizenry, it comprises of or contains scandalous or obscene matter⁸⁴ (Section 9(2)), (iii) broadly, it consist exclusively of the shape of goods (Section 9(3)).⁸⁵ Section 11(1)⁸⁶ provides that trade marks shall not be registered where because of its

⁸¹ Section 9(1)(a), Trade Mark Act 1999, “not capable of distinguishing the goods or services of one person from those of another person.” That is some quality in the trademark, considered as a whole, which earmarks the goods as distinct from those of other products in the course of trade. Distinctiveness may be *per se* (must have the inherent capacity to distinguish one traders goods from another’s) or factual (distinctiveness acquired through use. There must be proof that the purchasing public has identified the mark with the relevant goods *vis-à-vis* the proprietor of the mark).

⁸² Section 2 (m), Trade Mark Act 1999, includes a device, brand, heading, label, ticket, name, signature, work, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof

⁸³ *National Sewing Thread Co.LTD., Chidambaram v. James Chadwick and Bros* (AIR 1953 SC 357), “[t]he real question to decide in such cases is to see as how a purchaser, who must be looked upon as an average man of ordinary intelligence, would react to a particular trade mark, what association he would form by looking at the trade mark, and in what respect he would connect the trade mark with the goods he would be purchasing.” The Act does not lay down any criteria for determining what is likely to deceive or cause confusion. Therefore every case must be studied on an individual basis. **Test:** *It is for the applicant to satisfy the registrar that the trademark is not likely to deceive or cause confusion to an average man of ordinary intelligence and imperfect recollection.* Overall similarity is the touchstone, the broad and salient features of each mark must be considered. Overall structure, phonetic similarity, similarity of ideas, nature of the commodity, the class of purchasers, the mode of purchase and other circumstances must also be taken into consideration

⁸⁴ Scope of "Scandalous or obscene matter" would include: (1) Offending public sentiments; (2) Hurting religious susceptibilities; (3) Insignias of all religions would be prohibited; (4) Libellous marks; (5) Marks which threaten breach of peace in society.

⁸⁵ Section 9(3) (a), (b) and (c), Trade Mark Act 1999

⁸⁶ Also, grounds for establishing infringement with reference to registered trademarks. Section 29(2)(a) and (b) where such use is likely to cause confusion on the part of the public or which is likely to have an association with the registered trademark. Another ground is 29(2)(c) “its identity with the registered trade mark and the identity of the goods or services covered by such registered trademark” where the court shall presume that it is likely to cause confusion on the part of the public.

identity⁸⁷ with an earlier trademark⁸⁸ and similarity⁸⁹ of goods and services *or* its similarity with an earlier trademark and identity or similarity of goods and services, the public is likely to be confused, including the likely association with an earlier trademark, *except* in the event of honest concurrent use.⁹⁰ In the former scenario the emphasis is on the trademark and in the latter case on the goods and services. It is generally believed that the former scenario is invoked where invoked by the registrar when the pending trade mark has been used in the market, the extent of use and evidence of confusion or deception if assessed to determine the registerability of the mark and the latter scenario is invoked where a pending trademark has not yet been used in the Indian markets and the application has to be judged on the basis of “notional use in a normal and fair manner” and to decide whether the central idea of each mark is the same. Section 11(2)⁹¹ stipulates a trademark which is identical with or similar to an earlier trademark and is to be registered for goods and services *not* similar to those for which the earlier trade mark is registered, where the earlier mark is well known in India and the use of the latter mark (without due cause) would take unfair advantage or be detrimental to the distinctive character or repute of the earlier trademark. Section 11(3) provides that a trademark cannot be registered if, or to the extent that, its use in India is liable to be prevented under the law.

Section 29(1) provides that a registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the

⁸⁷ (IP/Q/IND/1, IP/Q2/IND/1, IP/Q3/IND/1 and IP/Q4/IND/1) identical, same, similar or deceptively similar mark

⁸⁸ A registered trademark or a prior convention application of a well known trade mark

⁸⁹ *National Steel Equipment Pvt Limited v. Collector of Excise AIR 1988 SC 631*: it does not mean identical, but it means corresponding to or resembling to in many respects, somewhat alike or having a general likeness.

⁹⁰ Section 12, Trade Mark Act 1999

⁹¹ Once a Trademark is registered Section 11(2) and also acts as grounds for establishing infringement with reference to registered trademarks, Section 29(2).

course of trade, a mark which is identical with, or deceptively similar⁹² to (so nearly resembles another mark as to be likely to deceive or cause confusion⁹³) the trademark in relation to goods and services in respect of which the trademark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trademark.⁹⁴ The registration of trademark shall give to the registered proprietor the exclusive right to use the trademark in respect of goods or services in respect of which the trademark is registered and to obtain relief in respect of infringement. Section 30(1) provides limits to the mechanics of Section 29, where 'use' is in accord with honest practices in industrial or commercial matters and do not take unfair advantage of or are not detrimental to the distinctive character or repute of the trademark.⁹⁵

⁹² *Esso sanitations v. Mascot Industries AIR 1982 Del 308*: the factors determining whether a particular trademark is deceptively similar were enumerated as, nature of the mark, the degree of resemblance between the marks (phonetic, visual, similarity of ideas), nature of the goods in respect of which they are used or likely to be used as trademarks, the similarity in the nature, characteristics and purpose of the goods of rival traders, the class of purchasers who are likely to buy the goods bearing the marks, their level of education and intelligence and the degree of care they are likely to exercise in purchasing the goods, the mode of purchase of the goods or of placing orders for the goods and any other surrounding circumstance. *Cadila Healthcasre v. Cadila Pharma (2001) (3) SCALE 98*: the real question is whether as a result of the misrepresentation there is a real likelihood of confusion or deception of the public and consequent damage to the plaintiff.

⁹³ *National Sewing Thread Co Ltd Chidambaram v. James Chadwick and Brothers AIR 1953 SC 357*: the real question to be decided in such cases is to see as to how a purchaser, who must be looked on as an average man of ordinary intelligence would react to a particular trademark, what association he would draw by looking at the trademark and in what respect he would connect the trademark with the goods he would be purchasing.

Hindustan lever v. Nirma AIR 1992 Bom 195: A mark is infringed by another, even without using the whole of it if he uses one or more of its essential features [] It is no answer to the plea of infringement of the registered trade mark or one of its essential features that the defendant incorporated additional material in its mark [] whether the mark used by the defendant infringes the plaintiffs mark or not must be decided by applying the test as to what would be the general impression on an unwary customer or imperfect recollection, [] the test of keeping goods of two manufacturers or cartons or labels side by side and comparing the similarities and/or dissimilarities thereon meticulously is not a correct test to be applied

⁹⁴ Section 29(2): A registered trademark is infringed by a person unauthorized uses the trademark in the course of trade, (i) which because of its identity with the registered trademark and the similarity of goods or services covered by such registered trademark, (ii) similarity to the registered trademark and the identity or similarity of the goods or services by such registered trademark, or (iii) its identity with the registered trademark and the identity of goods or services covered by such registered trademark if likely to cause confusion. Here, the courts will *presume* the likelihood of confusion. Section 29(4), a registered trademark is infringed, where (i) the trademark is identical with or similar to the registered trademark, and (ii) is used in relation to goods and services which are not similar to those for which the trademark is registered, and (iii) the registered trademark has a reputation in India and the use of the trademark without due cause takes unfair advantage of or is detrimental to, the distinctive character and repute of the registered trademark.

⁹⁵ See also Sections 30(2)-(4), Trade Mark Act (1999)

The Paris Convention called for the protection of well known trademarks under Article 6 *bis*.⁹⁶ Under TRIPS in determining whether a trade mark is well known, members shall take into account knowledge of trade mark in the relevant sectors of the public, including knowledge in member concerned which has been obtained as a result of the promotion of trade mark. Article 16(2) of the TRIPS Agreement establishes that 6*bis* shall also apply *mutatis mutandis* to services “which are not similar to those in respect of which trade mark is registered provided that use of trade mark in relation to those goods or services would indicate a connection between those goods and services and owner of the registered trade mark and provided that interests of owners of registered trade mark are likely to be damaged by such use.” The protection of well known marks under Article 6 *bis* of the Paris Convention has thus been reinforced in at least two ways, first that the article now applies expressly to services and secondly that the same provision extends even to dissimilar goods or services when use of a registered mark would be likely to indicate a harmful connection between those dissimilar goods or services and the owner of registered marks. In India the proviso to Section 9(1) provides that absolute grounds for refusal of registration shall not be applicable in the case of a well-known mark, however Section 9(2)(a) shall be applicable. Section 11(6) provides a non-exhaustive list of facts to be taken into account in determining whether a trade mark is well known. Under Section 11(9) is it not required that the well-known trademark should have been used in India, or have been registered or an application to have been filed in India.

Under Section 27(1) of the Trademarks Act 1999, no person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trademark. Rights in such cases are enforced under the common law provisions of passing off. In *Baker Hughes Limited v. Hiroo Khushalani* [2000]102 *Comp. Cas.* 203 [Delhi], the High Court the plaintiff in an action for passing off must

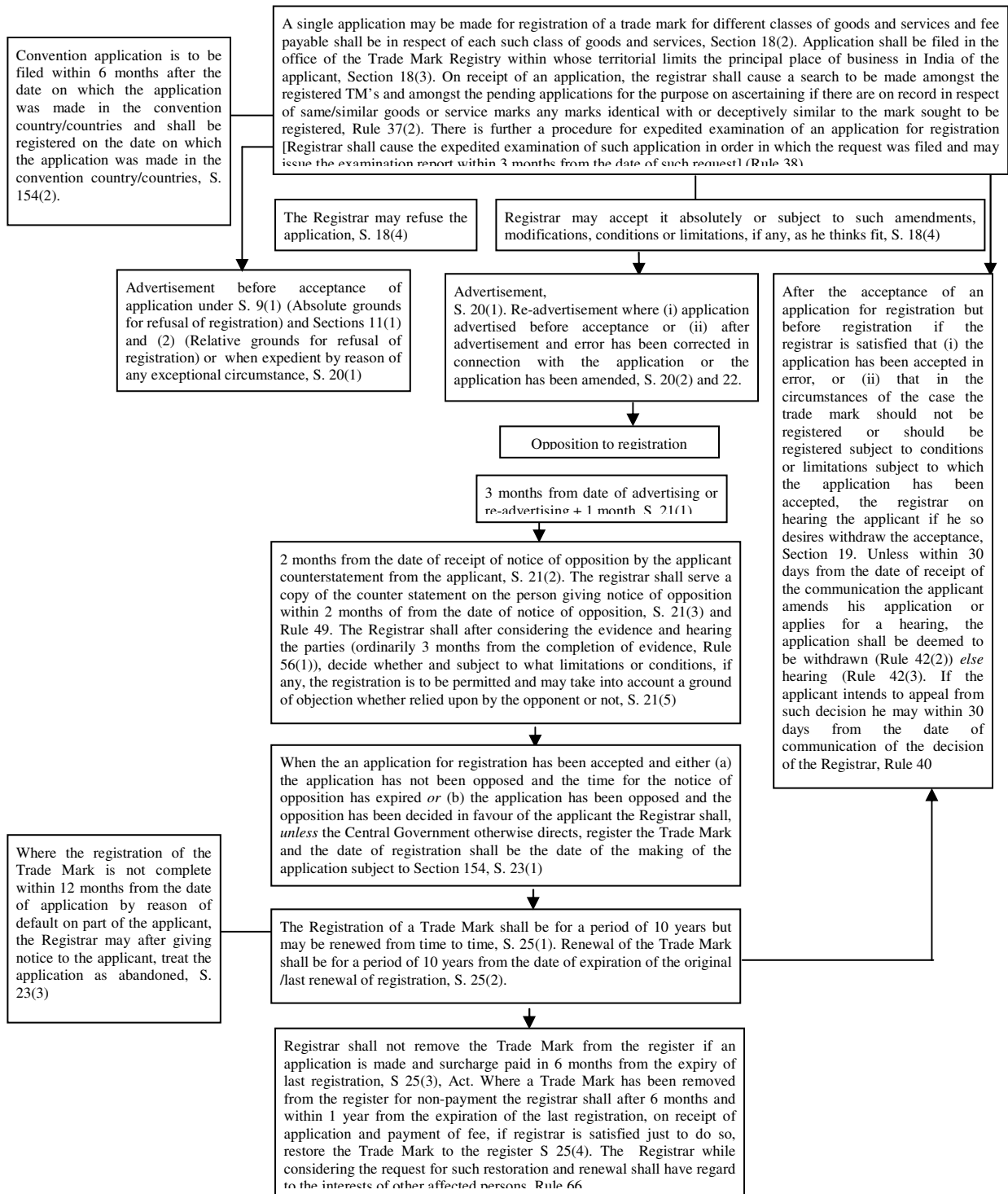
⁹⁶ The countries of the Union undertake to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered to be well known and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion. A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested. No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.

established the following elements: (i) the plaintiff has acquired a reputation or goodwill in his good, name or mark, (ii) a misrepresentation, whether intentional or unintentional, which proceeds from the defendant by the use of the name or mark of the plaintiff or by any other method or means and which leads or is likely to lead the purchaser into believing that the goods or services offered by the defendant are the goods and services of the plaintiff, or that the goods or services offered by the defendant are the result of its association with the plaintiff, and (iii) that the plaintiff has suffered or is likely to suffer damages due to the belief engendered by the defendants representation.⁹⁷

In keeping with Article 21 of the TRIPS Agreement, a registered proprietor may assign the trademark (Section 37). A registered and unregistered trademark may be assigned with or without the goodwill of the business (Section 39) subject to conditions ascribed in Section 42 of the Trademarks Act 1999.

⁹⁷ The Supreme Court in *Laxmikant Patel v. Chetanbhai Shah* [2002] 3 SCC 65, stipulated three elements to establish a passing off action: the reputation of goods, the possibility of deception and the likelihood of damages to the plaintiff. The same principle is applicable in the case of trade names.

GENERAL PROCEDURE FOR THE REGISTRATION OF TRADEMARKS



* Any person aggrieved by the order or decision of the Registrar or in an application for rectification of the register (under Section 27) or the rules made thereunder, may appeal to the Appellate Board within 3 months from the date on which the order or decision sought to be appealed against is communicated to such person *provided* that an appeal may be admitted after the expiry of the period specified therefor, if the appellant satisfies the Appellate Board that he had sufficient cause for not preferring the appeal within the specified time (S. 91(1) and (2)).

* Separate provisions for the Registration of COLLECTIVE MARKS, CERTIFICATION TRADE MARKS AND TEXTILE GOODS.

6 Industrial Designs

An industrial design is the conception, suggestion, or idea of a shape, picture, device, or arrangement which is to be applied to an article by an industrial process.⁹⁸ Designs envelop external appearances (*both* functional and aesthetic) as noticed and adjudged visually by⁹⁹ and which add to the commercial value and marketability of a good. Article 5 *quinquies* of the Paris Convention provided that industrial designs shall be protected in all contracting countries however the scope for such protection was not defined. Under the TRIPS Agreement members countries are obligated to provide for the protection of industrial designs that are either “new *or* original.”¹⁰⁰ Members *may* provide that designs are not new or original if they do not significantly differ from known designs or combinations of known design features and may also dictate that such protection shall not extend to designs dictated essentially by technical or functional considerations.¹⁰¹

Copyright in an industrial design is governed by the Indian Designs Act 2000. The Designs Act, unlike the Copyright Act, gives monopoly protection.¹⁰² The Act is confined to designs applicable to manufactured articles. When a design is registered, the registered proprietor shall have copyright in the design during a period of ten years from the date of registration.¹⁰³ Section 4 of the Designs¹⁰⁴ Act (2000), prohibits the registration of a design which (a) is not new or original,¹⁰⁵ or (b) has been disclosed to the

⁹⁸ Application by any industrial process or means whether manual, mechanical or chemical, separate or combined

⁹⁹ The design and have some perceptible appearance of an individual character

¹⁰⁰ Article 25(1), TRIPS

¹⁰¹ Article 25(1), TRIPS

¹⁰² *Copyrights Law, Narayanan*, Page 392,

¹⁰³ Section 11, Design Act (2000)

¹⁰⁴ Section 2 (d) "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 [*instructed 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, property mark or any artistic work

¹⁰⁵ *Copyright Law, Narayanan*, Page 414: “In the expression 'new or original' [Section 2 (g) 'original', in relation to a design, means originating from the author of such design and includes the cases which though old in themselves yet are new in their application] the work 'or' is not used in the disjunctive sense. Accordingly to qualify for registration a design or a substantial part thereof must be both new and original and something more than bare novelty over the prior art is required.”

[Continue at the next page]

public¹⁰⁶ any where in India or elsewhere prior to the filing date or the priority date of the application for registration,¹⁰⁷ or (c) is not significantly distinguishable (an objective standard) from known designs or combinations of known designs (akin to Article 25(1) TRIPS), or (d) comprise or contains scandalous or obscene matter.¹⁰⁸

Under Article 26(2), owner of a protected design shall have the right to prevent third parties not having the owner's consent from making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes. In an attempt of compliance the Indian legislation under Section 22 provides that to establish piracy or infringement of a registered design the following facts are to be proven: that the design is registered under Section 11 and that for the purpose of sale and for the purpose of import for sale without the consent of the registered proprietor, a design or a fraudulent or obvious imitation thereof has been applied to any article in any class of articles in which the design is registered, or to do anything with a view to enable the design to be so applied, or the infringer has published or exposed for sale the article knowing that the

[footnote from the last page]

A design will be considered new if it is never existed before, however to be original it is sufficient if it is new in its application to an article, although it had existed before. *Bright Auto Industries v. B. Chawla (1978) IPLR 28 at 33 [Del, H.C]*: No design will be counted as new or original unless it is distinguishable from what existed previously by something *essentially new or original* which is different from the old trade variants which may have been common matters of taste or choice in the trade.

¹⁰⁶ Entails prior publication and prior uses. Further, Section 16 provides that the disclosure of a design by the proprietor to any other person, in such circumstances as would make it contrary to good faith for that other person to use or publish the design, and the disclosure of a design in breach of good faith by any person, other than the proprietor of the design, and the acceptance of a first and confidential order for articles bearing a new or original textile design intended for registration, shall not be deemed to be a publication of the design sufficient to invalidate the copyright thereof if registration thereof is obtained subsequently to the disclosure or acceptance

¹⁰⁷ It is an essential requirement for registration that the design should not be published in India prior to the date of application. A design previously published in a foreign country will not invalidate the registration in India if it was not previously published or registered in India. Article 11 of the TRIPS Agreement and Section 21 of the Design Act (2000) provide for the temporary protection of a design at certain international exhibitions. Section 21 will only apply where the exhibitor exhibiting the design or article or publishing description of the design gives to the Controller previous notice in the prescribed Form 9 of Rules 2001 and the application for registration is made within six months from the date of first exhibition the design or article or publishing a description of the design.

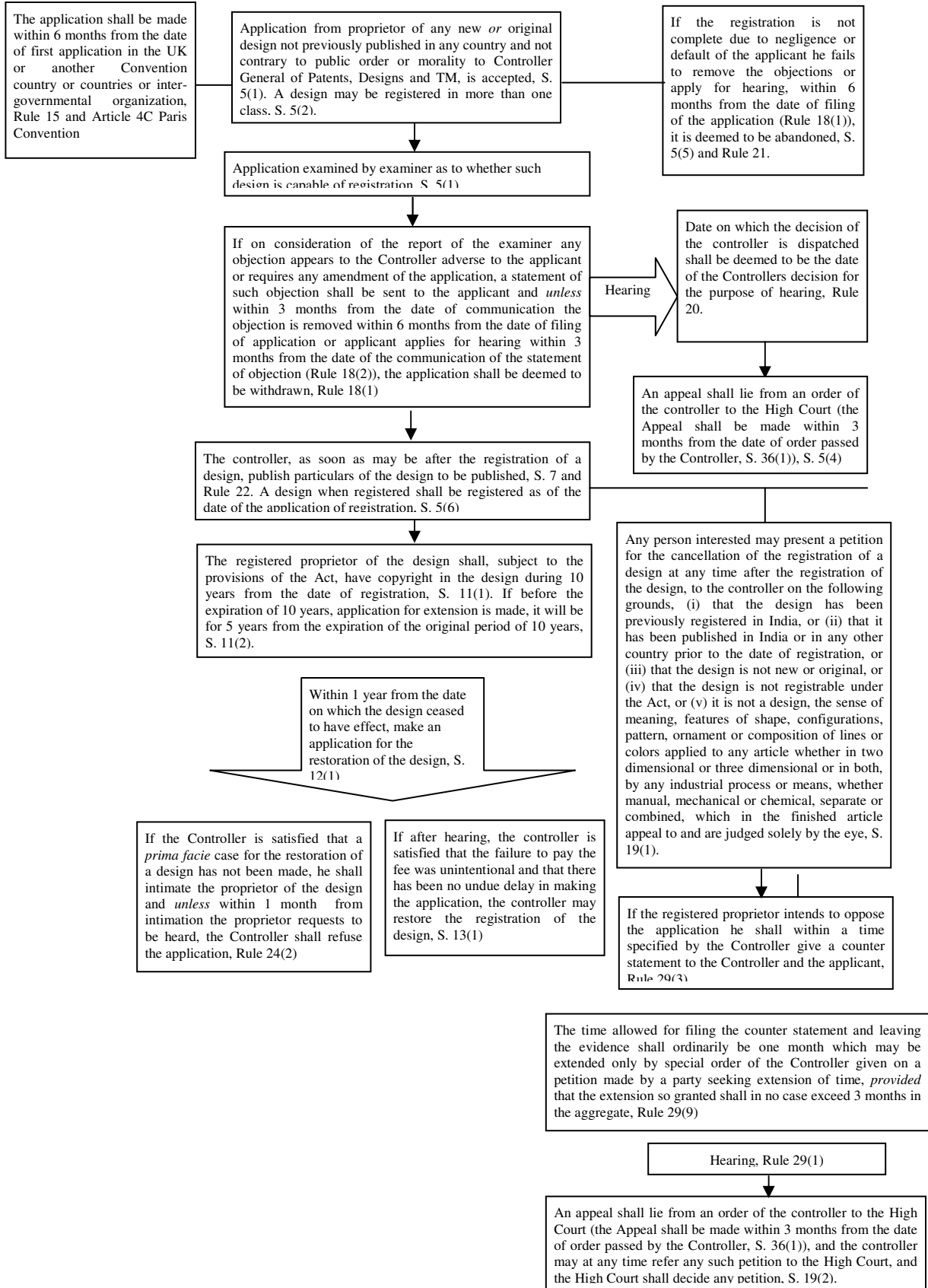
¹⁰⁸ Scope of "Scandalous or obscene matter" would include: (1) Offending public sentiments; (2) Hurting religious susceptibilities; (3) Insignias of all religions would be prohibited; (4) Libellous marks; (5) Marks which threaten breach of peace in society.

design or any fraudulent or obvious imitation thereof has been applied to any class of articles in which the design is registered.

Article 5B of the Paris Convention specifies that the protection of industrial design shall not be subject to any forfeiture, either by reason of failure to work or by reason of the importation of articles corresponding to those protected. Members therefore have an in-built discretion to provide for compulsory license to ensure the working of the product.¹⁰⁹ The Designs Act 2000 does not provide for compulsory licenses. Under Section 26(2) TRIPS further the contracting members may provide limited exceptions to the protection of industrial designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of protected industrial designs and do not unreasonably prejudice the legitimate interests of the owner of protected design, taking into account the legitimate interests of third parties.

¹⁰⁹ Example, manufacture of products representing or incorporating industrial designs

GENERAL PROCEDURE FOR THE REGISTRATION OF AN INDUSTRIAL DESIGN



7 Patents¹¹⁰

“The word patent means the exclusive privilege granted by the sovereign authority to an inventor with respect to his invention,” *The Law Lexicon, (2nd edition, 2001), page 1421*

A Patent gives a monopoly right to a person who has invented a new and useful product or a new process of making a product or an improvement or modification of an existing product or process¹¹¹. It is a statutory grant conferring exclusive right to manufacture the patented product or manufacture a product according to the patented process for a limited period of time, *that is*, a period of 20 years.¹¹² The Trade Related Aspects of Intellectual Property Rights Agreement adopted a ‘Paris *plus*’ approach under Article 2(1).¹¹³ The ‘objectives’ and ‘principles,’ specified in Articles 7 and 8 of TRIPS offer an important framework for the interpretation and application of the Agreement. Article 27(1) of the Agreement specifies the criteria of *novelty*, *non-obviousness* (inventive step) and *utility* (industrial applicability) determine patentability.¹¹⁴ Exclusions to this rights are enumerated under Articles 27(2) and (3) of the Agreement. The most important criteria for judging patent eligibility is that of ‘non-obviousness’ or ‘inventive

¹¹⁰ See “*Patents Legislation and International Obligations: India*,” by Mahima Puri and Anjali Varma, Indian Council of Research for International Economic Relations, Working paper No. 158

¹¹¹ See P.Narayanan, *Patents Law, 3rd Edition*, in respect of any “improvement in or modification of” previous invention called the main invention *as described or disclosed* in the complete specification (not limited to the invention as claimed) for which a patent has been granted or an application has been made, Section 55(2), Patents Act (1970), Page 69-71

¹¹² Section 53(1), Patents Act, 1970: “Subject to the provisions of this act, the term of every patent granted, after the commencement of the Patents (Amendment) Act, 2002, and the term for every patent which has not expired and has not ceased to have effect, on the date of such commencement, under this Act, shall be *twenty years from the date of filling of the application for the patent*” (emphasis added). This provision was introduced by the 2002 Amendment in conformity with Article 33, the Trade Related Aspects of the Intellectual Property Rights Agreement (1995).

¹¹³ Members shall comply with Articles 1-12, and Article 19 of the Paris Convention 1967 (*last revised on September 28, 1979*). Nothing in parts I to IV of this Agreement shall derogate from existing obligations that members have to each other under the Paris Convention

¹¹⁴ Novelty provides a proper incentive for innovation, rewarding that which is new and not imitative. Non-obviousness establishes a patentability step, a level of development beyond the prior art that must be accomplished, before a patent can be issued, it is a ‘non-triviality’ requirement. The requirement that a claim be ‘capable of industrial application’ tends to exclude areas of basic research from patentability.

step,' which involves a question of fact and degree and is to be answered in accordance with the general policy of the Patents Act to reward and encourage invention without inhibiting improvements of existing technology by others.¹¹⁵ The question to be asked is: "Was it for practical purposes obvious to the skilled worker, in the field [of technology] concerned, in the state of knowledge existing at the date of the patent to be found [] then available to him, that he would or should make the invention the subject of the claim concerned?"¹¹⁶ The requirement that an invention be non-obvious preserves the public domain by creating a patent free zone around the existing state of art. Usefulness¹¹⁷ is recognized as one of three pre-requisites in establishing patentability, even in *Biswanath Prasad Radhey Shyam v. Hindustan Metal Industries*¹¹⁸ it was held that "[] that Section 26(1)(f) of the 1911 Act recognized the lack of utility as one of the grounds on which a patent could be revoked." Thus, there must be an invention applied to produce a practical result¹¹⁹ that is, it must be capable of industrial applicability; an invention must be a 'new and useful' 'method or manner' of manufacture.

Article 28 guarantees exclusive rights to patent owners, defined in a *negative* manner as the faculty to *prevent* certain acts relating to the invention. The *preamble*, *principles* and *objectives* of the Agreement may be used to carve out exceptions to these exclusive rights and grant compulsory licenses. Article 30¹²⁰ enunciates *limited exceptions*,¹²¹ given that such exceptions (i) do not *unreasonably conflict with a normal*

¹¹⁵ See, *Societe Technique De Pulverisation Step v. Emson Europe* (1993) RPC 513 (CA)

¹¹⁶ See, *Halsbury 3rd Edition, Vol. 29, p. 42* referred to by Vimadalal, J at the Bombay High Court in *Erbwerke Hoechst and B Coproration v. Unichem Laboratories* AIR 1969 Bom. 225.

¹¹⁷ Under 35 USC 101, it means that the invention must be minimally operable towards some practical purpose. "The claimed invention as a whole must accomplish a practical application. That is, it must produce 'a useful, concrete and tangible result'." *State Street 149 F. 3d at 1373, 47 USPQ2d at 1601-2*

¹¹⁸ AIR 1982 SC 144

¹¹⁹ *Harwood v. Great Northern Railway Company*, (1864-65) 11 HLC 654

¹²⁰ In *Canada – Patent Protection of Pharmaceutical Patents* (WT/DS114/R: 17 March 2000-Panel Report), the panel found that the conditions for the application of Article 30 apply *cumulatively* (emphasis added), each being a separate and independent requirement that must be satisfied. Both the goals and the limitations stated in articles 7 and 8.1 must obviously be borne in mind when interpreting the limiting provisions of the Trade Related Aspects of Intellectual Property Rights Agreement.

¹²¹ In *Canada – Patent Protection of Pharmaceutical Patents* (WT/DS114/R: 17 March 2000-Panel Report), 'limited' is to be measured by the extent to which the exclusive rights of the patent owner have been curtailed, focusing on the extent to which legal rights have been curtailed, rather than the size or extent of the economic impact

exploitation of the patent¹²² and (ii) do not unreasonable prejudice the legitimate interests of the patent owner taking into account the legitimate interests¹²³ of the third parties. Article 31 enumerates *refusal to deal, emergency and extreme urgency, anti-competitive practices, non-commercial use and dependent patents*’ as possible grounds for the concession of patents rights without the authorization of a patent holder for “other use” barring the exceptions provided for under Article 30. It provides a detailed set of conditions to be met for the grant of a compulsory license. These exceptions once interpreted together, “may even expand”¹²⁴ the pre-existing grounds for limiting a patentee’s exclusive right under Article 5A (2-4)¹²⁵ of the Paris Convention.

The 2005 Patents [Amendment] Act has made India fully TRIPS compliant by inaugurating an enforceable product patents regime under Article 65(4). Exclusive Marketing Rights which provided a means for accepting patent applications for pharmaceutical and agricultural-chemical products until 31st December, 2004 have been revoked under the Amendment. The requirement of novelty is absolute and ‘inventive step’ has been redefined to inhibit ‘evergreening patents’ and computer software is deemed unpatentable *per se*. Immunity is yet provided to the generic manufacture of pharmaceutical substances in the mailbox, however a percentage royalty has been affixed. In keeping with the Ministerial Declaration on ‘The TRIPS Agreement and

¹²² In *Canada – Patent Protection of Pharmaceutical Patents* (WT/DS114/R: 17 March 2000-Panel Report), the normal practice of exploitation by patent owners, as with owners of any other intellectual property right, is to exclude all forms of competition that could detract significantly from the economic returns anticipated from a patent’s grant of market exclusivity

¹²³ In *Canada – Patent Protection of Pharmaceutical Patents* (WT/DS114/R: 17 March 2000-Panel Report), ‘legitimate interests’ in this context, must be defined in the way that it is often used in legal discourse - as a normative claim calling for protection of interests that are ‘justifiable’ in the sense that they are supported by relevant public policies or other social norms.

¹²⁴ *Intellectual Property Rights and International Trade-the TRIPS Agreement, ‘Universal minimum standards of intellectual property protection under the TRIPS component of the WTO Agreement’* Carlos Correa and A.Yusuf, Page 34

¹²⁵ *Article 5A(3)*- Prohibits forfeiture on grounds of abuse without first trying the remedy of compulsory licensing, even specifying that members have to allow for two years from the grant of the first compulsory license before proceedings for forfeiture can be instituted. *Article 5A(4)*- Requires another time restriction namely, no compulsory license, on grounds of failure to work or insufficient working can effectively be applied for prior to three years from the grant of the patent or four years from the date of filing of the patent application, whichever is longer. The time restriction applies only to the particular case of the application for compulsory licenses on grounds of non-working or insufficient working. An application for compulsory licenses on such grounds is to be refused if the patentee justifies his inaction by legitimate reasons. Such a compulsory license is to be non-exclusive and non-transferable except in the case of the business entity itself.

Public Health’ (14th of November, 2001) compulsory licenses are now available for the manufacture and export of patented pharmaceutical products to any country having ‘insufficient or no manufacturing capacity’ in the pharmaceutical sector for the concerned product to address public health problems, provided that compulsory licenses have been granted by the importing country “*or such country has by notification or otherwise allowed importation of the patented pharmaceutical product from India.*” Procedural changes have been incorporated with a period of 6 months quantifying ‘reasonable period’ in relation to compulsory licenses.

8 Semiconductor Integrated Circuits and Layout Designs

To conform with its international obligations under the TRIPS Agreement, India enacted the Semiconductor Integrated circuits Layout Designs Act (2000).¹²⁶ The TRIPS Agreement under Article 35 provides protection in accord with Articles 2 to 7 *except* 6(3), Article 12 and Article 16(3) of IPIC in addition to¹²⁷ considering unlawful the “importing, selling or otherwise distributing for commercial purposes a protected layout design, and integrated circuit in which a protected layout design is incorporated circuits only in so far as it continues to contain an unlawfully reproduced layout design” if performed without the authorization of the right holder.¹²⁸

Under the Semiconductor Integrated circuits Layout Designs Act (2000), Semiconductor Integrated Circuits are defined as “a product having transistors and other circuitry elements which are inseparably formed on a semiconductor material or an insulating material or inside the semiconductor material and designed to perform an electronic circuitry function”¹²⁹ and layout designs are defined as “a layout of transistors,

¹²⁶ Under Article 4 of the IPIC, “Each Contracting Party shall be free to implement its obligations under this Treaty through a special law on layout-designs (topographies) or its law on copyright, patents, utility models, industrial designs, unfair competition or any other law or a combination of any of those laws”

¹²⁷ Article 12 IPIC, “This Treaty shall not affect the obligations that any Contracting Party may have under the Paris Convention for the Protection of Industrial Property or the Berne Convention for the Protection of Literary and Artistic Works.”

¹²⁸ Article 36, TRIPS

¹²⁹ Section 2@

and other circuitry elements and includes lead wires connecting such elements and expressed in any manner in a Semiconductor Integrated Circuit.”¹³⁰

Article 3(1)(b) of the IPIC establishes that the right holders rights in respect of an integrated circuit shall apply whether or not the integrated circuit is incorporated in an article.¹³¹ Article 3(2) specifies intellectual property protection shall apply to *original* layout designs¹³² and layout designs that consist of a combination of elements and interconnections that are commonplace shall be protected only if the combination as a whole fulfills the condition of originality. Article 7 of the Indian Legislation prohibits the registration of layout-designs which are not original and where the criteria to judge ‘originality’ follows Article 3(2)¹³³ or layout designs which have been commercially exploited¹³⁴ in India or in another convention country; or layout designs which are not inherently distinctive or layout designs which are not inherently capable of being distinguishable from any other registered layout-design. However here, layout-designs which have been commercially exploited for less than two years from the date on which an application for its registration has been filed either in India or in another convention country shall be treated as not having been commercially exploited.

¹³⁰ Section 2(h)

¹³¹ It is generally held that Article 36 of the TRIPS Agreement which reads as “Members shall consider unlawful the following acts if performed without the authorization of the rights holder: importing, selling or otherwise distributing for commercial purposes a protected layout design, an integrated circuit in which a protected layout design is incorporated, or an article incorporating such an integrated circuit only in so far as it continues to contain an unlawfully reproduced layout design ” clarifies its scope. Further Section 17 of the Semiconductor Integrated Circuits Layout Designs Act 2000 provides: “[] the registration of a layout-design shall, if valid, give to the registered proprietor of layout-design the exclusive right to the use of the layout-design and to obtain relief in respect of infringement in the manner provided by this Act. The rights conferred by the registration of a layout-design shall be available to the registered proprietor of that layout-design irrespective of the fact as to whether the layout-design is incorporated in an article or not.”

¹³² Designs which are not commonplace among creators of layout designs and manufacturers of integrated circuits at the time of their creation and are the result of their creators own intellectual effort

¹³³ Section 7(2): A layout-design shall be considered to be original if it is the result of its creator's own intellectual efforts and is not commonly known to the creators of layout-designs and manufacturers of semiconductor integrated circuits at the time of its creation. A layout-design consisting of such combination of elements and interconnections that are commonly known among creators of layout-designs and manufacturers of semiconductor integrated circuits shall be considered as original if such combination taken as a whole is the result of its creator's own intellectual efforts

¹³⁴ Section 2(e) of the Indian legislation, “means to sell, lease. Offer or exhibit for sale or otherwise distribute such semiconductor integrated circuit for commercial purposes”

Article 6 of the IPIC defines the scope of protection guaranteed to the right holder. The act of reproducing (by incorporation the original part in an integrated circuit or otherwise a layout design in its entirety or any part) shall be considered unlawful if performed without the authorization of the right holder,¹³⁵ except where that act is performed by a third party for private purposes or for the sole purpose of evaluation, analysis, research or teaching¹³⁶ and the act of importing, selling or otherwise distribution for commercial purposes a protected layout design or an integrated circuit in which a protected layout design is incorporated.¹³⁷ Under 6(1)(b) of the IPIC any contracting state shall be free to consider unlawful acts other than those specified in Article 6(a)(i) and (ii). Under Section 16, no person shall be entitled to institute any proceedings to prevent, or to recover damages for, the infringement of an unregistered layout design.¹³⁸ Section 18(1)(a) *subject* to 18(2) and 18(1)(b) of the Indian Act follow the criteria provided for infringement under Article 6(1)(a)(i) and (ii), respectively. 18(1)(b) is subject to exception specified under Section 18(5) where “[/not /] regarded as infringement [/] if [/]such person does not possess any knowledge or has no reasonable ground to know while performing or directing to be performed such act in respect of such semiconductor integrated circuit or article that incorporated a registered layout-design but after the time when such person has received notice of [the same], he may continue to perform or directing to be performed such act in respect of the stock on hand or ordered before such time and, then, he shall be liable to pay the proprietor of the registered layout-design a sum by way of royalty to be determined by negotiation between registered proprietor of the registered layout-design and that person or by the Appellate Board having regard to the benefit accrued to such person [/].”Any person who purchases a semiconductor integrated circuit incorporating a registered layout-design or any article incorporating such a semiconductor integrated circuit referred to in Section 18(5) from a person

¹³⁵ Article 6(1)(a)(i), IPIC Treaty

¹³⁶ Article 6(2)(a), IPIC Treaty

¹³⁷ Article 6(1)(a)(ii), IPIC Treaty

¹³⁸ Article 7(2)(a) IPIC stipulates that a contracting member is free *not* to protect a layout design until layout design subject of an application for registration duly filed.

referred to in that sub-section, shall be entitled to the immunity from infringement.¹³⁹ Under 18(7) further, nothing under 18(1)(b) shall constitute an act of infringement, where “[/any person performs any of the acts specified in [18(1)(b)]with the written consent of the registered proprietor [/] within the control of the person obtaining such consent, or in respect of a registered layout-design or a semiconductor integrated circuit incorporating a registered layout-design or any article incorporating such a semiconductor integrated circuit, that has been put on the market by or with the consent of the registered proprietor of such registered layout-design.” This closes follows Article 37 of the TRIPS agreement which over-wrote Article 6(4) of the IPIC.¹⁴⁰ IPIC further specifies that, where the third party on the basis of evaluation or analysis of the protected layout design created a layout design complying with the requirements of originality, a third party may incorporate second layout design without being regarded as infringing rights of holder of the first layout design.¹⁴¹ The exception under Article 6(2)(b) of the IPIC has been expanded in Section 18(3) to also include ‘rights of performance’ granted under Sections 18(1)(a) 18(1) (b) and 18 (5). Article 6(2)(c) further stipulates that the holder of the right may not exercise his right in respect of an identical original layout design that was independently created by a third party.¹⁴² This is reflected in Section 18(8) of the Semiconductor Integrated Circuits Layout Designs Act 2000. Under 6(5) of the IPIC, further any contracting party pay consider lawful the performance without authority of the right holder any act performed in respect of a protected layout design or in respect of an integrated circuit in which such a layout design is incorporated that has either been put on the market by or with the consent of the right holder. Article 37(2) of the TRIPS also

¹³⁹ Section 18(6)

¹⁴⁰ Article 37(1) establishes that no member shall consider unlawful the performance of any act with respect to incorporating an unlawfully reproduced layout design or any *article incorporating such an integrated circuit* where the person performing or ordering such acts did not know and had no reasonable ground to know, when acquiring the integrated circuits or *article incorporating such an integrated circuit*, that it incorporated an unlawfully reproduced layout design. *Members shall provide that after the time that such person has received sufficient notice that layout design was unlawfully reproduced, that person may perform any acts with respect to the stock on hand or ordered before time, but shall be liable to pay to right holder a sum equivalent to a reasonable royalty such as would be payable under a freely negotiated license in respect of such layout design* [emphasized, in addition to the IPIC]

¹⁴¹ Article 6(2)(b), IPIC Treaty

¹⁴² Article 6(2)©, IPIC Treaty

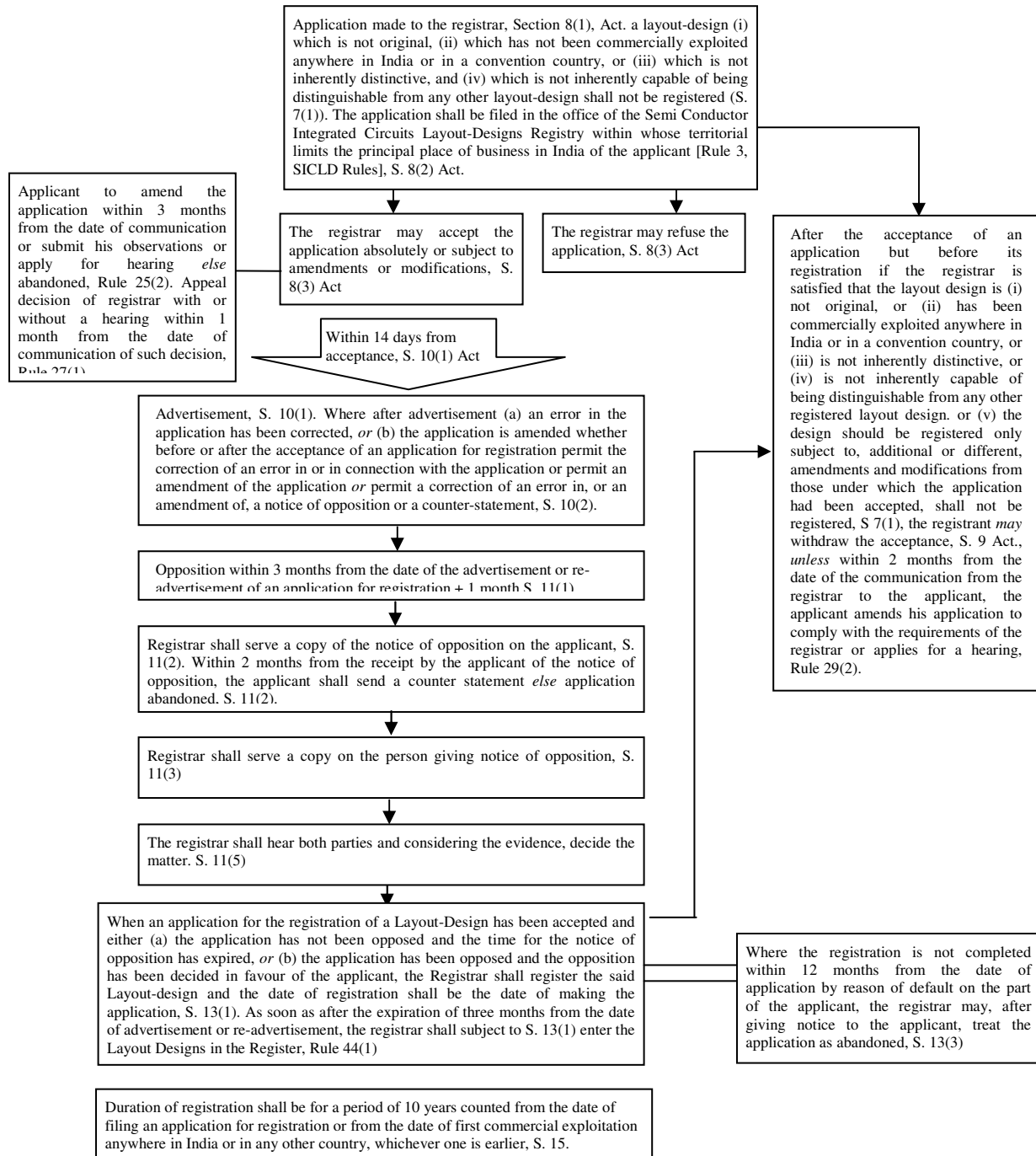
clarifies that the conditions set out in Article 31(a) to (k) pertaining to compulsory licensing are applicable as an exception to rights guaranteed aforementioned and apply to the non-voluntary licensing of layout designs or for its use by or for the government. These licenses shall only apply to public non-commercial use or to remedy a practice determined after judicial or administrative processes to be anti-competitive, Article 31(c) TRIPS.¹⁴³

The term for protection granted under Article 38 (a) of the TRIPS Agreement requires *registered* layout designs of integrate circuits to be 10 years from the date of filing an application for registration or from the date of first commercial exploitation anywhere in the world. This is followed in Section 15 of the Semi-Conductor Integrated Circuits Layout-Design Act (2000) where the, registration of a layout-design shall be only for a period of ten years counted from the date of filing an application for registration or from the date of first commercial exploitation¹⁴⁴ anywhere in India or in any country whichever is earlier.

¹⁴³ Compulsory licensing provisions (*inapplicable under the TRIPS*) are also provided under the IPIC Treaty, where any contracting party under Article 6(3)(a) has the option to provide a non-exclusive license in non-ordinary circumstances for the performance of any act mentioned under Articles 6(1)(a)(i) and (ii) after successful efforts have been made by the said third party in line with the normal commercial practices and where the grant of the non-voluntary license is found to be “necessary to safeguard a national purpose deemed to be vital” and shall be subject to the payment of remuneration. Under Article 6(3)(b) of the IPIC, as in Article 31(c) of the TRIPS Agreement, contracting states are free to grant non-voluntary license to secure free competition and to prevent abuses by right holder. Both Articles 6(3)(a) and 6 (3)(b) may be revoked under Article 6(3)© when conditions referred to above, cease to exist. *However Article 6(3) of the IPIC is excepted under TRIPS.* Under Article 6(5) of the IPIC *which is enforceable under the TRIPS Agreement*, contracting countries also have the option to consider “[l]awful the performance without authority of right holder of any act performed in respect of a protected layout design or in respect of an integrated circuit in which such a layout design is incorporated that has been put on market by or with consent of the right holder.”

¹⁴⁴ Section 2 (e) “commercial exploitation”, in relation to Semiconductor Integrated Circuits Layout-Design, means to sell, lease, offer or exhibit for sale or otherwise distribute such semiconductor integrated circuit for any commercial purpose.

GENERAL PROCEDURE FOR THE REGISTRATION OF A SEMICONDUCTOR INTEGRATED CIRCUITS LAYOUT DESIGN



* Any person aggrieved by an order or decision of the Registrar under this Act, or the rules made thereunder may appeal to the Appellate Board within 3 months from the date on which the order or the decision sought to be appealed against is communicated to the person *provided* that an appeal may be admitted after the expiry of the period specified therefore, if the appellant satisfies the Appellate Board that he had sufficient cause for not preferring the appeal within the specified time (S. 42(1)). An appeal to the High Court from any decision or order of the Appellate Board shall be made within 3 months from the date of such decision or order or within such further time as the High Court may allow (S. 91).

9 Conclusion

Article 39 incorporates Article *10bis* of the Paris Convention and reinforces protection of undisclosed information¹⁴⁵ and test data against unfair commercial use, subject to exceptions,¹⁴⁶ submitted prior to seeking approval for the marketing of pharmaceutical or agricultural chemicals which utilize new chemical entities.¹⁴⁷ The protection of undisclosed information against unfair competition is provided through the provisions of Law of Torts and the Indian Contract Act, 1872.

Based on their economic functions, intellectual property rights can be broadly categorized into, patents and copyrights which serve to bridge the gap between the social value and private value of innovations and others such as trademarks and geographical indications which merely distinguish the origin and quality of goods and services. The TRIPS Agreement which comprehensively prescribes minimum standards for protection of the aforementioned leaves a degree of ‘domestic’ legislative discretion with the contracting member states. Member’s states are left to determine the best way of implementing the Agreement within their own legal system and practice (whether with

¹⁴⁵ Preventing the unauthorized disclosure, acquisition, or use of information in a manner contrary to honest commercial practices (such as, breach of contract, breach of confidence, inducement to breach and known and grossly negligent acquisition of undisclosed information by third parties) where, the information is secret (not generally known or accessibly to persons who normally deal with such information), has commercial value as a causal result of secrecy, and where reasonable precautions were taken to maintain its secrecy. Such protection is provided *inspite* of formalities and registration and protect data from unauthorized disclosure or obtaining the information via improper means, distinct from reverse engineering for example.

¹⁴⁶ Necessary to protect the public, etc

¹⁴⁷ Subsequent disclosure is prohibited as the service regulations and the provisions against disclosure of data in the Drugs and Cosmetics Rules (1945) and the Insecticide Rule (1971) protect data submitted to the regulatory authorities from unauthorized disclosure and unfair commercial use. The procedure for market authorization of a pharmaceutical or of an agricultural product is governed by provisions of the Drugs and Cosmetics act (1940) and the Insecticides Act (1968) and rules, respectively. Rule 53 of the drugs and Cosmetics Rules (1945) provides, that except for purposes of official business or when required by a court of law, an inspector under the Drugs and Cosmetics Act (1940) shall not without the sanction in writing of his official superior, disclose to any person any information acquired by him in the course of his official duties. Rule 29 of the insecticides Rules (1971) provides that except for the purpose of official business or when required by a court of law an insecticide inspector shall not disclose to any person any information acquired by him in the performance of his official duties. The value of the aforementioned provisions are questionable, with the enforcement of the Patents (Amendment) Act (2005), Section 77.

enacting or merely amending legislation), the text is subject to several “may” provisions and many operative terms and standards are undefined. India has sought to define these standards with reference to its domestic conditions and has an efficient and effective intellectual property regime. With the 2005 Patents [Amendment] Act, India is now fully TRIPS compliant *vis-à-vis* its obligations under Articles 65(4), 70(8) and 70(9). However, the real challenge now lies with future amendment, for instance whether it chooses to sign the WIPO Performance and Phonogram Treaty (effective since May 20, 1996) and the WIPO Copyright Treaty (adopted on the 20th of December 1996), in particular.