Intellectual Property Rights Relating to Trademarks, Copyrights, Patents and Designs

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- The PARIS Convention – for all Intellectual Property.
- The BERNE Convention – for Copyright.
- The TRIPS Agreement – covering all Intellectual Property.
- The HAGUE, MADRID, NICE Conventions.
- The ROME Convention - for Phonograms, Broadcast, etc.
- Modern Conventions – WPPT and WCT
- The LOCARNO Treaty
SOME ISSUES

• Issues of International Importance (e.g. Parallel Importation) Vs. Local Importance (e.g. Territorial Jurisdiction).

• Huge similarity between IP laws of nations but some differences.

• This presentation highlights some of the hotter issues from the Indian perspective:
  • Recognition of Torts through common law
  • Wider interpretation to existing concepts
  • Time and remedies revolution
Indian Law on Intellectual Property

- Patents Act, 1970 – Inventions
- Trade Marks Act, 1999 – Trade marks
- Copyright Act, 1957 - works
- Design Act, 2000 – designs of mass produced articles
- Semiconductor Chip, Geographical Indications, IT Act, Biological Diversity
TRADE MARKS, TRADE DRESS, PERSONALITY RIGHTS
Unconventional Trademarks

Shape Marks

Sound Marks

Texture Mark

Color Mark

Western
Classical
Folk
Carnatic
Jazz
Well Known Trade Marks: Recognized by TMR

- **68** marks designated well known by Trade Marks Registry

- List of well known marks available on Registry’s website:

  http://ipindiaservices.gov.in/tmrpublicsearch/wellknownmarks.aspx
Well Known Trade Marks Recognized by Courts in recent years

Microsoft, Bose, Autodesk, Adobe, Disney, Toyota, Prius, John Deere, TATA, GE, Polo recognized as Well Known Marks by the Delhi High Court
Trans-border Reputation

• “PRIUS”, the world’s first hybrid car witnessed spill over of its immense reputation in India, much prior to its national launch.

• Defendants’ adoption of PRIUS as part of trading name for business of sale of automobile spare parts likely to cause confusion and deception

• Defendants’ prior knowledge of PRIUS trademark found certain and adoption held as being dishonest

Toyota Jidosha Kabushiki Kaisha v. Mr. Deepak Mangal & Ors., CS (OS) 2490 of 2009
Personality Rights

- Tanishq Advertisement Case
- TATA Cyrus Mistry case
- Gulaab Gang case
- Phoolan Devi case
- Rajnikanth case
- Arun Jaitley case
- Daler Mehndi doll case
- TATA Turtle case
Supreme Court and Delhi High Court

Toyoda v. Deepak Mangal [2016]
Judicial Notice can be taken *suo motu* by Courts for deciding reputation of a mark

WWE v. Reshma Collection [2014]
Jurisdiction: Plaintiff can avail territorial jurisdiction by carrying on business through websites despite no physical presence.

Cartier v. Gaurav Bhatia [2015]
Highest ever damages of INR 10 million granted against Defendants selling counterfeits online

Milmet Ofthlo v. Allergan Inc. [2004]
Test for protecting reputation: First in the world use NOT First in India

Autodesk v. AVT [2008]
Guidelines for conducting raids, appointment and role of Local Commissioners

Mac v. Laverana [2016]
International evidence relevant for deciding reputation of a mark: registrations, internet documents, sales etc.

Tata Steel v. Union of India [2016]
Mass abandonment orders of over 1 lakh TM applications stayed
High Cost of Litigation: Safeguards*

• The Timken Company vs Timken Services Private Limited (2013) – Court required parties to submit estimate of future cost before commencement of trial.

• The estimate of other side would enable decision on how to conduct litigation and permit transparency.

• Toyota v. Deepak Mangal – In addition to damages, Plaintiffs given liberty to recover actual costs of litigation including fee of counsel.

* These principles are applicable to each filed of IP law including Trademarks, Copyright, Patents, Designs etc.
## CONCLUSION: BEST PRACTICES FOR TRADEMARK PROPRIETORS

<table>
<thead>
<tr>
<th><strong>VIGILANCE</strong></th>
<th><strong>USAGE</strong></th>
<th><strong>REGISTRATION</strong></th>
<th><strong>DUE DILIGENCE</strong></th>
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<tr>
<td>- Have a clear trademark protection policy (when to sue; who to sue; what to settle, etc.) Budget for customs, criminal and civil enforcement and strategy. Eg. Fresh Acquisitions.</td>
<td>- Use trademark widely, i.e., for goods and services, on packaging, in advertising, on the internet, including social media platforms.</td>
<td>- Choose a distinctive trademark. Prefer invented words. Avoid descriptive words.</td>
<td>- Evaluate trademark and goodwill.</td>
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<td>- Take prompt legal action against infringers to avoid allegations of “acquiescence” and the mark being “common to trade”.</td>
<td>- Do not use the mark descriptively (“GENERICIDE”). Eg. “Get me a XEROX of the report”.</td>
<td>- Register trademark in foreign jurisdictions.</td>
<td>- Extensive search for your trademark on the internet. Eg. Registrar of Companies, national trademark office register, WIPO Market Survey.</td>
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<td>- Engage in brand awareness campaigns. Eg. Caution notices in newspapers act as constructive notice of rights to the public.</td>
<td>- Maintain consistency in the manner of use and the manner in which the mark is Registered/Applied for. Eg. Refrain from changing fonts.</td>
<td>- Filing in countries with strict registration norms should be a primary focus of the enforcement strategy. Eg. China and UAE strictly follow the “first to file” principles.</td>
<td>- No Naked or Oral Licensing – Must have quality control and documentation.</td>
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<td>- Initiate regular market surveys to ascertain potential infringers.</td>
<td>- Trademark usage guidelines should be circulated to Licensees, Franchisors, Distributors, Vendors, etc.</td>
<td>- Update trademark registry in a timely manner with any changes in ownership, manner of use, design, etc. of the trademark.</td>
<td>- Maintaining records evidencing first use of TM in various jurisdictions as per their local laws.</td>
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<tr>
<td>- Periodic checks in trademark journals and Register of Companies for any adoption of identical and/or deceptively similar trade mark/name by third parties.</td>
<td></td>
<td>- Applying for a mark in Black &amp; White secures the broadest form of protection.</td>
<td>- Maintain records of all agreements between subsidiaries/licensees/franchisees /JV companies authorizing permitted use of trademark.</td>
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<tr>
<td>- Monitor trade activities of past infringers against whom action was taken.</td>
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<td>- Ensure chain of assignment of artistic work in a mark is appropriately documented. Specially when work is created by a third party. Eg. Label and Device marks.</td>
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<tr>
<td>- Provide an option for “conditional amnesty” for infringers settling a trademark dispute by becoming an informant for the right holder of infringing activity in the market.</td>
<td></td>
<td></td>
<td>- Advisable to have a separate trademark holding company to maintain consistency in ownership. Eg. Tata, Verizon, Volvo. Multiple group companies should not hold the same mark.</td>
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CUSTOMS AND ENFORCEMENT
PIRACY AND COUNTERFEITING

(1) Stop the Wrong (Injunctions)
(2) Seize Goods (Anton Piller Order)
(3) Break Locks
(4) Seize Bank Accounts
(5) Against Unknown Person (John Doe)
(6) Freeze Websites
(7) Heavy Damages
(8) Customs Seizure before Action
(9) Strict Action against Contempt
(9a) Punish the Offender
(9b) Seal Premises
(10) Arrest Defendants (Criminal Enforcement)

HIT THEM HARD!
**Nokia**

- Order passed by customs for seizure of good bearing the impugned mark N95 without recordal with customs.

**Montblanc**

- Valuation of seized goods for the purpose of submitting Bond and Bank Guarantee: Value declared by Importer.

**Chanel**

- Order passed by customs for issuance of show cause notice without submitting bond and bank guarantee.

Parallel Importation: Samsung v. Kapil Wadhwa

- Division Bench of Delhi High Court reversed order of Single Judge that recognized ‘National Exhaustion’ in India.

- Division Bench held that India follows ‘International Exhaustion’.

- Court continued injunction on meta-tagging and hyper-linking.

- Court directed Defendants to put up signage indicating that goods were grey market goods.

- Samsung has preferred an appeal to the Supreme Court.

- Other companies and associations likely to intervene.
Judiciary – Best Practices

• Look at and rely on foreign law and cases
• Insist on NIL suppression
• Grant status quo orders in pre – launch cases
• Writ Jurisdiction – eg. Stay on Mass abandonment of over one lakh trade mark applications (Tata Steel v. Union of India)
• Recognize importance of commercial disputes and the relevance of quick decisions to the Indian economy and international trade: Staples (Delhi High Court), Merck (Supreme Court)
• Take suo motu cognizance of reputation of trademarks through material available in public domain (books, articles etc.) – Toyota v. Deepak Mangal (Delhi High Court)
PATENTS AND RELATED RIGHTS
The Environment - Past

- Only two patent trials since 1947 – 7 cases by SC

- Patents protected as compulsion of TRIPS, not to advance innovation

- Novartis case – Additional Solicitor General called India “Pharmacy of the World”, justifying low protection

- In the press – link between innovation and patent system challenged
The Environment - Past

• IPO bias – pharma guidelines

• Two fold effect
  • Low level of basic research
  • India has cheapest medicines in the world
LANDMARK DECISIONS IN INDIAN PATENT LAW

SUPREME COURT
65 YEARS

Bishwanath Prasad’s case
(1979)
Mere workshop improvements obvious

Monsanto case
(1986)
Prior public knowledge judged through eyes of person in pursuit of that knowledge

J. Mitra’s case
(2008)
Unamended provisions apply till amendment brought in force

Dr. Alloys Wobben’s case
(2nd June 2014)
Challenges to Validity limited

Glaxo Smith Kline’s case
(2008)
EMR- Rights accrued remain after repeal

Cipla case
(2012)
Principles of Natural Justice apply to patent law

Novartis case
(2013)
Bioavailability not Therapeutic efficacy (hit by 3(d))

LANCEMARK DECISIONS IN INDIAN PATENT LAW
Positive Changes

• Too low filing – 45000
  • National IPR policy – food, public health, textiles
  • Tax benefits
  • Government funding

• Takes too long – Nitto Denko
  • Number of examiners being increased
  • Work patent (make in India) – expedited examination
  • Time limit to be reduced – estimate by 5 years

• Obstacles being removed
  • eg sequence listing Evogene case -now upper limit proposed
  • Everything electronic (e-filing and other stages)
Government Initiatives

• National IPR Policy –
  • established IP Promotion and Development Council to create awareness,
  • increased funding to identified inventors and researchers,
  • fee waivers for first time filings,
  • support services to MSMEs for increased innovation

• Make in India – fee reduction for start ups

• Digital India – promoting digitization across industries

• Uniformity of practice – guidelines search & examination, Pharma, Biotech, TK, biological material, (CRI – withdrawn and re-introduced)
Government Initiatives

• Start up defined
  - Turnover not more than US$ 4 million in last 5 years; and
  - Incorporated not more than 5 years ago; and
  - Innovating, developing and commercializing new products, services, processes or IP

• Patent applications filed by start-ups to be fast tracked

• Panel to facilitate filing of applications by start ups

• Tax breaks for income from patented inventions (rate reduced: 33% to 10%)
STEM Education

• India – 4 out of 1000

• South Korea – 46 out of 1000

• Germany – 76 out of 1000

• Japan – 110 out of 1000
A QUICK AND CRUDE SOLUTION

WHY GLORIFIED?
THE EVOLVING STRENGTH OF PATENT LITIGATION

• Pre – 2009
  • Franz Xavier case – no ex parte injunction

• BMS v. Hetero Labs (2009)
  • First ex – parte injunction in a patent matter

• 2009 – 2016
  • Over 30 cases where ex – parte injunction have been granted when suit filed at the pre – launch stage
  • Two suits decreed for the first time in India history, after trial and final arguments.
  • Supreme Court recognizes importance of patent disputes as commercial matters: directing expeditious disposal
Novartis decision of the Supreme Court (Final)

Bayer decision of the IPAB in so far as it grants the compulsory license (under appeal)

Merck v. Glenmark – Sitagliptin - 1st suit decreed in 46 years

Roche vs Cipla - 2nd suit decreed after contest in 46 years

Enercon Cases 14 patents revoked by the IPAB – 1 case survives (writs pending)

GLAXO – IPAB
LAPATINIB patent upheld (First NCE)
Section 8 – Materiality, Identify violation. Prove how substantially same

The grant of ex-parte injunctions to MERCK, Dong-A Pharma, Vifor Pharma, United Phosphorous, Hadley Industries Overseas Pvt. Ltd.

The whole damages culture in litigation (As yet TM & C cases)

Enercon Supreme Court disallows multiple challenges (2014)

The whole fast track procedure in litigation

BMS vs SHILPA
QUIA TIMET VALID

BMS Injunction
BMS vs Hetro
BMS vs MJ Chem
BMS vs Natco
BMS vs BDR

Pfizer – SUNITINIB Litigation
Patent restored within two months using Principles alien to patent law!

PHILIPS VS PEARL S8 MATERIALITY & INTENT

Grant of injunctions to Pfizer against Natco and against BDR;
Pfizer Injunction

The IPAB holding in Bayer that importation can, in certain cases, amount to the working of the patent;
Importation is Working

The upholding of the Patent in Roche vs Cipla despite the court holding that section 8 was violated;
Validity in Roche vs Cipla

Roche vs Mylan undertaking undertaking till revocation disposed

TEVA vs NATCO JURISDICTION

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Section 3 (d)- Novartis and Roche cases

**NOVARTIS**

- Section 3(d) acts as a second tier for pharmaceutical patents
  (First tier – Novelty, Utility & Non – obviousnes)
- Efficacy means “therapeutic efficacy” for pharmaceutical substances (“therapeutic” not defined)
- Inherent properties of new form – cannot be considered for 3(d)
  - Eg. Higher solubility of a salt
- Safety and Toxicity left open

**ROCHE**

- Section 3 (d) is not a defence to patent infringement.
- Section 3 (d) is not a patentability standard
Compulsory Licensing

- Three types:
  - Section 84 (Normal) – Bayer & BMS, AstraZeneca
  - Section 92A (Doha) – Pfizer and Roche vs Natco
  - Section 92 (National Emergency)
- Except Bayer – *innovators* (BMS, AstraZeneca, Roche) **won all cases**
Working and Reasonable Requirements

- Originally Bayer held – importation not working
- Importation may amount to working – case by case basis – explain late India entry
- Non working cannot annul patent or decline injunction (except in an extreme situation)
Other positive movements

• S 39 – to be taken seriously but foreign filing certificate (15 days)
• S 8 – Chemtura diluted after PHILIPS and ROCHE
• Multiple dispute resolution bodies – pre grant post grant IPO(ENERCON Case), IPAB, Courts, Customs
• Importance of expert testimony for deciding complex issues – Merck v. Glenmark
• Defined rules on construction of patent claims – Roche v. Cipla
• First Certificate issued for Validity under section 113 of the Patents Act to MERCK for Sitagliptin.
Roche Appeal

- Suit decreed (patent valid and infringed)
- Role of experts
- Claim construction principles
- Coverage vs disclosure (polymorphs)
- Obviousness test
- Admissions and prosecution history estoppel
- Damages granted ...few months to expiry so no injunction
FRAND LICENSING CASES

• Philips DVD / VCD cases—Essential Patents – FRAND Terms – first cases in India to have Defendants deposit royalty in Court during litigation — huge damages expected

• Ericson v. Micromax — Essential Patents — FRAND Terms — interim order — huge damages expected
Other issues

• Patent linkage – Bayer – Quia Timet overrides
• Public Interest – Patient Access Programmes
• Bolar Exemptions – Merck v. Teva litigation
1. Evidence on POSA
2. Explore story of inventor
3. Beware of hindsight in obviousness analysis
4. Expert should not get a contingent or disproportionately high fee
5. Affidavit of Accounts Expert should have technology background relevant to industry and justify royalty by comparative and other methods
7. Explore hot tubbing to expose experts
8. Prefer infringement and validity by same court – quick filing to invoke ENERCON
Copyright

• Automatic protection upon creation in all Berne countries
• Registration not compulsory – Copying essential
• Protected subject matter - Works (4+2), Moral rights, Broadcast Reproduction rights, Performers rights
• Author, owner, exclusive rights, Infringement, defences, remedies
• Software cases, Music cases, DU Book Publishing case, fashion cases S15(2), Internet cases
Design cases

• New or Original Shape, Configuration etc...applied to finished article excludes functional designs, trademarks and artistic works

• Monopoly for 15 years
Trade secrets

• Covered in 2\textsuperscript{nd} Presentation under Know how licensing
Fast Track and Remedies
Commercial Courts, Commercial Divisions and Commercial Appellate Divisions of High Courts Act, 2015
Original jurisdiction vests with 6 High Courts out of which Delhi, Bombay, Madras and Calcutta are most important.

Delhi High Court handles 70% of the IP work.

24 High Courts

Over 600 District Courts
TIMELINE UNDER COMMERCIAL COURTS, COMMERCIAL DIVISIONS AND COMMERCIAL APPELLATE DIVISIONS OF HIGH COURTS ACT, 2015

Brought into force on October 23, 2015

There are 5 Commercial Benches in The Delhi High Court

1. 30 days - Plaintiff’s additional documents
2. 120 days - Written Statement
3. 60 days - Inspection
4. 15 days - Admission Denial
5. 30 days - Case Management Hearing
6. 180 days - Closing of arguments
7. 90 days - Judgement

- 120 days – Right to file struck off if Written Statement not filed
- 60 days (including 30 additional days, as per court’s discretion)
- 30 days
- 180 days
- 90 days
- 1 ½ years

1. Issues are framed
2. List of witnesses to be filed.
3. Fixing schedule for simultaneous filing of evidence
4. Fixing schedule for trial
5. Fixing schedule to file written note of arguments
6. Fixing date for final arguments.
7. Fixing schedule for final arguments
ANOTHER VIEW OF THE COURT
IN THE HIGH COURT OF DELHI AT NEW DELHI

C(SOS) No. 36 of 2009

IN THE MATTER OF:

Shri Bir Singh
S/o Shri Manak Ram,
R/o B-4/13, Safdarjung Enclave,
New Delhi – 110 029

... Plaintiff

Gaon Sabha, Village Kapashera,
Service to be effected through:
Block Development Officer,
Najafgarh, New Delhi

... Defendant

SUIT FOR PERMANENT INJUNCTION

MOST RESPECTFULLY SHOWETH:

1. That the plaintiff is an original resident of Village Kapashera,
   where he is holding ancestral agricultural land as well as
   residential houses.

2. That the subject matter of the present suit is the land comprised
   in Khalsa No.38/31 measuring 4 bighas 5 biswa, situated in
   R.44 x 13.44 m.

IN THE HIGH COURT OF DELHI AT NEW DELHI

C(SOS) No. 36 of 2009

IN THE MATTER OF:

BIR SINGH

VERSUS

GAON SABHA, VILL. KAPASHERA

DEFENDANT

WRITTEN STATEMENT ON BEHALF OF DEFENDANT

A. That I am conversant with the facts of the case and competent
   in my official capacity to swear the present affidavit.

PRELIMINARY OBJECTIONS:

1. That the present suit is not maintainable due to non-joinder of
   necessary party as the Union of India is a necessary party along
   with Gaon Sabha as per Sec. 161 of Delhi Land Reform Act as
   the land in dispute is governed by Delhi Land Reform Act.
THE JUDGES’ NOTES
Trial over video conference

Cross examination of foreign witness over video conference
(Mattel Inc. and Anr. v Jayant Agarwalla and Ors.)
Trial over video conference

The typed deposition can be viewed simultaneously.
IP – Courts and Tribunals

- Writs
- Infringement suits and counter claim
- Special Leave Petition
- High Court
- Writ petition
- Supreme Court
- Intellectual Property Appellate Board
- Appeal
- TM & Patent office
- Appeal
- Patents: Pre – grant/ Post grant
- Revocation/ Rectification
- TM: Show cause hearing/ opposition/ rectification
Conclusion – Best Practices for Patent Holders

• Uphill task for innovators – must understand the terrain
• Do not ignore pricing – simple Pricing model
• Transparent PAP
• Local partners
• Do not delay entry in India
• Admissions anywhere in the world relevant
• Appeal adverse orders
Conclusion – Best Practices for Patent Holders

• Concentrate on Section 8 and Form 27
• Explore quia timet actions
• Explore fast – track
• Don’t outright reject voluntary license request
• Look for admissions of opponents