

INTELLECTUAL PROPERTY RIGHTS – LAW AND RELEVANCE

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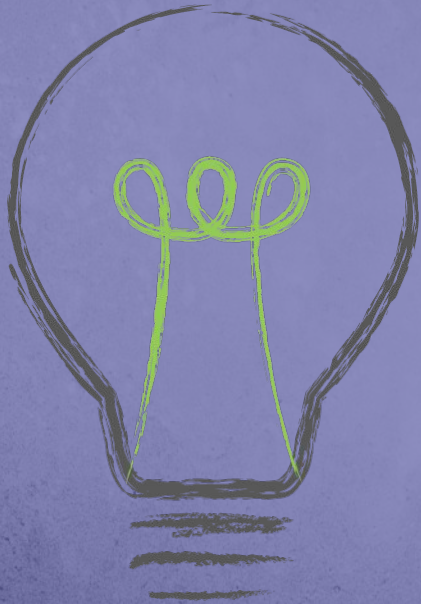


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DEFINITION OF IPR AND IP



WTO defines **Intellectual Property Rights** as follows “*Intellectual property rights (IPRs)* are the *rights given to persons* over the *creations of their minds*. They usually give the creator an exclusive right over the use of his/her creation for a certain period of time.”



WIPO (World Intellectual Property Organisation) defines **Intellectual Property** as follows “*Intellectual property (IP)* refers to *creations of the mind*, such as inventions; literary and artistic works; designs; and symbols, names and images used in





Intellectual Property Rights (IPR) are the absolute rights over the original output of a creative mind. Creators have rights over their creation/work which essentially are rights to stop others from using, copying or counterfeiting.

Basic features:

- Intangible (non-physical) in nature that derives value from ideas.
- In knowledge age, IP is a key to techno-economic growth .
- They are territorial in nature due to the sovereign status of nations.

ORIGIN & EVOLUTION OF IP PROTECTION IN INDIA



- Even though Paris Convention is the one of the initial source of modern day IP laws across the world, TRIPS agreement has brought about significant developments in this space
- The TRIPS agreement is binding on all WTO members
- It came into force on 01 January 1995; had to be implemented within 10 years for developing countries
- The TRIPS agreement, together with the 1968 Stockholm Conference that adopted the Berne and Paris Conventions and created the World Intellectual Property Organization (WIPO).
- Objective of the TRIPS agreement: to *reduce distortions and impediments to international trade, promote effective and adequate protection of intellectual property rights ensuring measures and procedures to enforce intellectual property rights*

International Considerations

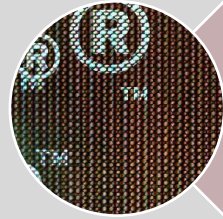


- India has been a World Trade Organisation (WTO) member since 1995. WTO member nations must include some IP protection in their national laws.
- India is also a signatory to the following international IP agreements:
 - **Paris Convention** – under this, any person from a signatory state can apply for a patent or trademark in any other signatory state, and will be given the same enforcement rights and status as a national of that country would be;
 - **Berne Convention** – under this, each member state recognises the copyright of authors from other member states in the same way as the copyright of its own nationals;



- **Madrid Protocol** – under this, a person can file a single **trademark** application at their national office that will provide protection in multiple countries;
- **Patent Cooperation Treaty** – this is a central system for obtaining a ‘bundle’ of national patent applications in different jurisdictions through a single application.
- India is **not a signatory** to the **Hague Agreement**, which allows the protection of **designs** in multiple countries through a single filing.

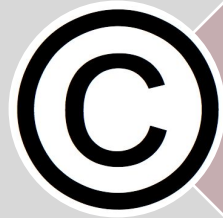
COMMON
TYPES OF
INTELLECTUAL
PROPERTY AND
THEIR
GOVERNING
STATUTES IN
INDIA



Trademarks – Trade Marks Act, 1999



Patents – Patents Act, 1970



Copyrights – Copyright Act, 1957



Industrial Designs – Designs Act, 2000, Semiconductor Integrated Circuits Layout Design Act, 2000



Geographical Indications – Geographical Indications of Goods (Registration and Protection) Act, 1999



Other Intellectual Properties

1. Trade Secrets – No special statute as such, Indian Contract Act, 1872, Indian Penal Code, 1860
2. Plant Variety Protection – Protection of Plant Varieties and Farmers' Rights Act, 2001
3. Traditional Knowledge (TK) – Biological Diversity Act, 2002
4. Traditional Cultural Expressions (TCE) – No Legislation as such
5. Genetic Resources – Biological Diversity Act, 2002



Mandate of Registration for Infringement Claim



Copyrights	Not mandatory, but advisable
Patents	Mandatory
Trademarks	Mandatory, Passing-off action may lie in the absence of Registration
Designs	Mandatory
Geographical Indications	Mandatory, Passing-off action may lie in the absence of Registration

Validity of IPR



SI No.	IPR	Maximum Protection	Renewal
1	Patent	20 Yrs	*Every year (mandatory)
2	Trade Mark	Life long	After 10yrs
3	Design	15 Yrs	After 10 years for next 5 years
4	Copyright	60 years	Not require
5	Geographical Indication (GI)	Life long	After 10 Yrs

Note on Term of Protection for Copyright:

- The general rule is that copyright lasts for 60 years.
- In the case of original literary, dramatic, musical and artistic works the 60-year period is counted from the year following the death of the author.
- In the case of cinematograph films, sound recordings, photographs, posthumous publications, anonymous and pseudonymous publications, works of government and works of international organisations, the 60-year period is counted from the date of publication.

Trademarks

1. A trademark is a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises. Trademarks date back to ancient times when artisans used to put their signature or "mark" on their products.
2. The legal requirements to register a trademark under the Act are:
 - The selected mark should be capable of being represented graphically.
 - It should be capable of distinguishing the goods or services of one undertaking from those of others.
 - It should be used or proposed to be used mark in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services and some person have the right to use the mark with or without identity of that person.





- Benefits of registering a trademark:

1. Exclusive ownership over the registered trademark within the jurisdiction concerned
2. The privileged legal rights to use the registered mark in the business/service of the product or service specified in the application
3. Hiring or leasing of the registered trademark or service mark
4. Registration can be used as a strong basis for registration of the mark in foreign countries
5. And, take all necessary measures to protect unique identity and reputation, including taking legal action against trademark infringements.

®

- The symbol [®] can only be used beside a registered trademark in superscript style as is shown. Using this symbol without getting the related trademark registered is illegal.

TM

- The symbol TM may be used beside an unregistered trademark mainly to show trademark registration is pending. Hence, the symbol is often used beside an unregistered trademark in superscript style, especially during the time-span lying between the filing of the same and before its registration.



Rates Presently Charged by the Trademark Registry

Particulars	Physical filing (in rupees)	E-filing (in rupees)
To file a new application on behalf of a company, trust or partnership	10,000	9,000
To file a new application on behalf of an individual or start-up or small enterprise	5,000	4,500
To file a renewal application for each class	10,000	9,000
To include a trademark in the list of well-known trademarks	Not allowed	100,000



Copyrights

1. Copyright is a legal term used to describe the rights that creators have over their literary and artistic works. Works covered by copyright range from books, music, paintings, sculpture and films, to computer programs, databases, advertisements, maps and technical drawings.
2. There **can be no copyright in an idea**, subject-matter, themes, plots or historical or legendary facts and violation of the copyright **in such cases is confined to the form, manner and arrangement and expression of the idea by the author of the copyrighted work.** (RG





1. The objective of copyright law is two- fold:
 1. To assure authors, composers, artists and other creative people, who risk capital to put their work before the public, the right to their original expression.
 2. To encourage others to build freely upon the ideas and information conveyed by a work.
2. The Copyright Act, 1957 protects original literary, dramatic, musical and artistic works and cinematograph films and sound recordings from unauthorized uses. Unlike the case with patents, copyright protects the expressions and not the ideas.
3. Both published and unpublished works can be registered.
4. An App may be registered as a computer program under literary works as provided under Section 2(o) of the Copyright Act, 1957.
5. Term: Generally expires 50 to 60 years after the author dies, depending on the jurisdiction (country).
6. For original literary, dramatic, musical and artistic works, it is lifetime of author/artist , and 60 years following death.
7. For cinematographs, films, sound recordings etc...it is 60 years counted from date of publication
8. Broadcast Reproduction Rights – 25 years from the next year of broadcast.



What cannot be copyrighted

There is no copyright protection for ideas, procedures, methods of operation or mathematical concepts as such.

- this includes making, or building things; scientific or technical methods or discoveries; business operations or procedures; mathematical principles; formulas, algorithms; or any other concept, process, or method of operation.

Remedies for infringement of copyright:

1. civil remedies - these provide for injunctions, damages, rendition of accounts, delivery and destruction of infringing copies and damages for conversion;
2. criminal remedies - these provide for imprisonment, fines, seizure of infringing copies and delivery of infringing copies to the owner; and
3. border enforcement - the Act also provides for prohibition of import and destruction of imported goods that infringe the copyright of a person with the assistance of the customs authorities of India.



Author Vs. Owner - “Works for Hire”

Generally speaking, work made for hire is something that was created by an employee while on the job, or by an independent contractor who was hired to create the work.

- “Fair Use” defence in Copyright – Fair use is a doctrine in law that permits limited use of copyrighted material without having to first acquire permission from the copyright holder.
- the purpose and character of your use – non profit/education purpose.
- the nature of the copyrighted work – fictional / non-fictional .
- the amount and substantiality of the portion taken – lesser the better for defence, and.
- the effect of the use upon the potential market – adverse impact on holder’s prospects.



Rates Presently Charged by the Copyright Registry

For an application for registration or copyright in a:

(a) Literary, Dramatic, Musical or Artistic work

Rs. 500/- per work

(b) Provided that in respect of a Literary or Artistic work which is used or is capable of being used in relation to any goods or services (Section 45)

Rs. 2,000/- per work

For an application for registration of Copyright in a Cinematograph Film (Section 45)

Rs. 5,000/- per work

For an application for registration of copyright in a Sound Recording (Section 45)

Rs. 2,000/- per work

For taking extracts from the Register of Copyrights (Section 47).

Rs. 500/- per work

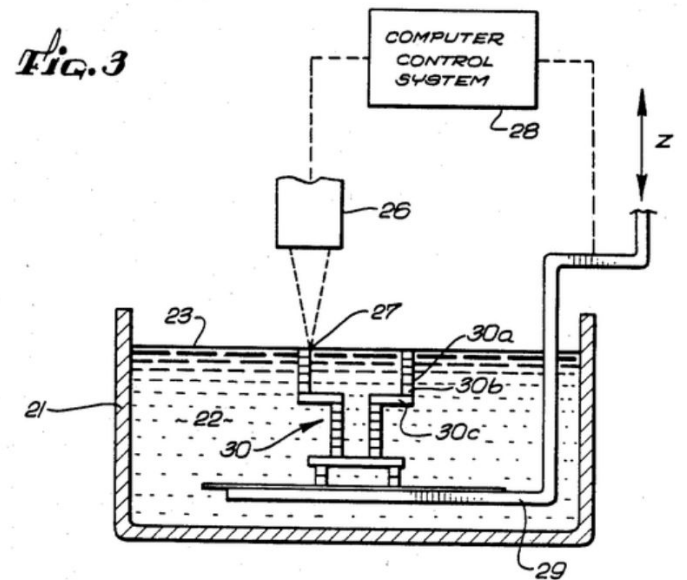


Patents

1. A patent is an exclusive right granted for an invention, which is a product or a process that provides, in general, a new way of doing something, or offers a new technical solution to a problem. To get a patent, technical information about the invention must be disclosed to the public in a patent application.
2. One of the main functions of the patent system is to foster technological innovation by providing an incentive for research and development. The patent system also works to disseminate technical information and promote technology transfer.

3D Printer

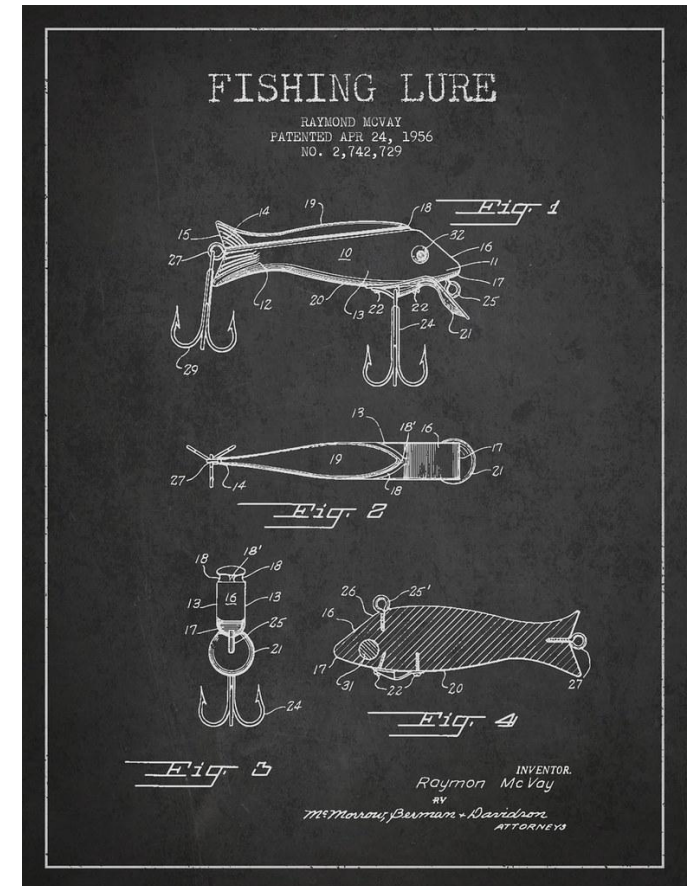
Fig. 3





Patentability Requirements

1. The Patentability requirements for an invention are as follows:
 - Should be a Patentable Invention (e.g., should not be inventions contrary to morality, diagnostic methods, etc).
 - Novelty – Should not be prior art, i.e., information or knowledge publicly available or disclosed before the filing of patent.
 - Inventive Step – Non-obvious to a person skilled in the art
 - Industrial Applicability – Utility/Usefulness
 - Disclosure Requirement/ Sufficiency – a person skilled in the art can make and use the claimed invention without undue experimentation from the reading of the patent application.

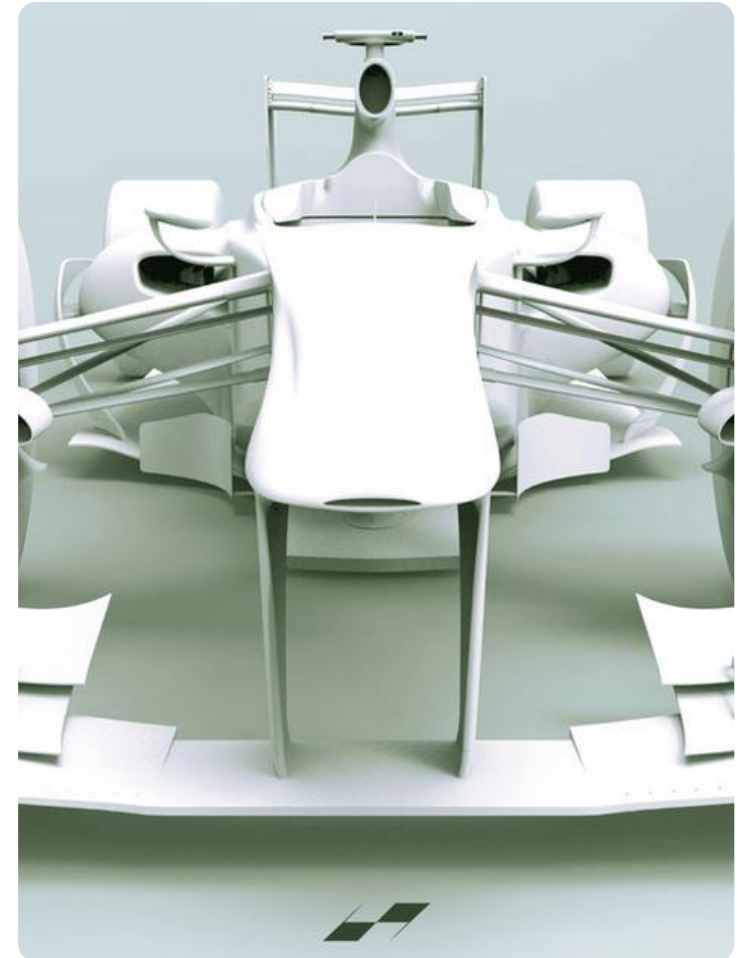


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Industrial Designs

1. An industrial design constitutes the ornamental or aesthetic aspect of an article. A design may consist of three-dimensional features, such as the shape or surface of an article, or of two-dimensional features, such as patterns, lines or colour.
2. Industrial design rights recognize the creation of new and original features of new shape, configuration, surface pattern, ornamentations and composition of lines or colours applied to articles which in the finished state appeal to and are judged solely by the eye.



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Geographical Indications

1. A geographical indication (GI) is an indication, whether in the form of a name or sign, used on goods that have a specific geographical origin and possesses qualities or a reputation that are due to the place of origin. Geographical indications are valuable rights, which if not adequately protected, can be misused by dishonest commercial operators to the detriment of both the consumers and the legitimate users.
2. The Register of Geographical Indications is divided into two parts, Part A and Part B.

Part 'A' consists of particulars relating to registered geographical indications – Registration of GI (Section 16 of GI Act, 2000)

Part 'B' consists of particulars of the registered authorized users –



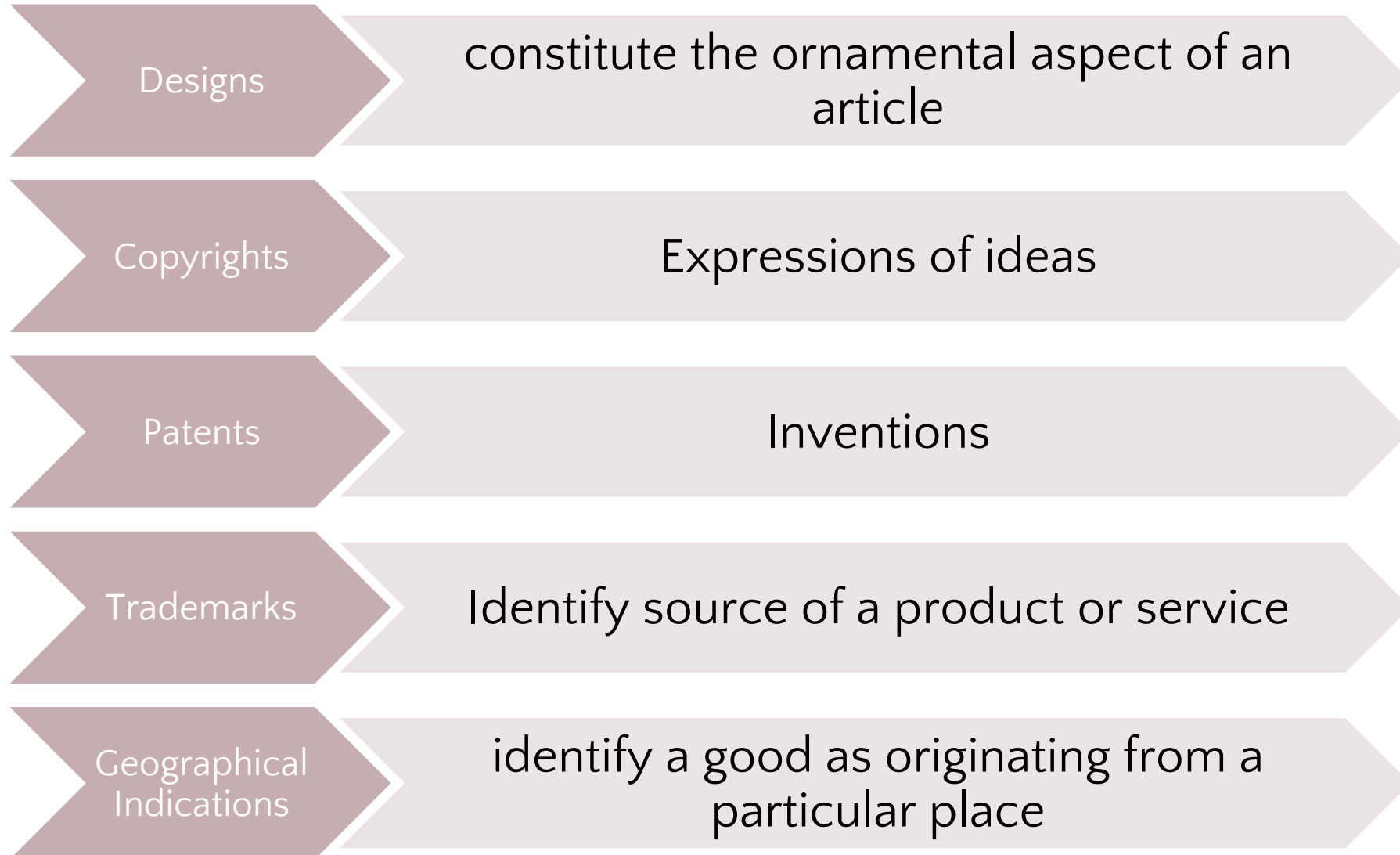
Trade Secret



- Trade secret is confidential information of a business of enterprise.
- any information that can be used in the operation of a business or other enterprise and that is sufficiently valuable to afford an actual or potential economic advantage over others
- Factors that determine whether it is a trade secret or not:
 1. The information must be secret (i.e. it is not generally known among, or readily accessible to, circles that normally deal with the kind of information in question).
 2. It must have commercial value because it is a secret.
 3. It must have been subject to reasonable steps by the rightful holder of the information to keep it secret (e.g., through confidentiality agreements).

-referred to in Art. 39 of the TRIPS Agreement.

Distinguishing IP in a gist



Enforcement of IPR



- Suit for Infringement – Injunctions (prohibitory/mandatory), Account for profits, damages
- Cognizable Offence – arrest without warrant.
- Punitive and exemplary damages
- John Doe doctrine /Ashok Kumar Order (for action against unknown infringers) - Film & Music piracy, software piracy, etc.
- Anton Piller Order (order to search and seize evidence before destruction),
- Mareva Injunction (freezing assets before they are relocated to another jurisdiction)
- Norwich Pharmacal Order (to disclose information relevant in third party proceedings – generally ISP/Web Hosting services)

Enforcing IP rights in India



- IP rights can be enforced by bringing actions to the civil courts or through criminal prosecution.
- India's IP laws set out procedures for both civil and criminal proceedings, as does the Competition Act.
- A disadvantage of civil litigation is that you are unlikely to recover large damages, and punitive damages against an infringer are rare.
- However, if you have an identified infringer, it may be advisable to launch civil litigation, because if an interim injunction is granted the infringement can be halted pending the outcome of the case.



- Damages are routinely awarded in cases of copyright piracy and trade mark infringement (which come under criminal litigation); less so in patent cases.
- Over the years, however, decisions in favour of foreign companies against local infringers have demonstrated the judiciary's impartial approach.
- Criminal proceedings against infringers carry the prospect of much harsher remedies, including fines and imprisonment.
- Mediation or negotiation with an infringer can also be effective as an alternative form of dispute resolution. The Civil Procedure Code provides for a formal mediation process.



- A significant feature of the IP environment in India is **the large number of small players infringing IP rights**. This means that seizures tend to be small, which requires a sustained and financially draining effort in order to make an impact.
- A major cause for concern in enforcement is bureaucratic delay, with a backlog of cases at both the civil and criminal courts. This means that cases can run for five years or more. There is also a lack of transparency, particularly at a local level.

Relevance of IPR



- IPR is a significant tool in today's era. The risk of an innovation getting infringed without the knowledge of the inventor stands very high.
- Intellectual property protection is critical to fostering innovation. Without the protection of expression of ideas, businesses and individuals would not reap the full benefits of their inventions and would focus less on research and development.
- Similarly, artists would not be fully compensated for their creations and cultural vitality would suffer as a result.



- Companies rely on the adequate protection of their patents, trademarks, and copyrights, while customers make use of IP to ensure that they purchase secure, assured goods.
- With the increase in the importance of IP, instances of IP crimes have become the part and parcel of the digitized era sometimes even leading to the failure of businesses.
- Strong IP rights help consumers make an educated choice about the safety, reliability, and effectiveness of their purchases. Enforced IP rights ensure products are authentic, and of the high-quality that consumers recognize and expect.

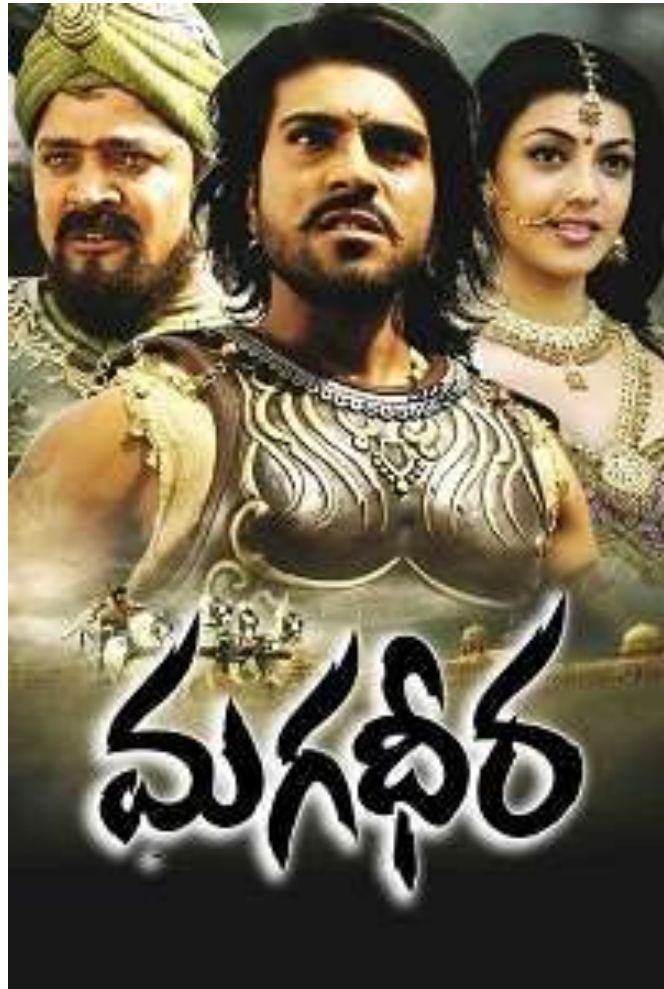
NARUTO SELFIE CASE



- British photographer David Slater placed his camera on a tripod and as the monkeys were curious about the equipment, and clicked a few shots.
- He claims he then changed the camera settings and that one monkey in particular, was drawn to the reflection of the lens. The monkey then went on to take a few pictures.
- In 2014, it triggered a dispute between Mr. Slater and Wikipedia when the online encyclopedia uploaded the picture and tagged it as being in the public domain, reasoning that monkeys cannot own copyright; it is still listed as so
- In September 2015, the campaign PETA sued Mr. Slater in a California court on behalf of the monkey (named Naruto in the suit) to assert copyright over the picture, claiming that the selfie “resulted from a series of purposeful and voluntary actions by Naruto, unaided by Mr. Slater, resulting in original works of authorship not by Mr. Slater, but by Naruto.”
- In January 2016, the trial judge dismissed the action on the basis that even if Naruto had taken the pictures by “independent, autonomous action,” the suit could not continue as animals do not have standing in a court of law and therefore cannot sue for copyright infringement.
- The parties reached a settlement out of court.



Magadheera- Raabta Case



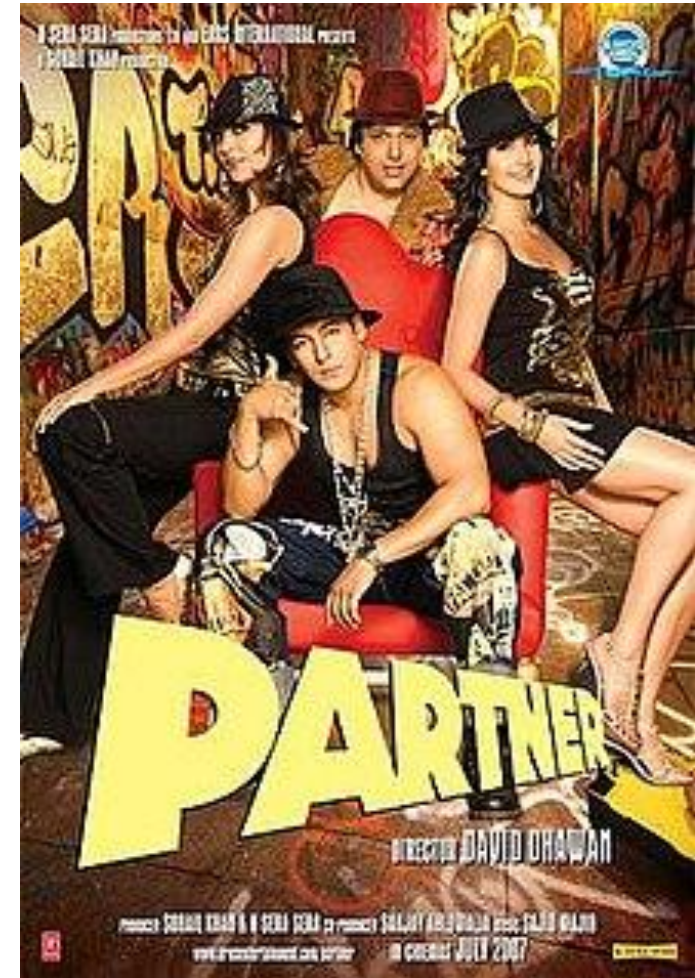
- The hindi film 'Raabta' was slapped with a copyright infringement suit by the producers of the Telugu film 'Magadheera'
- Both films involve lovers who find each other in a second life.
- Other similarities include parallel visualization of the two different "births" or generational settings – with the previous one being a royal, medieval setting. And both films have a notable antagonist vying for the woman's affection
- The suit was withdrawn by the producers of Magadheera.



Hitch- Partner case



- Alex 'Hitch' Hitchens, from the movie 'Hitch' (2005) is a professional “date doctor” who helps men woo women.
- In 2007, Bollywood released the film Partner about a love guru, Prem, who helps his clients in romantic matters.
- The two films are nearly identical.
- Overbrook Entertainment, along with Sony Pictures, contemplated a \$30 million lawsuit against the producers of Partner.
- Although cease and desist letters were sent to the makers of Partner, talks of a lawsuit soon faded



Obama hope poster case



- Street artist Shepard Fairey created the Hope poster during President Obama's first run for presidential election in 2008.
- The design rapidly became a symbol for Obama's campaign, technically independent of the campaign but with its approval.
- In January 2009, the photograph on which Fairey allegedly based the design was revealed by the Associated Press as one shot by AP freelancer Mannie Garcia — with the AP demanding compensation for its use in Fairey's work.
- Fairey responded with the defense of fair use, claiming his work didn't reduce the value of the original photograph.
- The artist and the AP press came to a private settlement in January 2011, part of which included a split in the profits for the work.



ATTUKAL BHAGAVATHY

TRADEMARK



“ആന്യകാലംബികാം ദേവീം
യുായാഭോ ഭുവനേശ്വരീം
ധിരയാ യാ നഃ പ്രചോഭയാക് ||”

- In 2009, the Attukal Bhagawathy Temple Trust in Kerala secured trademark protection for the picture of its deity Kannagi, a legendary figure from the Tamil epic the Silappathikaram (Trademark No. 1420800) and the title ‘Sabarimala of Women’ (Trademark No. 1420799) under Class 42 – a residuary clause (for temple Services, social services, welfare services and cultural activities) because it “would help to prevent unauthorised use of the picture and title.”
- The Division Bench of the Kerala High Court initiated suo moto case against the aforesaid registrations in early 2009 based on a petition faxed by Mr. Praveen Raj.
- The Court ended the suo moto proceedings and declined to grant relief on merits. It was clarified that the grant shall not adversely affect the devotees’ right to worship.
- The Trust, by virtue of the registration, can restrain others from providing services in the name of the Deity for monetary benefits.
- However, charitable services in the name of the Deity cannot be restrained.

Bigtree Entertainment Pvt. Ltd.(BookMyShow) v. D. Sharma and Anr.(2019)

The logo for BookMyShow, featuring the text 'bookmyshow' in a white, lowercase, sans-serif font. The 'my' is written in a smaller, more compact font and is partially overlapped by the 'o' of 'book' and the 's' of 'show'. The logo is set against a dark purple-to-maroon gradient background.

- The plaintiff, Bigtree Entertainments, proprietor of the ‘BOOKMYSHOW’ mark had filed a suit for trademark infringement, seeking restraint of use of mark ‘Book My Event’ or prefix ‘Bookmy’ by the Defendants.
- The Court ruled that the plaintiff’s mark “BOOKMYSHOW” has not attained exclusivity and that the prefix ‘BOOKMY’ is a common English term and its link with booking for shows, events, films, etc. is obvious which makes it descriptive of the services in respect of which it is claimed for.
- It noted that the visual effects namely, font and colour schemes of the rival marks are different and therefore, it is unlikely that the customers would be confused by the said trade names or marks.
- The Court refused to grant injunction in favour of the plaintiff.

Novartis AG vs. Union of India – A case against Patent Evergreening



1. In this case Novartis challenged the rejection of its patent application by IPAB for Beta crystalline form of "Imatinib mesylate" wherein such challenge was rejected by the Supreme Court of India on the ground that the said drug did not produce an enhanced or superior therapeutic efficacy as compared to the known substance i.e., "Imatinib mesylate" means that the said drug did not involve an *inventive step*.
2. One of the major reasons for rejecting the patent application of Novartis was to avoid the ever-greening of already patented products by introducing minor changes.



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Compulsory Licensing of Nexavar



1. Compulsory licenses are authorizations given to a third-party by the Controller General to make, use or sell a particular product or use a particular process which has been patented, without the need of the permission of the patent owner. This concept is recognised at both national as well as international levels, with express mention in both the Patent Act, 1970 and TRIPS Agreement.
2. India's first ever compulsory license was granted by the Patent Office on March 9, 2012, to Natco Pharma for the generic production of Bayer Corporation's Nexavar, a life saving medicine used for treating Liver and Kidney Cancer. Bayer sold this drug at exorbitant rates, with one month's worth of dosage costing around Rs 2.8 Lakh. Natco Pharma offered to sell it around for Rs 9000, making it much more

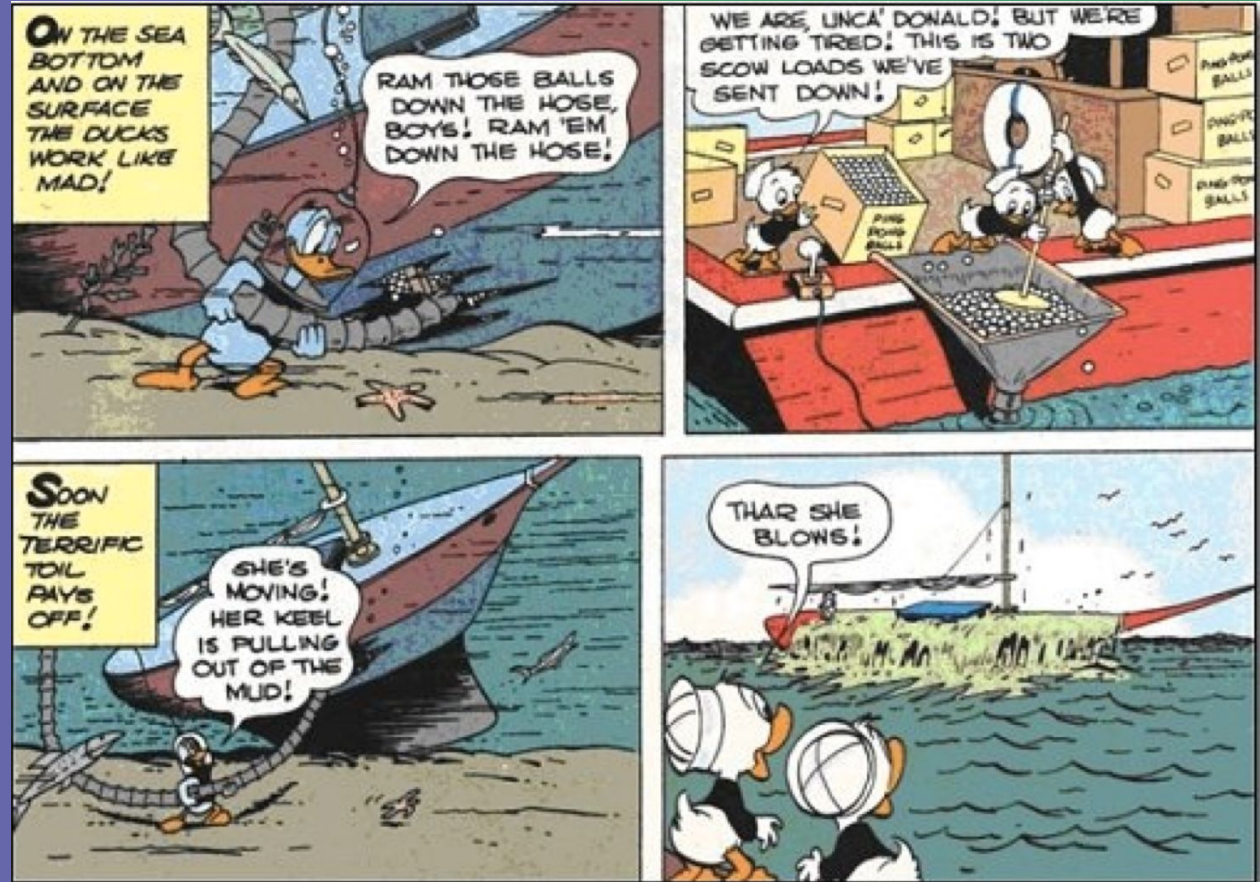


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THE DONALD DUCK CASE AND PRIOR ART



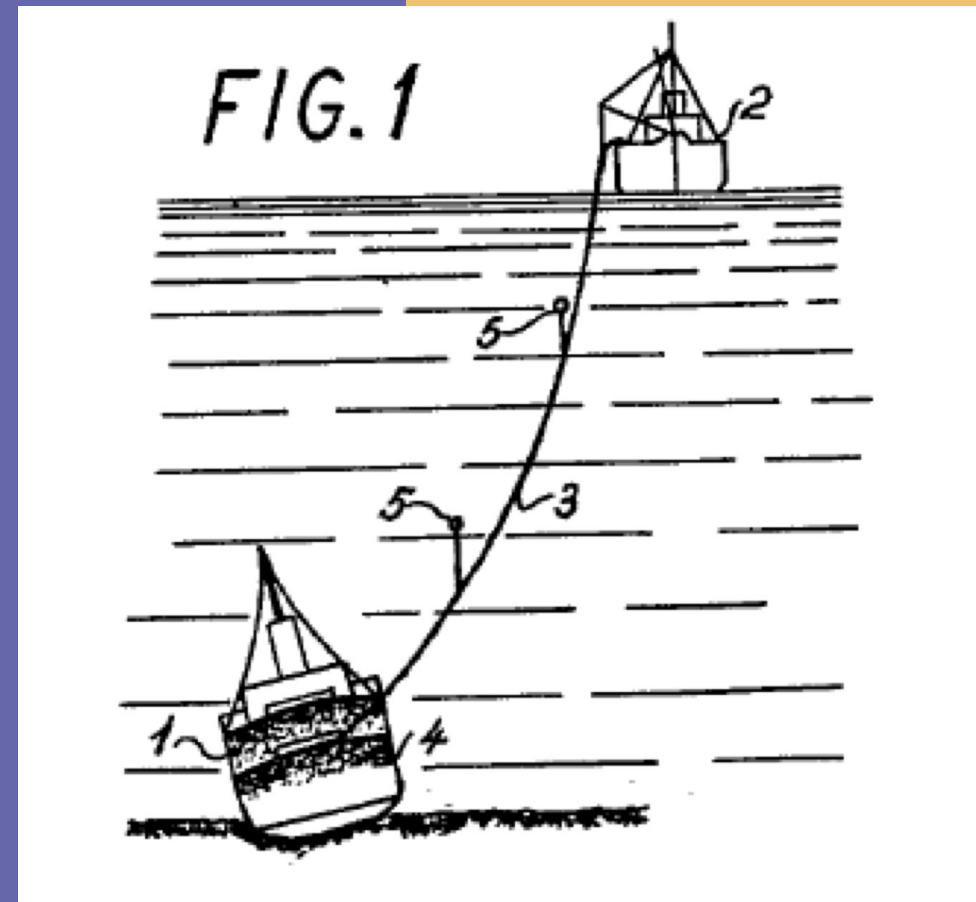
The Donald Duck comic published by Carl Barks in 1949 shows Donald and his nephews raising a ship by filling it with ping pong balls shoved through a tube.

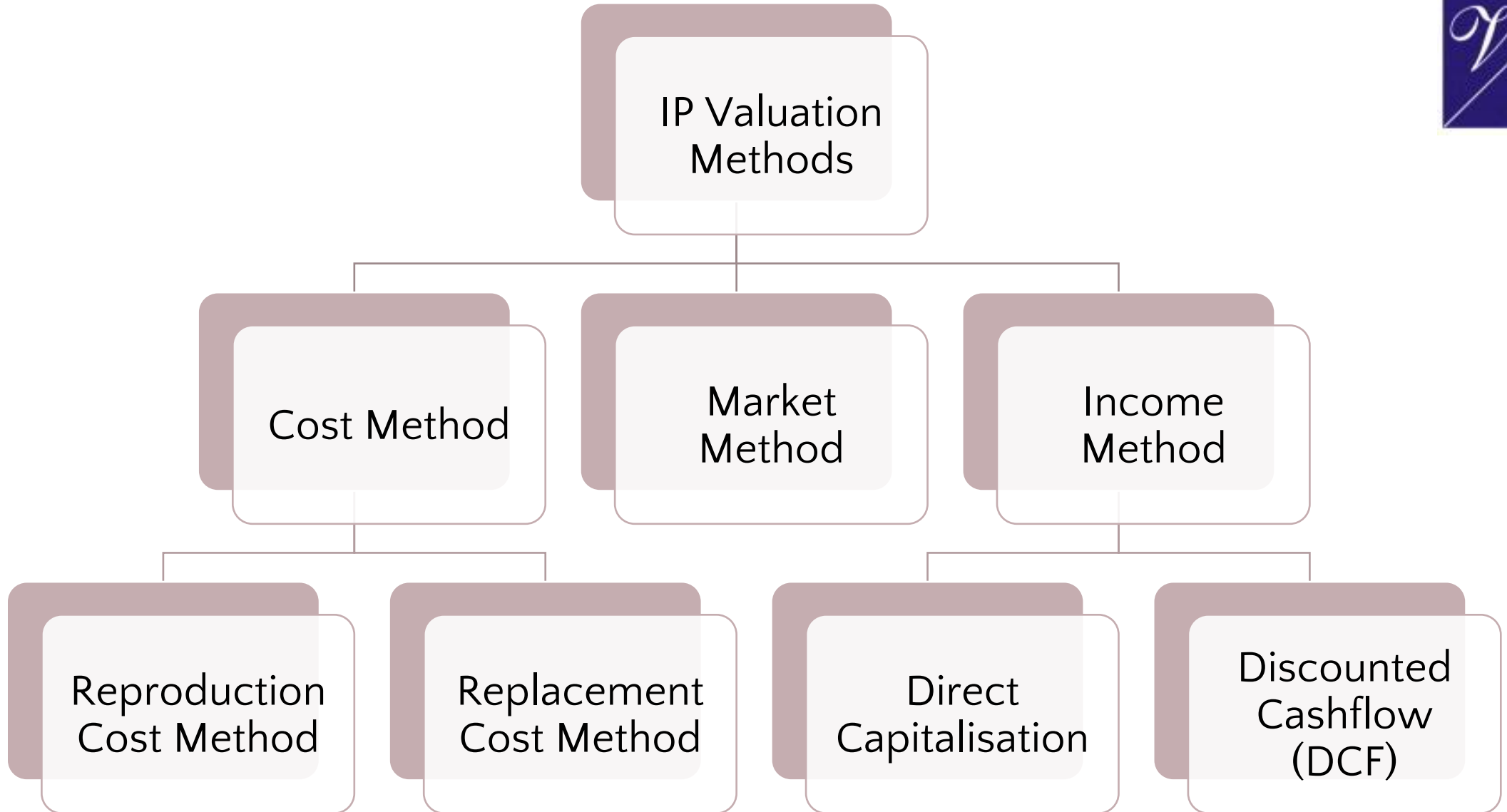




THE THOUGHTFUL DUTCH

A Dutch Patent Office rejected the patent application on the title 'Method of raising sunken or stranded vessels' while UK and Germany granted the patent. According to the story, the Dutch Patent Office found an old issue of the Donald Duck magazine which showed the same invention. Since an invention has to be new to be patentable, the application was refused.







Market Method

1. The market method is based on comparison with the actual price paid for a similar IP asset under comparable circumstances.
2. To do a valuation with this method, one needs to have:
 - An active market (price information, arm's length)
 - An exchange of an identical IP asset, or a group of comparable or similar IP assets
 - If the IP assets are not perfectly comparable, variables to control for the differences
3. **By definition, an IP asset is unique.** It is not possible to find an exactly alike or even a similar or comparable IP asset. Even if that were possible, it is generally not possible to have readily available information, which could be used for valuing the subject IP asset.
4. Due to the depth of the required information to ensure comparability, often the only good transactional data is from a transaction where there is complete access to the legal agreement. Generally, **however,**

Income Method



1. The income method values the IP asset on the basis of the amount of economic income that the IP asset is expected to generate, adjusted to its present-day value. This method is the most commonly used method for IP valuation.
2. General steps involved while using the Income Method for IP Valuation:
 - Project the revenue flow (or cost savings) generated by the IP asset over the Remaining Useful Life (RUL) of the asset.
 - Offset those revenues/savings by costs related directly to the IP asset. For e.g., costs like labor, and materials, required capital investment, and any appropriate economic rents or capital charges.
 - Take account of the risk to discount the amount of income to a present-day value by using the discount rate or the capitalization rate.
3. The various income methods may be grouped into the following two analytical categories: Direct Capitalisation and Discounted Cash Flow (DCF).
4. Direct Capitalisation – The valuer estimates the appropriate measure of economic income for one period (i.e., one period future to the valuation date) and divides that measure by an appropriate investment rate

Cost Method



1. Cost method is based on the intention of establishing the value of an IP asset by calculating the cost of developing a similar (or exact) IP asset either internally or externally.
2. It seeks to determine the value of an IP asset at a particular point of time by aggregating the direct expenditures and opportunity costs involved in its development and considering obsolescence of an IP asset.
3. The cost method is generally the least used method as, in most cases, it is considered suitable only as a supplement to the income method (if the valuation is not for bookkeeping purposes). The method is normally used in situations where the subject IP is currently not generating any income.
4. There are two variants of the cost method: the reproduction cost method and the replacement cost method.
5. Reproduction cost contemplates the construction of an exact replica of the subject IP.
6. Replacement cost contemplates the cost to recreate the functionality or utility of the subject IP, but in a

THANK YOU FOR YOUR
PATIENT LISTENING

Don't hesitate to ask your
doubts and queries



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