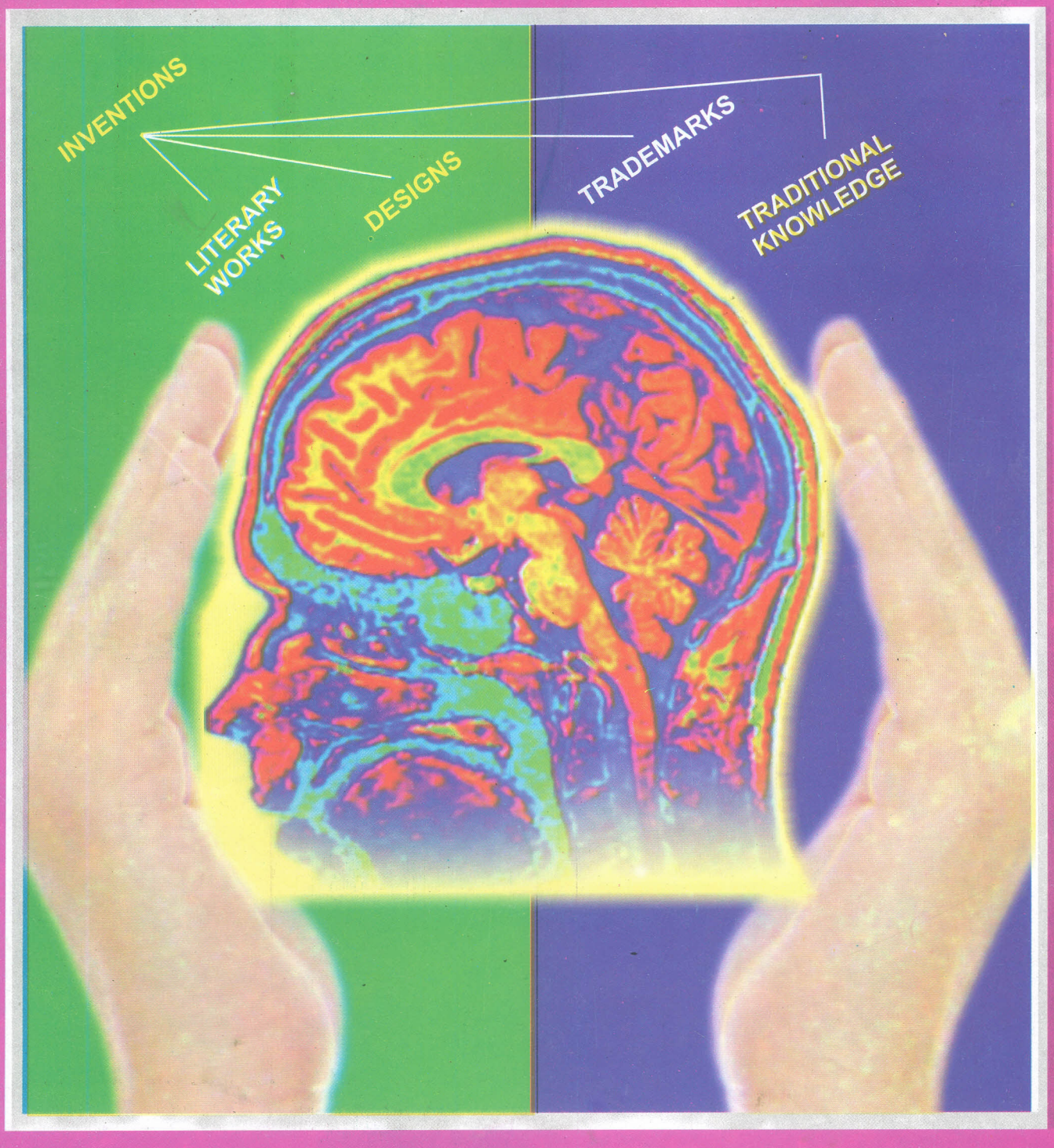
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MIP-101
GENERAL INTRODUCTIONS
TO IP RIGHTS



Kinds of IPR

3

"शिक्षा मानव को बन्धनों से मुक्त करती है और आज के युग में तो यह लोकतंत्र की भावना का आधार भी है। जन्म तथा अन्य कारणों से उत्पन्न जाति एवं वर्गगत विषमताओं को दूर करते हुए मनुष्य को इन सबसे ऊपर उठाती है।"

— इन्दिरा गांधी

"Education is a liberating force, and in our age it is also a democratising force, cutting across the barriers of caste and class, smoothing out inequalities imposed by birth and other circumstances."

– Indira Gandhi

Indira Gandhi
National Open University
School of Law

MIP-101
General Introductions to IP Rights

Block

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BLOCK 3 KINDS OF IPR

Intellectual Property Rights as we understand is a property which is the creation of a human's intellect. Intellectual Property can be sub divided into two categories Industrial Property and Copyright and Related Rights.

Copyright differs from other forms of intellectual property in several respects in the nature of subject matter, in criteria of eligibility for protection, in the nature of rights, in the term of protection, in the territorial extent where protection is available and in the complexity involved in matters of infringement.

Industrial Property consists of Patents, Trademarks, Industrial Designs, Geographical Indications and Layout-designs of Integrated Circuits.

In the Block, for better understanding of learners, we have divided industrial property into two parts. Industrial Property-I and Industrial Property-II.

Unit 8 of this Block deals extensively with Copyright and related rights. The Unit covers topics like evolution of copyright and related rights, regulations of copyright, rights included in copyright, different treaties related with copyright like the WIPO Copyright Treaty (WCT), WIPO Performances and Phonograms Treaty (WPPT), extents of protection etc.

Unit 9 deals with Industrial Property Rights-I, Wherein, Patents, Utility models, Industrial designs and Layout-designs of Integrated Circuits are dealt with.

Unit 10 of this Block deals with Trade marks, Trade Secrets, Domain Names, Geographical Indications, Plant Varieties and Farms Rights, Biodiversity, Traditional Knowledge (TK) and IPRs, Biopiracy etc.

UNIT 8 COPYRIGHT AND RELATED RIGHTS

Structure

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8.2 Objectives

8.3 Evolution of Copyright and Related Rights

8.4 Salient Features of the Berne Convention

8.5 Salient Features of the Rome Convention

8.6 WIPO Copyright Treaty (WCT)

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8.1 INTRODUCTION

Copyright and related rights are rights given to creators for their literary and artistic works. According to World Intellectual Property Organization (WIPO) these rights seek to protect the rights of authors, performers, producers and broadcasters and contribute to the cultural and economic development of nations. Further, as WIPO puts it, the purpose of Copyright and related rights are twofold: to encourage a dynamic creative culture, while returning value to creators so that they can lead a dignified economic existence and to provide widespread, affordable access to the content for the public. The basic proposition of copyright, therefore, is to protect the rights of the creators in the field of literary and

artistic works. However, it should be noted that it deals with particular forms of creativity concerned primarily with mass communication. Certain kinds of creative endeavours could be copied effortlessly and disseminated to large sections of the public for commercial gains thereby nullifying the creator's efforts. In that sense it is concerned also with virtually all forms and methods of public communication.

We could state that the copyright as a legal norm evolved with the advent of printing technology. In the present context, the scope of copyright, however, extends beyond simple printed publications. It deals with broad range of subject matters such as literary and artistic works, sound and television broadcasting. There could be many sub-divisions and other branches which may need to be brought under the purview of copyright. The expression copyright refers to the main act, which in respect of literary and artistic creations may be made only by the author or with his authorization. That act is the making of copies of the work. We should note that in Europe, these rights used to be called as author's rights. The expression author's rights refer to the creator of the artistic work, its author. It thus, underlines the fact, recognized in most laws, that the author has certain specific rights in his creation which only he can exercise (such as the right to prevent unauthorized or distorted reproduction). Other rights (such as right to make copies) can be exercised by other persons, for example a publisher who has obtained a license from the author.

In order to get copyright protection, one of the primary requirements is to physically embody the intellectual creations in some tangible form. A literary piece or creation, for example, need to be embodied in a book or in any other tangible form, a compact disc or any other comparable form that has the possibility for wider dissemination. In copyright terminology, this is called 'fixation'. It has been pointed out that some artistic creations exist without their embodiment in physical form. For example, music or poems, oral traditions, some forms of traditional knowledge and folklore. Some of this subject matter exists without really getting fixed into any physical or tangible form i.e., even before they are written down by a musical notation or words. How to protect all these creations? What is the nature and scope of copyright protection? In the following study we shall examine some of these issues.

8.2 OBJECTIVES

After reading this unit, you should be able to:

- explain the evolution of copyright and related right;
- discuss the salient features of the Berne Convention and Rome Convention;
- discuss the WIPO Copyright Treaty (WCT), WIPO Performances and Phonograms, Treaty (WPPT);
- explain the extent of copyright protection;
- discuss the different rights to be included in Copyright;
- explain the procedure for registration of Copyright; and
- explain the Acts which are not considered as infringement of Copyright.

8.3 EVOLUTION OF COPYRIGHT AND RELATED RIGHTS

The idea of copyright took fairly long time to evolve. As mentioned above, printing technology increased the need for such a protection. Many European countries introduced some kind of laws to protect the interests of authors. Initially the scope of copyright was limited to books and such related materials. Later, with the advent of new technology the scope of copyright also changed. At the international level, the conclusion of Berne Convention for the Protection of Literary and Artistic Works in 1886 could be regarded as the starting point. This Convention internationalized the copyright protection. We should note that by that time several countries, mostly European, had enacted their own domestic laws to protect authors. Statute of Anne enacted in England in 1710 has been regarded as the first such domestic legislation that recognized the rights of the authors. Since then, it was in Europe that this idea of copyright, as it exists today, evolved. We should note that some kind of copyright-like protection existed in different parts of the globe. England and other European countries extended the operation of their copyright laws to their colonies in order to protect the interests of their authors.

However, the question was – how to balance author's right with public interest? According the concept of copyright evolved in a particular direction. The basic nature of copyright protection is that it protects only the form of expression of ideas, not the ideas themselves. In other words, copyright law protects the creativity in the choice and arrangement of words, musical notes, colours, shapes and so on. It has been stated that copyright protection is one of the means of promoting, enriching and disseminating the national cultural heritage. Accordingly, a country's development primarily depends on the creative endeavors of its people and that will help the country to progress. The Guide to the Berne Convention for the Protection of Literary and Artistic Works, *inter alia*, succinctly summarizes the role of copyright law in the development process of a country. It states:

> Copyright for its part, constitutes an essential element in the development process. Experience has shown that the enrichment of the national cultural heritage depends directly on the level of protection afforded to literary and artistic works. The higher the level, the greater the encouragement for authors to create; the greater the number of a country's intellectual creations, the higher its renown; the greater the number of productions in literature and the arts, the more numerous their auxiliaries in the book, record and entertainment industries; and indeed, in the final analysis, encouragement of intellectual creation is one of the basic prerequisites of all social, economic and cultural development.

An introductory note to the Indian Copyright Act, 1957 points out that "in ancient days creative persons like artists, musicians and writers made, composed or wrote their works for fame and recognition rather than to earn a living, thus the question of copyright never arose. The importance of copyright was recognized only after the invention of printing press which enabled the reproduction of books in large quantity practicable" As stated earlier, the Statute of Anne was the first known copyright law introduced in England during 1710. Several other countries followed the English law and provided for the domestic legislations

to protect creative works within their domestic jurisdiction. In India the first legislation on copyright was introduced in 1914 when the Copyright Act was passed. This law was based mainly on the British Copyright Law of 1911.

As mentioned above, the emergence of the idea for the international protection of copyright took fairly long time. It materialized with the conclusion of the 'Berne Convention for the Protection of Literary and Artistic Works in 1886 ('Berne Convention' hereinafter). This Convention was also revised seven times till its Paris version was adopted in 1971. However, in recent times, focus of protecting intellectual property rights has been shifted to the World Trade Organization (WTO). The Agreement on Trade-related Aspects of Intellectual Property Rights ('TRIPs' hereinafter) of the WTO which came into effect in 1995 provides certain basic parameters of protection referring to Berne and other international conventions. Presently, the TRIPs Agreement (besides Berne and other Conventions) forms the basis for the minimum standards of protection that need to be incorporated into the national legislations. In the next section we shall examine the basis and salient features of the copyright protection.

Self Assessment Question **(Spend 4 minutes)**

1) a) Why is it important to protect copyright of authors?

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b) How did the idea of copyright and related rights evolve in the global context?

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8.4 SALIENT FEATURES OF THE BERNE CONVENTION

Berne Convention is the oldest international treaty on copyright. It was concluded in 1886. The main aim of this treaty is "to protect, in as effective and uniform a manner as possible, the rights of authors in their literary and artistic works". The salient features of the Berne Convention are as under:

- 'national treatment' – works originating in one of the member countries are to be given the same protection in each of the member countries; the same treatment given to nationals should be granted to foreigners as well;
- 'automatic protection' – the protection granted to the 'work' is automatic; it is not subject to the formality of registration, deposit of fees or the like procedural requirements;

- 'independence of protection' – the protection granted is independent of the existence of protection in the country of origin of the work;
- 'Works' protected are defined in Article 2 – the list of those works are illustrative and not exhaustive. These are, broadly put it – any original production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression; derivative works, that is those based on other pre-existing works such as translations, adaptations, arrangements of music and other alterations of a literary and artistic work, receive the same protection as original works;
- In some instances protection are optional (to be decided by the member countries in their national legislations) such as – official documents and their translations; works of folklore; works of applied art, industrial designs and models; reproduction of public lectures, addresses and other works of the same nature by the press, broadcast and other subject of public communications when such use is justified by the informatory purpose;
- Protection of works or certain specified kinds of works would be subject to the work being fixed in some material form. For example, protection of choreographic works could be dependent on their being fixed in some form;
- Rights granted to the author include the right of translation (Article 8); right of reproduction (Article 9); right to perform dramatic, dramtico-musical and musical works (Article 11); right to broadcasting and communicating to the public by wire and other such analogous instrument of the broadcast (Article 11*bis*); right of making cinematographic adaptation (Article 14); moral rights (Article 6 *bis*);

8.5 SALIENT FEATURES OF THE ROME CONVENTION

The International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations was adopted in Rome in 1961. It is, therefore, famously called as 'Rome Convention'. It entered into force in 1964. We could briefly look at the salient features of this Convention.

- The Rome Convention, it should be noted, falls into the category of 'neighbouring rights' within the overall framework of copyrights. Article 1 of the Rome Convention, accordingly provides that the protection granted under the Convention shall leave intact and shall in no way affect the protection of copyright in literary and artistic works; it is, therefore, clear that authorization of the author is necessary for the use of his work i.e., the need for the authorization is not affected by the Rome Convention;
- In order to become party to the Rome Convention, it is mandatory for a country to first become party either to the Berne Convention or Universal Copyright Convention (UCC); for this reason, Rome Convention is termed as offering only 'neighbouring rights'. To acquire the main copyright protection a country will have to turn to Berne or UCC;
- It provides for 'national treatment' i.e., it grants under its domestic law the same protection to all performers, phonograms and broadcasts as it grants to its own nationals;

- The Convention provides minimum protection to the performers i.e., the possibility of preventing certain acts done without the consent of performers; this is termed as 'restricted acts'; these acts that need prevention under the domestic law could be listed. These are: (i) broadcasting or communication to the public of a 'live' performance; (ii) recording an 'unfixed' performance; (c) reproducing a fixation of the performance, provided that the original fixation was made without the consent of the performer or the reproduction is made for the purposes not permitted by the Convention or the performer (Article 7);
- Producers of phonograms have the right to authorize or prohibit the direct or indirect reproduction of their phonograms (Article 10);
- Broadcasting organizations have the right to authorize or prohibit (i) simultaneous rebroadcast of their broadcasts; (ii) fixation of their broadcasts; (iii) the reproduction of unauthorized fixations of their broadcasts or reproduced of lawful fixations for illicit purposes; and (iv) the communication to the public of their television broadcasts by means of receivers in places accessible to the public against payment;
- Phonogram published for commercial purposes is used directly for broadcasting or any communication to the public, an equitable remuneration should be paid by the user to the performers, or to the producers of the phonogram or both (Article 12).

8.6 WIPO COPYRIGHT TREATY (WCT)

The WCT is a special agreement under the Berne Convention. Any Contracting Party (even if it is not bound by the Berne Convention) must comply with the substantive provisions of the 1971 (Paris) Act of the Berne Convention (1886). Furthermore, the WCT mentions two subject matters to be protected by copyright,

i) computer programs, whatever may be the mode or form of their expression, and

ii) compilations of data or other material ("databases"), in any form, which by reason of the selection or arrangement of their contents constitute intellectual creations. (Where a database does not constitute such a creation, it is outside the scope of this Treaty.)

As to the rights of authors, the Treaty deals with three:

i) the right of distribution,

ii) the right of rental, and

iii) the right of communication to the public.

Each of them is an exclusive right, subject to certain limitations and exceptions.

The Treaty obliges the Contracting Parties to provide legal remedies against the circumvention of technological measures (e.g., encryption) used by authors in connection with the exercise of their rights and against the removal or altering of information, such as certain data that identify works or their authors, necessary for the management (e.g., licensing, collecting and distribution of royalties) of their rights ("rights management information").

The Treaty obliges each Contracting Party to adopt, in accordance with its legal system, the measures necessary to ensure the application of the Treaty. In particular, the Contracting Party must ensure that enforcement procedures are available under its law so as to permit effective action against any act of infringement of rights covered by the Treaty. Such action must include expeditious remedies to prevent infringement and remedies which constitute a deterrent to further infringements.

8.7 WIPO PERFORMANCES AND PHONOGRAMS TREATY (WPPT)

The treaty deals with intellectual property rights of two kinds of beneficiaries:

i) performers (actors, singers, musicians, etc.), and

ii) producers of phonograms (the persons or legal entities who or which take the initiative and have the responsibility for the fixation of the sounds).

The Treaty obliges the Contracting Parties to provide legal remedies against the circumvention of technological measures (e.g., encryption) used by performers or phonogram producers in connection with the exercise of their rights and against the removal or altering of information, such as the indication of certain data that identify the performer, the performance, the producer of the phonogram and the phonogram, necessary for the management (e.g., licensing, collecting and distribution of royalties) of the said rights ("rights management information").

The Treaty obliges each Contracting Party to adopt, in accordance with its legal system, the measures necessary to ensure the application of the Treaty. In particular, the Contracting Party must ensure that enforcement procedures are available under its law so as to permit effective action against any act of infringement of rights covered by the Treaty. Such action must include expeditious remedies to prevent infringement and remedies which constitute a deterrent to further infringements.

8.8 EXTENT OF COPYRIGHT PROTECTION

We shall, in the first place, begin with the extent and range of protection granted by the copyright. At the outset, it should be noted that we do not find either in national or in international legal frameworks a formal definition of what constitutes a 'copyright'. Berne Convention, for example, only provides for the broad categories of acts of creativity that could be granted copyright protection. TRIPs Agreement, on the other hand, in Article 9 (1) simply provides that Members should "comply with Articles 1-21 and the Appendix of the Berne Convention (1971), excluding Article 6 *bis* of that Convention. In Article 9 (2), the TRIPs Agreement, tersely provides for the basic understanding of copyright protection when it states that "Copyright protection shall extend to expression and not to ideas, procedures, methods of operation or mathematical concepts as such."

We could begin by looking at the provisions of the Berne Convention. Article 1 of the Berne Convention only describes and lists out (non-exhaustive listing) what subject matter could come under the purview of the copyright protection.

It provides that the expression "literary and artistic works" shall include every production in the literary and artistic domain, whatever may be the mode or form of its expression, such as books, pamphlets and other writings; lectures, addresses, sermons and other works of the same nature; dramatic or dramatico-musical works; choreographic works and entertainments in dumb show; musical compositions with or without words; cinematographic works to which are assimilated works expressed by a process analogous to cinematography; works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works to which are assimilated works expressed by a process analogous to photography; works of applied art; illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science". Many national laws, including India, follow this listing method to identify the subject matter of protection that could come within the purview of copyright.

Indian law also, more or less, follows the Berne model. Section 13 (1) of the Indian Copyright Act, 1957, *inter alia*, provides for such listing. It provides that the copyright shall subsist throughout India in the following classes of works, namely,

a) original literary, dramatic, musical and artistic works;

b) cinematograph films; and

c) sound recording

How does Indian Copyright law provide for and include a large number of creative works in its ambit? These three categories can be further elaborated and classified to include a wide variety of subject matter. We shall attempt to classify the broad categories of works that come usually under the purview of copyright protection. These are[1]:

- *literary works*: novels, short stories, poems, dramatic works and any other writings, irrespective of their content (fiction or non-fiction), length, purpose (amusement, education, information, advertisement, propaganda, etc), from (handwritten, typed, printed; book pamphlet, single sheets, newspaper, magazine); whether published or unpublished; in most countries "oral works", that is works not reduced to writing, are also protected by the copyright law; *computer programmes* are also protected through copyright as literary works. Article 10 (1) of the TRIPs Agreement provides that "Computer programs, whether in source or object code, shall be protected as literary works under the Berne Convention (1971). The Indian Copyright Act, 1957 follows this TRIPs definition and provides in Section 2 (o) that "literary work" includes computer programmes, tables and compilations including computer databases;"

- *data, compilation of data* or other material is also protected under copyright. Article 10 (2) provides that "compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents constitute intellectual creations shall be protected as such";

- *musical works*: whether serious or light; songs, choruses, operas, musicals, operettas; if for instructions, whether for one instrument (solos), a few instruments (sonatas, chamber music, etc), or many (bands, orchestras);

[1] This listing is based on WIPO *Background Reading Material on Intellectual Property Law*

- *artistic works*: whether two-dimensional (drawings, paintings, etchings, lithographs, etc.) or three-dimensional (sculptures, architectural works), irrespective of content (representational or abstract) and destination ("pure" art, for advertisement, etc.); Section 2 (c) of the Indian Copyright Act, 1957 defines an "artistic work" as (i) a painting, a sculpture, a drawing (including a diagram, map, chart or plan), an engraving or a photograph, whether or not any such work possesses artistic quality; (ii) a work of architecture; and (iii) any other work of artistic craftsmanship;
- *maps and technical drawings*;
- *photographic works*: irrespective of the subject matter (portraits, landscapes, current events, etc.) and the purpose for which made; Section 2 (s) of the Indian Copyright Act, 1957 defines a work of 'photography' to include "photo-lithograph and any work produced by any process analogous to photography but does not include any part of a cinematograph".
- *motion pictures ("cinematographic works")* whether silent or with a sound track, and irrespective of their purpose (theatrical exhibition, television broadcasting, etc.), their genre (film dramas, documentaries, newsreels, etc.), length, method employed (filming "live," cartoons, etc.), or technical process used (pictures on transparent film, on electronic video tapes, etc.);
- many copyright laws protect also "works of applied art" (artistic jewelry, lamps, wallpaper, furniture, etc.) and choreographic works. Some regard phonograph records, tapes and broadcasts also as works.

Self Assessment Question **(Spend 5 minutes)**

2) a) What are the salient features of the Berne and Rome Conventions?

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b) What are the main features of the WIPO Treaties on Copyright?

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c) What is the extent of protection granted under Copyright and related rights?

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8.9 RIGHTS TO BE INCLUDED IN COPYRIGHT

Copyright and other related rights are bundle of rights. In that sense, they are not homogenous. The broad classifications of these rights include many different kinds of rights. We shall examine them in the following discussion. In other words, what kinds of rights and obligations copyright would provide for? These questions have been answered in Section 14 of the Indian Copyright Act. It provides for the scope of copyright. In the case of a literary, artistic, dramatic or musical work (not being a computer programme) and the sound recording the copyright holder will have the right

- to reproduce the work in any material form including the storing of it in any medium by electronic means;
- to issue copies of the work to the public;
- to perform the work in public, or communicate it to the public;
- to make any cinematographic film or sound recording;
- to make any translation; to make any adaptation;

Any of the above acts could be performed for the computer programmes and it also includes some additional rights such as giving computer programmes on commercial rentals etc. In the case of cinematograph film copyright protection authorizes it to make a copy of the film including a photograph of any image, sell or hire the film etc.

Some of these rights could be classified as (a) Reproduction Rights; (b) Performing Rights; (c) Recording Rights; (d) Cinematograph Rights or Motion Picture Rights; (e) Broadcasting Rights; (f) Translation or Adaptation Rights; (g) Moral Rights; (h) Rental Rights; and (i) Neighbouring Rights. We could examine each one of these separately.

8.9.1 Reproduction Rights

It has been noted that the right of the owner of copyright to exclude others from making copies of his protected work is the most basic right in this branch of intellectual property. Publisher will have the right to make copies and sell the work to the public. The agreement between the owner of the copyright and the publisher is crucial. Through such an agreement publisher will get a right to make copies of the protected works and disseminate the same to the public. It should be noted that these publishing contracts could provide for wider range of rights as well. Apart from publishing the work, the publisher can also acquire the right to broadcast, translate, adapt or even to cinematograph the work.

Section 2 (x) of the Indian Copyright Act, 1957 (added in 1994) defines 'reprography' as "the making of copies of a work, by photocopying or similar means". The phrase 'similar means' has not been defined. It could include many forms or many other advanced technological means that could be used to copy a work.

8.9.2 Performing Rights

Who is a 'performer'? And what should be termed as a 'performance'? The Indian Copyright Act, 1957 added new definitions of these terms in 1994 (became

effective from 10 May 1995). Section 2 (qq) defines a `performer' to include "an actor, singer, musician, dancer, acrobat, juggler, conjurer, snake charmer, a person delivering a lecture or any other person who makes a performance". The definition of 'performance' as defined in Section 2 (q) is a purely a technical one. According to it a `performance means "in relation to performer's right, means any visual or acoustic presentation made live by one or more performers".

A work protected under copyright may be reproduced without copying. Article 14 (1) of the TRIPs Agreement provides that

> In respect of a fixation of their performance on a phonogram, performers shall have the possibility of preventing the following acts when undertaken without their authorization: the fixation of their unfixed performance and the reproduction of such fixation. Performers shall also have the possibility of preventing the following acts when undertaken without their authorization: the broadcasting by wireless means and the communication to the public of their live performance.

Through the act of public performance one can communicate to large number of people without being copied or reproduced. For example, a lecture or a story can be read aloud to an audience without copies being made; a drama or a musical work can be performed before an audience without copies being made. Some of these reproduction rights for the purpose of performance may be authorized. However, these performing rights will also need regulation.

Indian Copyright Act treats 'performers' rights' as special rights (Section 38). It also outlines situations which could be regarded as infringement of the performers' rights. These situations are: (a) wherein sound or visual recordings were made without the consent of the performer; (b) made for purposes different from those for which the performer gave his consent; or (c) broadcasts it without proper authorization; or (d) communicates it to the public (through whatever means) without the authorization of the owner. If one records it for bonafide teaching or research purposes or deals fairly with the copying for purely teaching and research purposes, then it cannot be regarded as an infringement.

8.9.3 Recording Rights

The evolution and development of technology has been a factor in copyright protection. Sound recording is one such technological development that can be used to easily communicate to the public. How does one define 'sound recording' in relation to copyright? We could turn Indian Copyright Act, 1957 which added a definition of this term in 1994. It defines a 'sound recording' as

> a recording of sounds from which such sounds may be produced regardless of the medium on which such recording is the method by which the sounds are produced.

Copies of sound recording can be made as easily as copies of writings. As regards the music, sound recording is the easiest way to communicate to the public. Phonogram could be regarded as one of the earliest technological innovations. In the present context, the form and content of the sound recording medium and the technique have evolved to an amazing extent. Small discs and pen drives can now hold huge chunk of sound recordings. Even the internet and the possibilities for downloading music for free are posing major problems.

These could be examined in greater detail elsewhere. It should be noted that the right to authorize the making of a sound recording belongs to the owner of the copyright in the music and also to the owner of the copyright in the words. If the copyright holders are different, then the authorization from two different sources i.e., owner of the music and the owner of the words should be taken.

Article 14 (2) of the TRIPs Agreement provides that

> Producers of phonograms shall enjoy the right to authorize or prohibit the direct or indirect reproduction of their phonograms.

8.9.4 Cinematograph Rights

A cinematograph work or a motion picture has been defined as "a visual recording, presenting to viewers a continuous sequence of images". Accordingly, it falls within the category of 'literary and artistic works'. The definition provided in Section 2 (f) of the Indian Copyright Act, 1957 is broader and inclusive. According to it a "cinematograph film" means

> any work of visual recording on any medium produced through a process from which a moving image may be produced by any means and includes a sound recording accompanying such visual recording and "cinematograph" shall be construed as including any work produced by any process analogous to cinematography including video films.

For example, a drama or a live performance by performers to an immediate audience could be visually recorded and shown to audience far larger in numbers than those who can be present at the live performance; such audience can see the cinematographic work far away from the place of live performance and at times much later than the live performance.

8.9.5 Broadcasting Rights

Broadcasting rights are crucial in the present context. Considering the technological developments, a broadcast can take place through various forms. It can either be wireless or through cables. Traditionally, when a work is broadcast, a wireless signal is emitted into the air which can be received by any person, within the range of the signal, who possesses the equipment (radio or television) receiver necessary to convert the signals into sounds or sounds and images.

The definition of 'broadcast' incorporated in the Indian Copyright Act, 1957 in Section 2 (dd) regards it as a communication to the public (i) by any means of wireless diffusion, whether in any one or more of the forms of signs, sounds or visual images; or (ii) by wire, and includes a re-broadcast

The Berne Convention provides that owners of copyright have the exclusive right of authorizing both the wireless broadcasting and the diffusion by cable of their works. It should be noted that copyright problems with regard to broadcasting have arisen mainly on account technological advancements made. These advances include the use of artificial satellites in space to extend the range of wireless signals and send these signals directly to the receivers in limitless ways. The other important problem is that the receivers can be located in different countries and they can receive the signals through satellites simultaneously. What about the live coverage of performances? Who should hold or who should regulate copyright in these? For example, a live sports event taking place in a far away

place can be watched by the receivers (in millions) through satellite broadcasting. Does this allow the broadcaster to make a copy of this live performance and latter use it for rebroadcast?

All these issues are usually regulated through complex and variety of contractual arrangements between broadcasters and the organizers of the event. These issues can also raise several transnational legal problems wherein principles of private international law may need to be applied to resolve some of the intricate legal problems relating to jurisdiction and ownership of rights in a given case.

Article 14 (3) of the TRIPs Agreement provides that

> Broadcasting organizations shall have the right to prohibit the following acts when undertaken without their authorization: the fixation, the reproduction of fixations, and the rebroadcasting by wireless means of broadcasts, as well as the communication to the public of television broadcasts of the same. Where Members do not grant such rights to broadcasting organizations, they shall provide owners of copyright in the subject matter of broadcasts with the possibility of preventing the above acts, subject to the provisions of the Berne Convention (1971).

It should be noted that Chapter VIII of the Indian Copyright Act, 1957 provides certain special rights to broadcasting organizations. One of these special rights relate to "broadcast reproduction right" in respect of broadcasts (Section 37). If any person, without the licence of the owner of the broadcast reproduction right (a) rebroadcasts the broadcast; or (b) causes the broadcast to be heard or seen by the public on payment of any charges; or (c) makes any sound recording or visual recording of the broadcast; or (d) 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 (e) sells or hires to the public, or offers for such sale or hire any such sound recording or visual recording …shall be treated as infringement.

8.9.6 Translation and Adaptation Rights

It should be noted that the acts of translation or of adapting a work protected by a copyright require the authorization of the copyright owner. 'Translation' means expression of a work in a language other than that of the original version. 'Adaptation' is generally understood as the modification of a work from one type of work to another, for example, adapting a novel so as to make a motion picture, or the modification of a work so as to make it suitable for different conditions of exploitation, for example adapting an instructional textbook originally prepared for higher education into an instructional text book intended for students at a lower level.

The Indian Copyright Act, 1957 in Section 2 (a) categorizes different situations which could be regarded as "adaptation". These situations are:

i) in relation to a dramatic work, the conversion of the work into a non-dramatic work;

ii) in relation to a literary work or an artistic work, the conversion of the work into a dramatic work by way of performance in public or otherwise;

iii) in relation to a literary or dramatic work, any abridgement of the work or any version of the work in which the story or action is conveyed wholly or

mainly by means of pictures in form suitable reproduction in a book, or in a newspaper, magazine or similar periodical;

iv) in relation to a musical work, any arrangement or transcription of the work; and

v) in relation to any work, any use of such work involving its rearrangement or alteration.

8.9.7 Moral Rights

Moral rights, as the name suggests, relate to authors' or artist's honour and reputation in relation to his work. The Berne Convention requires in Article 6 *bis* member countries to grant authors (i) the right to claim authorship of the work; and (ii) the right to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the work which would be prejudicial to the author's honour and reputation. These rights are usually known as moral rights are independent of economic rights guaranteed to the authors. They remain with the author even after he transfers his economic rights.

The TRIPs Agreement, however, in Article 9 (2) specifically excludes operation of these moral rights as envisaged under Article 6 *bis* of the Berne Convention.

Section 57 of the Indian Copyright Act provides moral rights to authors. It provides that "...the author of a work shall have the right (a) to claim the authorship of the work; and (b) to restrain or claim damages in respect of any distortion, mutilation, modification, or other act in relation to the said work which is done before the expiration of the term of copyright if such distortion, mutilation, modification or other act would be prejudicial to his honour or reputation."

8.9.8 Rental Rights

The rental rights are new kinds of rights that reflect the complexities of emerging technology e.g. computer programmes. TRIPs Agreement in Article 11 provided for it for the first time with specific reference to computer programmes and cinematographic works. It should be noted that these rights have been provided with a view to "prohibit the commercial rental to the public of originals or copies of their copyright works". The prohibition is to be applied when rental rights were the cause of widespread copying and when they materially affect or impair the exclusive right of reproduction conferred on the copyright holder.

8.9.9 Neighbouring Rights

There are three kinds of rights that have been termed as neighbouring rights. These are: the rights of performing artists in their performance; the rights of producers of phonograms in their phonograms; and the rights of broadcasting organizations in their radio and television programmes. They are called 'neighbouring rights' as they cover subject matter that could be regarded as supplementary to the existing primary copyrights or rights neighbouring on copyright.

It should be noted that neighbouring rights are usually about communication; these rights protect those who help in communicating to a larger audience or to a larger public the subject matter of copyright. We could understand this through

some examples. A play, for example, needs to be presented on the stage, a song needs to be performed by artists or perhaps needs to be reproduced in the form of records or broadcast by means of radio or television..It has been pointed out that all persons who make use of literary, artistic or scientific works in order to make them publicly accessible to others require their own protection against the illegal use of their contributions in the process of communicating the work to the public.

The following passage from WIPO study succinctly outlines the idea behind the evolution of neighbouring rights and its relationship with the fast emerging technological innovations:

> The development of these technological innovations have made it possible to reproduce individual performances by performing artists and to use them without their presence and without the users being obliged to reach an agreement with them, made its own inroads, and with the consequent reduction in the number of live performances causing what has come to be known as technological unemployment among professional artists, the need for protecting the interests of performers acquired a new dimension.

On account of these developments, the need for special protection for performers, producers of phonograms and broadcasting organizations was felt. The issue in question was about the secondary use. What is secondary use? A performer, for example, would be paid once for recording his performance. However, the recording of the performance could be played repeatedly for the benefit of a third party. In this process, performers would be deprived of their share of income in their own intellectual creation. It is argued that performers, for instance, would have to compete with their own recordings in respect of their employment potential for live performances. The International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, known as Rome Convention, 1961 establishes a necessary regulatory framework for this purpose. Article 14 of the TRIPs Agreement provides for this right.

8.10 REGISTRATION OF COPYRIGHT

The copyright protection is automatic as it is applicable moment the 'literary and artistic work' is created. The important element in copyright is the communication that is made to the public i.e., 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 sees, hears or otherwise enjoys the work so made available (see Section 2 (ff) of the Indian Copyright Act). This communication also includes new technological communication devices such as cable and satellite communication systems. It should be noted that moment the work is communicated or published the copyright in that work subsists. Nothing more is required to be done to claim the protection. In this sense, protection of copyright works is different from the protection granted by patents and trademarks.

Chapter X of the Indian Copyright Act (Sections 44 to 50 of the Indian Copyright Act) provides for the registration of copyright. Article 44 provides that "There shall be kept at the Copyright Office a register in the prescribed form to be called Register of Copyrights in which may be entered the names or titles or works and the names and addresses of authors, publishers and owners of copyright

and such other particulars as may be prescribed". The particulars of the works are entered in this Register after payment of prescribed fees by the Registrar of Copyrights. If there are artistic works which are capable of being used in goods, the Indian law requires that a certificate from the Registrar of Trademarks should be obtained stating that no trademark identical with or deceptively similar to such artistic work has been registered under the Trademarks Act (see Proviso to Section 45 of the Indian Copyright Act).

As mentioned above, copyright protection is triggered the moment the work is created. Registration serves merely as evidence to the effect that the copyright belongs to the designated person. The Register of Copyrights, accordingly, acts as a prima facie evidence of particulars entered and allows the copyright holder to initiate infringement proceedings against the one who is copying the work without any authorization. A copyright infringement, as provided in Section 51 of the Indian Copyright Act, is the unauthorized use of the work i.e., without a licence granted by the owner of the copyright or the Registrar of Copyrights or in contravention of the conditions of a licence so granted. However, a 'fair dealing' of the work could be used as a defence against this kind of alleged contravention (see Section 52 of the Indian Copyright Act) i.e., private use, research and other official or governmental purpose.

8.11 STRUCTURE OF INDIAN COPYRIGHT OFFICE

The copyright protection is automatic as it is applicable moment the 'literary and artistic work' is created. The important element in copyright is the communication that is made to the public i.e., 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 sees, hears or otherwise enjoys the work so made available (see Section 2 (ff) of the Indian Copyright Act). This communication also includes new technological communication devices such as cable and satellite communication systems. It should be noted that moment the work is communicated or published the copyright in that work subsists. Nothing more is required to be done to claim the protection. In this sense, protection of copyright works is different from the protection granted by patents and trademarks.

Register of Copyrights

Chapter II of the Copyright Act provides the legal basis for the creation of Copyright Office and the Copyright Board (Sections 9 to 12 of the Act). Chapter X of the Indian Copyright Act (Sections 44 to 50 of the Indian Copyright Act) provides for the registration of copyright. Article 44 provides that "There shall be kept at the Copyright Office a register in the prescribed form to be called Register of Copyrights in which may be entered the names or titles or works and the names and addresses of authors, publishers and owners of copyright and such other particulars as may be prescribed". The particulars of the works are entered in this Register after payment of prescribed fees by the Registrar of Copyrights. If there are artistic works which are capable of being used in goods, the Indian law requires that a certificate from the Registrar of Trademarks should be obtained stating that no trademark identical with or deceptively similar to such artistic work has been registered under the Trademarks Act (see Proviso to Section 45 of the Indian Copyright Act).

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Copyright Board

The Government has set up a Copyright Enforcement Advisory Council (CEAC) that advises the Government on enforcement and other related issues concerning copyright. It should be noted there are no special courts for copyright cases. The regular courts try, as per the Indian Copyright Act, 1958 these cases. However, the Copyright Board adjudicates certain cases pertaining to copyright. The Copyright Act provides for a quasi-judicial body called the Copyright Board consisting of a Chairman and two or more, but not exceeding fourteen, other members for adjudicating certain kinds of copyright cases. The Chairman of the Board is of the level of a judge of a High Court. The Board has the power to:

i) hear appeals against the orders of the Registrar of Copyright;

ii) hear applications for rectification of entries in the Register of Copyrights;

iii) adjudicate upon disputes on assignment of copyright;

iv) grant compulsory licences to publish or republish works (in certain circumstances);

v) grant compulsory licence to produce and publish a translation of a literary or dramatic work in any language after a period of seven years from the first publication of the work;

vi) hear and decide disputes as to whether a work has been published or about the date of publication or about the term of copyright of a work in another country;

vii) fix rates of royalties in respect of sound recordings under the cover-version provision; and

viii) fix the resale share right in original copies of a painting, a sculpture or a drawing and of original manuscripts of a literary or dramatic or musical work.

8.12 TERM OF COPYRIGHT

Copyright protection is not granted for an indefinite period. The term of copyright has two elements. One, it runs during the life time of the author, performer and other owners of the creative endeavours as the case may be. Second, it runs for a particular period after the death of the owner of the copyright. The TRIPs Agreement provides this term as fifty years. The Indian Copyright Act in

Chapter V (from Section 22 to 29) provides for different categories of creative endeavours a term which is usually life time of the author plus sixty years. These categories include (i) published literary, dramatic, musical and artistic works; (ii) anonymous and pseudonymous works; (iii) posthumous works; (iv) photographs; (v) cinematograph films; (vi) records; (vii) government works; (viii) records of international organizations and public undertakings.

8.13 ACTS NOT TO BE INFRINGEMENT OF COPYRIGHT

There are certain acts that are usually regarded as not infringing copyright. We shall, briefly, identify some of these acts, though illustrative. (see Section 52 of the Indian Copyright Act, 1957).

- a fair dealing with a literary, dramatic, musical or artistic work (not applicable to computer programme) for the purpose of private use including research;
- adaptation by the lawful possessor;
- any act necessary to obtain information essential for operating inter-operability of an interpedently created computer programme with other programmes by a lawful possessor;
- the observation, study or test of functioning of the computer programme;
- the making of copies or adaptation of the computer programme from a personally legally obtained copy for non-commercial personal use;
- a fair dealing with literary, dramatic, musical or artistic work for the purpose of reporting current events in newspapers, broadcasting etc.;
- reproduction or publication for judicial or other legal requirements;

8.14 SUMMARY

- Copyright primarily protects literary and artistic works.
- The definition or description of what actually constitutes copyright is left to be decided by the national legislations.
- The Article 2 of the Berne Convention for the Protection of Literary and Artistic Rights refers to divergent elements of literary and artistic works that need copyright protection.
- It should be noted that the idea of copyright protection evolved with the advent of printing technology.
- Copyright basically protects the form expression and the protection does not extend to idea *per se*.
- We have also examined the scope of application of copyright. Copyright is comprised of several sub-sets of rights. These rights are, namely, reproduction rights, performing rights, recording rights, cinematographic rights, broadcasting rights, adaptation rights, moral rights, rental rights and neighbouring rights.

- Indian Copyright Act, 1957 provides both legal and institutional framework to protect copyright and related works. Copyright Board has powers to decide the range of protection.
- The term of copyright is usually sixty years from the life time of the author or the finding of the creative work.
- There are certain acts which have been termed as 'fair dealing' acts, they do not infringe copyright. However, these issues will have to be decided on a case to case basis.

8.15 TERMINAL QUESTIONS

1) Can Copyright and related rights be defined?
2) Write a note on the evolution of Copyright.
3) What role WIPO plays in copyright protection?
4) What are the kind of rights that are included in the copyright?
5) Write note on the Indian Copyright Board.

8.16 ANSWERS AND HINTS

Self Assessment Questions

1) (a and b) Refer to Section 8.3
2) a) Refer to Section 8.4 & 8.5
   b) Refer to Section 8.6 & 8.7
   c) Refer to Section 8.8

Terminal Questions

1) Refer to Section 8.1
2) Refer to Section 8.3
3) Refer to Section 8.6 & 8.7
4) Refer to Section 8.9
5) Refer to Section 8.11

8.17 REFERENCES AND SUGGESTED READINGS

1) *Background Reading Material on Intellectual Property Rights* (WIPO, 1988)
2) *WIPO Handbook: Policy, Law and Use* (WIPO) see www.wipo.int
3) Copyright Act, 1957 (as amended in 1994).
4) Bainbridge I. David (1990) *Computers and the Law*, Pitman.
5) Nimmer, Melville B. and Paul Edward Geller (1998), International Copyright Law and Practice.

UNIT 9 INDUSTRIAL PROPERTY RIGHTS - I

Structure

9.1 Introduction

9.2 Objectives

9.3 Patents

- 9.3.1 Criteria of Patentability
- 9.3.2 What are not Petentable Inventions?
- 9.3.3 Patenting Life Forms

9.4 Utility Models

9.5 Industrial Designs

9.6 Layout-designs of Integrated Circuits

9.7 Summary

9.8 Terminal Questions

9.9 Answers and Hints

9.10 References and Suggested Readings

9.1 INTRODUCTION

Industrial Property Rights include patents, trademarks, industrial designs and trade secrets. The scope of industrial property rights has increased in recent years as it now seeks to protect and include such areas as domain names, geographical indications, plant varieties, biodiversity and traditional knowledge. In the present unit we shall discuss about patents, designs, utility models and layout designs of integrated circuits. All these are now categorized as intellectual property rights and exhibit many similarities. Patent, to put it in simple terms, is a monopoly right granted through a statute to an inventor so that he or she could reap some benefits or rewards from his or her invention. Designs, on the other hand, are also important aspects of intellectual property system and are usually granted protection through registration. Design protection has some similarities with copyright protection. A distinction is made between designs and industrial designs. We are concerned herewith industrial designs. According to Section 2 (d) of The Designs Act, 2000 "design" means "only the features of shape, configuration, pattern, ornament, or composition of lines or colours applied to any article whether in two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye; but does not include any mode or principle of construction or anything which is in substance a mere mechanical device, and does not include any trade mark as defined in clause (v) of sub-section (1) of Section 2 of the Trade and Merchandise Marks Act, 1958 or property mark as defined in Section 419 of the Indian Penal Code or any artistic work as defined in clause (c) of Section 2 of the Copyright Act, 1957". Utility models could also be regarded as part of patents. Utility models deals with small inventions and innovations which

is not eligible for patenting due to strict norms of patentability but additions to patented inventions is by the patentee. The protection of layout designs of integrated circuits is also subject to a new law in India. We should note that some of these new laws and intellectual property protection mechanisms have been introduced in India on account of India's obligation under the Agreement on Trade-related aspects of Intellectual Property Rights (TRIPs). In this unit while discussing issues relating to patents we also look at some of the provisions of the TRIPs Agreement and how India has attempted to change its own IPR laws to give effect to this international obligation. We begin our journey by looking at patents.

9.2 OBJECTIVES

After reading this unit, you should be able to:

- explain industrial property rights;
- elaborate the criteria of patentability;
- explain pre- grant and post-grant opposition; and
- describe about industrial design, utility models and layout design of integrated circuits.

9.3 PATENTS

Patents have a long history in India, although it was a British legacy. In India, the patent law was introduced by the British more than hundred years ago to protect their own inventions within their 'colonial territory'. It was not introduced keeping in view the concerns of the local people in any of the colonies held by them. The first enactment was – *Act for Granting Exclusive Privileges to Inventors of 1856.* This enactment provided for the protection of inventions in India. Later, a new enactment was introduced in 1859 modeled on the English Patent Act of 1852. Under this Act, an inventor of a new invention by filing a specification of his invention obtained the "exclusive privileges of making, selling and using the invention in India and authorizing others to do so for a term of 14 years from the time of filing such specification." For the purpose of providing protection for designs, the "Patents and Designs Protection Act" was passed in 1872.

An amendment Act affording protection to inventors desirous of exhibiting their inventions at exhibitions was passed in 1883. Subsequently, in 1888 the law continued in three Acts of 1859, 1872 and 1883 was consolidated into a single Act. The same was revised and replaced by the Indian Patents and Designs Act, 1911. This Act established for the first time in India a system of patent administration under the management of the Controller of Patents. In the period from 1911 to 1970, various amendments to this Act were introduced.

Efforts to evolve its own patent law by India began soon after independence. The focus was to evolve a law and policy based on the detailed assessment of the local situation. The *Bakshi Tek Chand Committee* which was constituted in1949, soon after India's independence, had noted that the existing colonial law on the subject i.e., Indian Patents and Designs Act, 1911 had failed to stimulate inventive activity. Subsequently, a Committee was set up in 1957 under the

chairmanship of Justice *Rajagopala Ayyangar* to look into the revision of patent laws in India. This Committee submitted its Report in 1959. The 1970 Indian Patent Law was primarily based on the recommendations of this Committee. This Committee, *inter alia*, noted – "The patent law of an underdeveloped country like India should be so designed as to enable the country to achieve rapid industrialization and to attain, as quickly as possible, a fairly advanced level of technology giving inventors and investors sufficient inducement and protection by patent grants and at the same time safeguarding its national economic and social interest". (See N. Rajagopala Ayyangar, *Report on the Revision of the Patent Law* (New Delhi, 1959). Before finally adopting the 1970 Act, the Indian Parliament debated the contours of its new law at great length. It was also examined by a Parliamentary Committee.

9.3.1 Criteria of Patentability

India amended its patent law in 2005 to provide only product patents to all patentable subject matter. Till then, it used to grant product patents in all fields except for medicines and food articles. In these fields, only process patents were granted. The 2005 amendment changed all that by deleting Section 5 of the Patents Act, 1970 and made it consistent with the TRIPs Agreement.

It is a generally recognized principle that a patent for an invention should be granted only when it fulfills the following criteria, namely, it is (a) new; (b) involves an inventive step; and (c) industrially applicable. Where the invention for which a patent is applied for fulfills these three conditions, the invention is termed as patentable subject to certain conditions such as e.g., sufficiency of disclosure. Section 3 of the Indian Patents Act, 1970 provides for inventions that are not patentable which we shall examine later. The Indian Supreme Court in a decision delivered in 1982 observed that "...the fundamental principle of patent law is that a patent is granted only for an invention which must be new and useful. That is to say, it must have novelty and utility. It is essential for the validity of a patent that it must be the inventor's own discovery as opposed to mere verification of what was already known before the date of the patent"[1]. These three conditions are usually referred to as the 'substantive conditions of patentability'. They are 'substantive' because they concern the essence, the technical content of the solution claimed to be an invention in the patent application.

We should begin our discussion by looking at what kinds of things could be brought under the purview of patents. To put in simple terms, it is stated that inventions are usually the subject matter of patents. However, all kinds of inventions are not patentable. Inventions that need to be protected under patents should, as mentioned above, fulfill certain minimum patentability criteria. In such a situation, it may be appropriate to consider the definition and scope of invention itself.

TRIPs Agreement in Article 27 (1), for instance, provides that "...any inventions whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application". The Indian Patent Act, 1970 vide in its amendment incorporated in 2002 also defines in Section (j) an 'invention' as a "new product or process involving an inventive step and capable of industrial application". This definition of 'invention' has

[1] *Bishwanath Prasad Radhey Shyam v. Hindustan Metals Industries*, AIR 1982 SC 1444.

been supplemented by another definition on "new invention" in Section 2 (l). This definition was added in 2005 and it *inter alia*, provides "...any invention or technology which has not been anticipated by publication in any document or used in the country or elsewhere in the world before the date of filing of patent application with complete specification le., the subject matter has not fallen in public domain or that it does not form part of the state of the art". The salient elements of these definitions are:

- an invention must be new;
- it could either be a product or a process that would be used in obtaining the product;
- invention could be from all fields of technology or it could be any invention or technology. In other words, no area of technology is excluded from the purview of Indian patent law;
- it should involve an 'inventive step'. What is an 'inventive step'?
- it should have 'utility' or should be capable of industrial application;
- invention should not be anticipated by publication in any document. If the invention is known through publication it no longer retains the criterion of 'novelty' or 'newness'.

We shall examine each of these elements separately.

Novelty

The legal aspects of the definition of novelty primarily take into account qualitative aspects of disclosure of a new invention. Invention must teach those who are experts or those who are skilled in the art something which they did not know from prior publications or experience. If the invention does not appear to be already part of the 'state of the art', the invention could be termed as 'new'. Generally speaking, "state of the art' is defined as the sum and total of human knowledge which has at any time been made available to the public anywhere in the world and in any way.

The Indian Patent Act, as mentioned above, provides for world-wide novelty. Section 2 (l) refers to "...invention or technology which has not been anticipated by publication in any document or used in the country or elsewhere in the world..." It is, therefore, clear that prior publication, use or working of an invention create conditions which could be termed as 'novelty-destroying' or 'anticipation'.

Anticipation has been defined as "a description of a prior document or use which discloses or involves the totality of the invention which is being claimed". An important aspect of novelty in the context of anticipation relates to its possible time-frame. Could anticipation be taken back in time indefinitely? The answer for this is in the negative as the compulsory search for novelty cannot be done in terms of indefinite period. Indian Patents Act, 1970 in Section 29 provides that "An invention claimed in a complete specification shall not be deemed to have been anticipated by reason only that the invention was published in a specification filed in pursuance of an application for a patent made in India and dated before the 1st day of January 1912". Further, Section 29 provides for situations in which invention claimed in a complete specification may be stated to be not anticipated. It may be worthwhile to note these situations. These are:

- where the title was derived and published without the consent of the patentee or applicant;
- where the patentee or the applicant for the patent or any person from whom he derives title comes to know about the publications before the date of application for the patent, such prior knowledge is not considered anticipated;
- where a complete specification was filed in pursuance of an applicant for a patent made by a person being the true and first inventor or deriving title from him, an invention claimed in that specification would not be deemed as anticipated by reason only of any other application for a patent in respect of the same invention made in contravention of the rights of the person, or by reason only that after the date of filing of that other application the invention was used or published, without the consent of the person, by the applicant in respect of that other application, or by any other person consequence of any disclosure of any invention by that applicant;
- where previous communication was made to the Government to investigate the invention or its merits, such a communication concerning an invention claimed in a specification was not deemed anticipated;
- where the invention was displayed at an industrial or other exhibition with the official consent of the Government;
- where the description of the invention in a paper read by the true and first inventor before the learned society or published with inventor's consent in the transaction of such society;
- apart from these specific exceptions to the principle of anticipation, the Indian Patent Act also provides for the working of the invention for the purpose of reasonable trial, if necessary in public.

Inventiveness

The patent laws generally require that patentable technical information be both new and inventive. Novelty by itself is insufficient. If it were sufficient, it is argued, inventors might produce innumerable number of technological variations and claim that each new invention is patentable. Patentable invention is measured against the state of the art and is granted protection only if it is of some relevance in the context of its technology. The invention must be inventive, that is, the result of a creative idea and it must be a step, that it is, noticeable. It is further noted that there must be a clearly noticeable distance between the state of the art and the claimed invention. It is further explained that the difference between the claimed invention and the state of the art must be 'non-obvious'. Something is obvious when it comes automatically to one's mind. Something is not obvious when one feels that the invention is something new and different from the existing knowledge. TRIPs Agreement while referring to 'inventive step' in Article 27 (1) clarifies in a footnote that the term 'inventive step' is used in synonymous with the term "non-obviousness". It does not, however, define the term specifically anywhere and it leaves to member States to define in their national legislations these aspects. We could, therefore, examine the Indian practice below.

The Indian Patent Act (as amended in 2002 and 2005) defines an 'inventive step' in Section 2 (ja) as "a feature of an invention that involves technical advance as compared to the existing knowledge or having economic significance or both

and that makes the invention not obvious to a person skilled in the art". There are other references to inventive step under the Indian Patent Act.

The newly introduced Section 25 relating to the "Opposition proceedings to grant of patents" provides for various grounds on which patent application could be opposed. This is known as pre-grant opposition. One of the grounds for this pre-grant opposition relates to a situation wherein the invention in question does not involve any inventive step, having regard to the matter published ... having regard to what was used in India it is provided that Another reference to inventive step. The lack of inventive step is also one of the grounds for revocation of patents under Section 64 (f) of the Indian Patent Act which *inter alia*, provides that "the invention so far as claimed in any claim of the complete specification is obvious or does not involve any inventive step, having regard to what was publicly known or publicly used in India or what was published in India or elsewhere before the priority date of the claim".

All these efforts to define inventiveness go to show that the requirement to establish the quality of inventiveness or non-obviousness is a legal one but clearly the ascertainment of whether this is satisfied will depend upon an essentially scientific comparison of the invention claimed against the existing state of the art in that technology. The notional person skilled in the art would be someone who is familiar with the particular technology within which claims to inventiveness have to be made. Nevertheless, a reference to 'someone skilled in the art has definite legal connotations; it means, a person to whom the new technical information is addressed and who understands all technical literature in the technology but who, on the other hand, would not have the capacity to create or invent new technical information.

Industrial Applicability

Considering this requirement of industrial applicability or utility, it should be noted, that ideas, concepts or notions cannot be patented *per se*. On the contrary, technical information incorporating ideas, notions or intellectual concepts become patentable to the extent that these are embodied in some practical, technical and industrial application as well as satisfy the previous criteria of being new and inventive. The reasons for not granting patent protection to merely ideas, theories and concepts could be explained in terms of the absence of direct industrial utility. It may be argued that it is quite feasible to grant patent protection to ideas as it could have the advantage of a possible recouping of expenditure on their creation and generation; however, weighed against this is the likelihood that giving such protection would prevent access by others altogether to certain areas of research. This would act as a restraint rather than stimulus to research, investigation and the creation of ultimately useful, practical and valuable innovation.

Indian patent law merely makes a reference to this criterion in Section 2 (j) of its Patent Act without really defining what it means. However, while defining 'inventive step', as mentioned above, refers to the 'economic significance' of the invention. TRIPs Agreement clarifies that this term be used in synonymous with the term "useful". Some times the term employed is 'industrial utility'. What is 'utility' in a given context? This could pose difficulties in terms of interpretation. The US Patent Law, for example, requires that it is not sufficient for an inventor merely to have an idea. He must also put the idea into practice.

In many research institutions numerous ideas are generated whether in the field of pure research or when applied in the creation of a specific product; these institutions in the course of time create valuable scientific data or knowledge; but these wealth of knowledge cannot be patented as majority of them would be industrially or commercially unviable at that point of time.

The basic requirement, however, is that an invention, in order to be patentable, must be made applicable for practical purposes. Inventions must not be purely theoretical. If the invention is intended to be a product or part of a product, that product must be capable of being made. If it is a process or part of a process, that process must be capable of being carried out or 'used'.

Self Assessment Question **(Spend 3 minutes)**

1) a) How did patent law evolve in India?

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b) What are the criteria for protection of patents

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9.3.2 What are not Petentable Inventions?

Section 3 of the Indian Patent Act has an exhaustive list of categories of inventions that are not patentable. These are:

- frivolous inventions; those inventions obviously contrary to well established natural laws;
- an invention the primary or intended use or commercial exploitation of which would be contrary to public order or morality or which causes serious prejudice to human, animal or plant life or health or to the environment. This provision is consistent with the language of Article 27 (2) of the TRIPs Agreement. This was added by India into its patent law by way of an amendment in 2002;
- mere discovery of a scientific principle or the formulation of an abstract theory or discovery of any living thing or non-living substances occurring in nature;
- mere discovery of a new form of a known substance which does not result in the enhancement of the known efficacy of that substance or the mere discovery of any new property or new use for a known substance or of the mere use of a known process, machine or apparatus unless such known process results in a new product or employs at least one new reactant; (The language of this provision was included in the Indian Patent Law in 2005. Major developing countries like Brazil, India and others have included this provision to tackle the problem of big companies taking what has been

termed as 'incremental patents on known substances with a view to extend the life of the patent grant);

- a substance obtained by a mere admixture resulting only in the aggregation of the properties;
- mere arrangements and rearrangements or duplication of devices;
- method of agriculture or horticulture; this is specific India;
- any process for the medicine, surgical, curative, prophylactic, diagnostic, therapeutic or other treatment of human beings or any process for a similar treatment of animals (as per Article 27 of the TRIPs Agreement);
- plants and animals, seeds, varieties and species, essentially biological processes; not microorganisms (as per Article 27 (3) of the TRIPs Agreement);
- a mathematical or business methods or a computer programme or algorithms (although these are excluded under the Indian law, patent laws of US and European Union allow some of these to be patented, specifically business methods and computer programme or software-related inventions as long as they are part of a technical detail of an invention);

The Patent Application

Once the substantive contents of the patentable inventions are decided the next step is to apply for the patents. Chapter III of the Indian Patents Act (from Section 6 to 11) provides for the process of applying for patents and its examination by the examiners. Any person who claims to be the true and first inventor of the invention or his assignees, legal representatives could apply for patents. Every application will describe only invention only. The patent application essentially has four elements. These are:

- contents or claims in a patent application i.e., the kind of information to be presented in the application;
- physical requirements of a patent application i.e., questions to be examined, presentation of the content e.g., whether in a prescribed format, text or drawings or models of the invention to be presented;
- determination of the priority of the application; there will be a priority date for each claim of a patent application (Section 11 of the Indian Patent Act which provides how this priority date is determined). What is a priority date in a patent application? The priority date simply provides the inventor a proof that he was the first person to go to patent office and file his patent application and that he could exercise his right to get the patent for invention over other competitors in the field.
- payment of prescribed fee.

Thereafter, the patent application will go for publication and examination in the patent office subject to certain specified rules and regulations. There will be a search for anticipation by previous publication and by prior claim. India has introduced in Section 25 the provisions for opposing the grant of patents which has been termed as 'pre-grant opposition'. There are number of grounds, some of which we have already discussed, based on which a patent could be opposed before it is granted. To briefly recount some of them – that the patent

is already known or that it has been wrongfully obtained, does not fulfill the patentability criteria, no proper or complete disclosure of the patentable invention in the patent application and that the invention is already known or that it has already been in the public domain.

According to Section 9 the filing of a patent application is accompanied by a provisional application. A complete specification shall be filed within twelve months from the date of filing of the provisional application. If the complete specification is not so filed, the application shall be deemed abandoned. A complete specification describes the invention and begins with a title sufficiently indicating the subject-matter to which the invention relates (Section 10 of the Indian Patent Act). While describing the invention, drawings and other necessary tools may be used to sufficiently describe the invention. Section 10 (4) of the Indian Patent Act provides that every complete specification should do the following:

- fully and particularly describe the invention and its operation or use and the method by which it is to be performed;
- disclose the best method of performing the invention which is known to the applicant and for which he is entitled to claim protection; and
- end with a claim or claims defining the scope of the invention for which protection is claimed;
- be accompanied by an abstract to provide technical information on the invention;

It is provided that any person who is the true and first inventor of the invention could file the application. Any assignee of the true and first inventor or any legal representative of the said true and first inventor could apply for a patent (Section 7 of the Indian Patent Act). It is further provided that every application for patent shall be for one invention only. The Indian Patent Act now provides for the filing of an international application under the Patent Cooperation Treaty.

Pre-Grant Opposition

Once the complete specification is filed, the next step is the 'publication and examination of applications' followed by the opposition proceedings to grant of patents. According to Section 25 of the Indian Patent Act "...any person may, in writing, represent by way of opposition to the Controller against the grant of patent". This is known as 'pre-grant opposition'. Broadly, the grounds on which this opposition is based are as under:

a) wrongfully obtaining the invention;

b) prior publication;

c) publicly known or publicly used in India;

d) invention claimed is obvious and clearly does not involve any inventive step;

e) not patentable as an invention;

f) complete specification does not sufficiently or clearly describe the invention or the method by which it is to be performed;

g) insufficient or false information;

h) that the complete specification does not disclose or wrongly mentions the source or geographical origin or biological material used for the invention;

i) invention anticipated having regard to the knowledge, oral or otherwise, available within any local or indigenous community in India or elsewhere.

The same grounds, as mentioned above, could be used to challenge the grant of patent within one year from the date of publication of the grant. This is known as 'post-grant opposition'.

It should be noted that these pre-grant and post-grant oppositions are examined by an Opposition Board constituted as per provisions of the Indian Patent Act by the Controller of Patents.

Right of Priority

The right of priority, as mentioned above, is another important principle that is part of the patent grant. According to Section 11 of the Indian Patent Act each claim of a complete specification shall have a priority date.

Term of Patent

How long a patent should be protected? This is an important aspect of patent grant. Before TRIPs regime, countries would fix the term taking into account their domestic requirement. India, for example, had fixed the patent term for 14 years for all categories and 7 years for pharmaceutical and medicines. This has been amended now to make its provisions consistent with TRIPs Agreement. Section 53 of the Indian Patent Act provides that the patent term "shall be twenty years from the date of filing of the application for the patent. This amendment to Indian law came into effect through an amendment in 2002. Article 33 of the TRIPs Agreement provides that the "term of protection available shall not end before the expiration of a period of twenty years counted from the filing date".

It should be noted that the filing date of the patent application is different from the date of the grant of patent. The patent term begins from the date of filing with a view to provide full protection of the exclusive right. In the absence of such a protection from the filing date, a patent applicant will not have any kind of protection for his patent application from the date of filing date to the date of patent grant. This period between date of filing and actual date of grant may vary from country to country depending upon the efficiency and other infrastructural facility provided at the local patent office. It could be any time between 18 months and 36 months. It is argued that starting protection only from the date of the grant of the patent for invention would be unjust to the applicant where the patent application is published by the Patent Office before that Office decides to grant the patent. However, effect of the patent for invention would start from the date of grant and five things will happen on the date of grant.

- the patent grant will be announced in patent gazette that the patent for invention has been granted;
- formal publication of the patent grant;
- issuance of a certificate of grant to the applicant;
- copies of the patent specification will be made available to the public.

Local Working of Patents

The local working of the patented invention is crucial to promote the industrialization of the country that grants the patents. It is further argued that patents for invention should not be used merely to block the working of the invention in the country or to monopolize importation of the patented article by the patent owner. Patents are a means to introduce new technology into the country, although some of these decisions would hinge on economic and other considerations. Section 83 (a) of the Indian Patent Act provides that "patents are granted to encourage inventions and to secure that the inventions are worked in India on a commercial scale and to the fullest extent that is reasonably practicable without undue delay".

It should be noted that Article 27 (1) of the TRIPs Agreement equates 'importation' of the patented product to 'local working'. In other words, TRIPs formally recognizes the principle that in order to meet the public interest local working may not be necessary in all circumstances. The product that is in demand can be imported to meet the reasonable requirements of the market.

Section 84 of the Indian patent law, accordingly, provides number of options. Compulsory licensing of the patented invention three years after the date of grant is one such option. It could be issued on any of the following grounds

a) that the reasonable requirements of the public with respect to the patented invention have not been satisfied;

b) that the patented invention is not available to the public at a reasonably affordable price; or

c) that the patented invention is not worked in the territory of India.

While granting compulsory license the terms and conditions for grant should also be taken into account. These terms and conditions have been listed in Section 90 of the enactment that *inter alia,* includes issues relating to royalty and other remuneration; that the license granted is a non-exclusive one; that the patented articles are made available to the public at affordable prices; that the licensee is granted with a predominant purpose of supply in the Indian market and that the licensee may also export the patented product, if need be. According to Section 84 of the Patents Act, 1970, taking into account the above grounds a patented invention may be revoked in public interest as well after the expiry of two years from the date of grant of compulsory license.

9.3.3 Patenting Life Forms

Section 3 (j) of the Indian patent law provides that plants and animals in whole or in part are not patentable. It also provides that seeds, varieties and species and essentially biological processes for production or propagation of plants and animals are not patentable. However, microorganisms are patentable. The amended Indian Patent Act now incorporates provisions (in Section 9) that relate to the description of 'biological material' in the specification. In the absence of proper description of the 'biological material', the Indian law requires that the 'biological material' be deposited to an international depository authority under the Budapest Treaty i.e., Treaty on the International Recognition of the Deposit of Micro-organisms for the purpose of Patent Procedure done at Budapest on 28th April 1977, by fulfilling the following conditions:

a) proof that the deposit of the material has been made before filing the patent application in India;

b) all the available characteristics of the material required for it to be correctly identified or indicated to be included in the complete specification... including the name and address of the depository institution and the date and number of the deposit of the material at the institution;

c) access to the material to be made available only after the date of the application of patent in India; and

d) disclose the source and geographical origin of the biological material in the specification, when used in an invention.

In the above discussion we have seen various aspects of patent with specific focus on India and how India has attempted to implement its obligations undertaken under TRIPs Agreement. In the following discussion we shall examine some of the other aspects of IPRs.

Self Assessment Questions **(Spend 3 minutes)**

2) a) What kinds of inventions are excluded from patenting?

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b) What are the grounds for pre-grant opposition?

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c) What is India's position on patenting of life?

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9.4 UTILITY MODELS

Utility Models could be regarded as second-tier patents. It helps in developing and improving a product. The protection framework and the criteria for protection envisaged by utility model is less stringent than patents. It is granted for small inventions. Sometimes these are termed as 'incremental inventions'. Utility models are very helpful for small scale industries that regularly come out with minor improvements or adaptations of the existing products. Therefore, utility models are termed as 'petty patents' or as 'innovation patents'. Utility models are also termed as 'patents of addition' as they are improvements of existing patents.

The criteria for granting utility models are same as patents. It should be new, should have an inventive step and should be industrially applicable. However,

the applicability of this criteria will be less stringent. Even it is proposed that a lengthy process of examination and opposition proceedings as it exists for patents could be avoided for utility models. Even the period of protection could be shorter. For patents period of protection is 20 years. It is proposed that utility models could have 6 to 8 years of term of protection. Alternatively a registration-model has also been proposed for the utility models.

In India, as of now, there is no legal framework that recognizes such a model. Government has just proposed the possibility of coming out with a legal framework on utility models. It is still in the discussion stage.

9.5 INDUSTRIAL DESIGNS

Industrial designs are protected separately. There is one argument which says that designs, including industrial designs could be protected by copyright. No doubt, there is a overlap of protection and designs at certain stages are protected through copyright as well. A complete copyright protection would provide a design a term of protection which would be more than sixty years. Besides this, the criteria for protection of industrial designs are also different and the threshold of protection in term of originality is not as strict as patents. A shorter term of protection for industrial designs would also be helpful. So, there is a separate IP regime for industrial designs. Indian had enacted a legislation along with patent, titled, Patents and Designs Act way back in 1911. After we enacted a separate legislation for patents in 1970, we decided to keep the law relating to designs separately. Pursuant to India's obligations under TRIPs Agreement India brought out a new legislation, namely Designs Act, 2000.

Designs, specifically 'Industrial Designs' are protected through registration. The Designs Act, 2000 is an enactment to provide for the protection of designs. We should first look at the definition of a design. Section 2 (d) of the Designs Act defines a 'design'. It means only the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article whether in two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye; but does not include any mode or principle of construction or anything which is in substance a mere mechanical device, and does not include any trade mark as defined in clause (v) of sub-section (1) of Section 2 of the Trade and Merchandise Marks Act, 1958 or property mark as defined in Section 479 of the Indian Penal Code or any artistic work as defined in clause (c) of Section 2 of the Copyright Act, 1957.

It should be noted that the Indian Designs Act, 2000 has been enacted to give effect to the provisions of the TRIPs Agreement. Chapter II of the Act provides for the registration of design. All designs are not registered. Section 4 of the Indian enactment provides that "a design which is not new or original or has been disclosed to the public anywhere in India or in any other country by publication in tangible form or by use or in any other way prior to the filing date" cannot be registered. A design which is not significantly distinguishable from known design or combination of known design or comprises or contains scandalous or obscene matter also cannot be registered. The enactment also provides for granting of certificate of registration after fulfilling the required

formalities. Section 11 of the Designs Act provides for the term. It provides copyright protection on registration of design for ten years. This protection can be extended by another five years after payment of fees. The design registration would lapse no fees are paid on time and within the specified timeframe.

This new law on designs in India was brought into effect on account of TRIPs obligations. So, in the following discussion we look at some of the important and salient features of the TRIPs Agreement relating to designs.

Articles 25 and 26 of the TRIPs Agreement provide for the minimum standards that WTO members should meet while providing for the protection of designs. It further provides for the protection of all independently created industrial designs that are new or original. It also allows its Members to provide that designs are not new or original if they do not significantly differ from known designs or combinations of known design features. WTO members may provide that such protection shall not extend to designs dictated essentially by technical or functional considerations.

Article 26 of the TRIPs Agreement requires Members to grant the owner of a protected industrial design 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. It further allows WTO Members to 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 the protected design, taking account of the legitimate interests of third parties.

9.6 LAYOUT-DESIGNS OF INTEGRATED CIRCUITS

The intellectual property protection of layout-designs of integrated circuits fall into a specific category and are protected now separately. Why do these new technical developments need a separate kind of IP protection? Article 35 of the TRIPS Agreement requires Member countries to protect the layout-designs of integrated circuits in accordance with the provisions of the IPIC Treaty (the Treaty on Intellectual Property in Respect of Integrated Circuits), negotiated under the auspices of WIPO in 1989. These provisions deal with, inter alia, the definitions of "integrated circuit" and "layout-design (topography)", requirements for protection, exclusive rights, and limitations, as well as exploitation, registration and disclosure. An "integrated circuit" means a product, in its final form or an intermediate form, in which the elements, at least one of which is an active element, and some or all of the interconnections are integrally formed in and/or on a piece of material and which is intended to perform an electronic function.

A "layout-design (topography)" is defined as the three-dimensional disposition, however expressed, of the elements, at least one of which is an active element, and of some or all of the interconnections of an integrated circuit, or such a three-dimensional disposition prepared for an integrated circuit intended for manufacture. The obligation to protect layout-designs applies to such layout-designs that are original in the sense that they are the result of their creators' own

intellectual effort and are not commonplace among creators of layout-designs and manufacturers of integrated circuits at the time of their creation. The exclusive rights include the right of reproduction and the right of importation, sale and other distribution for commercial purposes. Certain limitations to these rights are provided for.

In addition to requiring Member countries to protect the layout-designs of integrated circuits in accordance with the provisions of the IPIC Treaty, the TRIPS Agreement clarifies and/or builds on four points. These points relate to the term of protection (ten years instead of eight, Article 38), the applicability of the protection to articles containing infringing integrated circuits (last sub clause of Article 36) and the treatment of innocent infringers (Article 37.1). The conditions in Article 31 of the TRIPS Agreement apply mutatis mutandis to compulsory or non-voluntary licensing of a layout-design or to its use by or for the government without the authorization of the right holder, instead of the provisions of the IPIC Treaty on compulsory licensing (Article 37.2).

India, to give effect to the obligations under TRIPs Agreement, enacted legislation in 2000 known as "The Semi Conductor Integrated Lay Out Designs Act, 2000.

Self Assessment Question **(Spend 3 minutes)**

3) a) What are utility models?

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b) What is the scope protection for industrial designs?

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9.7 SUMMARY

- The patentable subject matter is usually comprises of an invention. Section 2 of the Indian Patents Act defines an 'invention'.
- An invention to be patentable should fulfill the patentability criteria. These criteria are: novelty, inventiveness and industrial applicability.
- Anticipation of the invention or falling of the invention into public domain also needs consideration. Chapter VI of the Indian Patent Law (from Section 29 to 34 incorporates provisions relating to anticipation).
- Indian Patents Act, 1970 has been amended three times (in 1999, 2002 and 2005) to bring its provisions conformity with TRIPs requirements. Section 5 of the enactment providing for the patenting of inventions where only methods of processes of manufacture such as in the field of pharmaceuticals and food articles was deleted in 2005.

- The term of the patent is also crucial. Now the term is usually 20 years from the date of filing.
- A patent application will have to be filed in accordance with provisions of the Patents Act.
- The domestic legislation may provide for specific requirements with regard to disclosure and the models, drawings etc. to be submitted.
- Section 3 (j) of the Indian patent law provides that plants and animals in whole or in part are not patentable. It also provides that seeds, varieties and species and essentially biological processes for production or propagation of plants and animals are not patentable. However, microorganisms are patentable.
- Section 83 (a) of the Indian Patent Act provides that "patents are granted to encourage inventions and to secure that the inventions are worked in India on a commercial scale and to the fullest extent that is reasonably practicable without undue delay";
- Section 53 of the Indian Patent Act provides that the patent term "shall be twenty years from the date of filing of the application for the patent".
- According to Section 11 of the Indian Patent Act each claim of a complete specification shall have a priority date.
- According to Section 25 of the Indian Patent Act "...any person may, in writing, represent by way of opposition to the Controller against the grant of patent". This is known as 'pre-grant opposition'.
- Utility Models are granted for small or incremental inventions.
- Industrial Designs are protected taking into account colour, shape and other similar ingredients of the article.
- Layout-designs of integrated circuits are now protected in India under a new legislation.

9.8 TERMINAL QUESTIONS

1) How do you establish the criterion of novelty in patents?
2) What is inventiveness?
3) What is an utility model?
4) What criteria are applied in protecting industrial designs?

9.9 ANSWERS AND HINTS

Self Assessment Questions

1) a) Refer to Section 9.3
   b) Refer to Section 9.3
2) a) Refer to Sub-section 9.3.3
   b) Refer to Sub-section 9.3.2
   c) Refer to Sub-section 9.3.3

3) a) Refer to Section 9.4

b) Refer to Section 9.5

Terminals Questions

1) Refer to Section 9.3

2) Refer to Section 9.3

3) Refer to Section 9.4

4) Refer to Section 9.5

9.10 REFERENCES AND SUGGESTED REEADINGS

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UNIT 10 INDUSTRIAL PROPERTY RIGHTS - II

Structure

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10.3 Trademarks

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- 10.3.4 Collective Marks
- 10.3.5 Certification Marks
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10.14 Answers and Hints

10.15 References and Suggested Readings

10.1 INTRODUCTION

In this unit we shall discuss other aspects of industrial property such as trademarks, trade secrets, geographical indications, plant varieties and farmers rights. Industrial property essentially relates to patents, designs and trademarks. These aspects of property rights relate to industry. Therefore, they are termed as industrial property rights. In the last unit we have examined the legal and other issues concerning patents, designs and other related issues. In this unit we

will be examining some of the new and emerging areas in the area of industrial property rights. Some of them e.g., farmers rights and plant varieties, cannot be strictly termed as industrial property rights. However, entire debate about the protection of these areas by intellectual property right has had emerged from the arena of patents, specifically in the context of the World Trade Organization's (WTO) Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs). Article 27 of the TRIPs Agreement widened the ambit of this debate and included some of these aspects into the broader theme of intellectual property rights. Article 27 (3) of the TRIPs provided that the plant varieties be protected either by patents or by a *sui generis* system (means a class by itself). Issues relating to biodiversity and genetic resources were included post-Doha Ministerial negotiations of the WTO. Clause 19 of the Doha Ministerial Declaration sought to widened the ambit of discussion relating to Article 27 (3) (b) of the TRIPs Agreement. Therefore, these issues are now part of the discourse on intellectual property rights (IPRs).

In this part we will be studying three other types of intellectual property rights (IPRs) systems. They are, namely, geographical indications (GIs), trade secrets and confidential information. Trade secrets and confidential information, more or less, provide the same kind of protection. Accordingly, they could be discussed together. GIs are, in one sense, are new kind of an IPR for developing countries, including India. In Europe GIs were in place for a very long time. They were called by different names such as 'appellations of origin' and 'indications of source'. The Paris Convention for the Protection of Industrial Property specifically includes in Article 1 (2) 'indications of source' and 'appellations of origin'.

We will examine some of these issues in the following and we begin our study by looking at the various issues relating to trademarks.

10.2 OBJECTIVES

After reading this unit, you should be able to:

- explain what are trademark and their kinds;
- distinguish between collectives marks, certification marks, well known marks etc.;
- discuss the importance of trade secrets;
- explain domain names;
- explain geographical indications;
- describe the plant varieties and farmers rights;
- explain biodiversity, Traditional Knowledge (TK) and IPRs; and
- explain farmers rights, biopiracy etc.

10.3 TRADEMARKS

A trademark is a distinct identification mark ascribed to goods, or services. This distinctness originated for the purpose of indicating a connection with goods,or services in the course of trade. It is often linked to the quality or other related issues relating to goods,or services. In other words, a trademarked goods,or

service carries with it a measure of goodwill and reputation as well. It also distinguishes and categorizes the goods, or service of one company from the other based on distinctness, quality and other related configurations. Trademarks are also important from the view point of consumers. It would make task of the consumers easier in choosing between the available competing products goods, or service. They will be sure of the nature and quality of the goods or service by identifying the trademark associated with goods or services.

Trademarks can be of different kinds. They may be coined words, signs or device. The mark may include a device, brand, heading, lable, ticket, name, signature, words, letter, numererals, shape of goods, packaging or combination of colours or any combination thereof. In recent times, single colour, specific shapes, particular odours, 3D hologram, sound, moving images in a given context are also being considered for trademark protection. For example shape of cocacola bottle, Toblerone triangular chocolate, 'purple colour' for Cadbury chocolate. Generally, all countries protect trademark through registration. If it is through registration, the trademarks laws usually require that a mark be visible rather than audible or olfactory (i.e., smell and odour). We shall examine them briefly in the following discussion.

The trademark regimes are regulated through national and international legal frameworks. At the international level there are several multilateral conventions that outline the minimum standards of protection. The Paris Convention for the Protection of Industrial Property, 1883 could be regarded as the oldest international convention relating to trademarks. The scope of protection under Paris Convention was limited to industrial property. 'Industrial Property' comprised of patents, trademarks and appellations of origin. It guarantees the rights of national treatment and of right to priority. The other international convention is the Madrid Agreement concerning the International Registration of Marks, 1891. TRIPs Agreement (from Article 15 to 21) provides for the minimum standards that need to be incorporated into the domestic legislations for protection of trademarks. Laws relating to trademarks were introduced in India in the decade of 1940s. Thereafter, independent India enacted a Trade and Merchandise Act, in 1958, followed by another one, post TRIPs, in 1999, namely the Trademarks Act, 1999. This new act amends and consolidates the law relating to trademarks, to provide for registration and better protection of trademarks for goods and services and for the prevention of the use of fraudulent marks.

10.3.1 The Trademarks Act, 1999

The Trademarks Act, 1999 lays down the law governing trademarks with effect from 15 September 2003. This enactment replaced the Trade and Merchandise Act, 1958. The 1958 trademark enactment was based on the colonial act which was introduced in 1940. The 1999 enactment has extended the scope of protection by registration of trademarks for services, besides goods. It provides for a single register and simplifies the procedure for registration. It recognizes well known marks as a distinct category, and provides for registration of collective marks, owned by an association of persons. It firmly discourages persons tempted to exploit other persons' good name in business through false or misleading marks or indications.

The Controller General of Patents, Designs and Trademarks is the Registrar of Trademarks. The Act establishes an IP Appellate Board with the same powers

as are vested in civil court. Any proceedings before the Board are deemed as judicial proceedings. This Board, it should be noted, is common for patents, trademarks and GIs.

The salient features of a trademarks law could be outlined. These are:

- one of the most complex problems that need attention is the clear definition of signs which can serve as marks;
- exclusion of signs which lack distinctive character or which are in conflict with existing marks;
- exclusion of misleading signs;
- exclusion of signs that are in conflict with geographical indications;
- non-registered trademarks to be excluded from protection;
- right to use a mark, despite the existence of a mark of a competitor; regulation of the question whether "parallel importation" i.e., importation of products put on the market by the owner of the mark or with his consent in another country and imported into the country in question under the same mark but without its or his consent, is permitted;
- modes of assignment and licensing without misleading consumers;
- strong protection of consumers against misleading;
- regulation of collective marks and certification of marks, as well as standards of labeling; and
- registration procedures and infringement proceedings;
- institutional arrangements; and
- publication of relevant information and documentation.

10.3.2 What is a 'Trademark'?

We have already defined the trademark in the above section. We know that it has to be a visible sign and should be capable of distinguishing goods and services. Indian Trademark Law specifically requires it be "capable of representing graphically" and should be capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours. TRIPs Agreement, in Article 15 (1) provides a definition of trademark in the following way:

> Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings shall be capable of constituting a trademark.

The visible or graphic signs could be in different formats, such as for example

a) words like 'Apple' for computers;

b) arbitrary or fanciful designations such as 'Pepsi' Coca-Cola', 'Kodak', 'Sony' and so on;

c) names like TATA, Ford, Godrej and others; In certain countries family names or surnames like TATA, Ford etc. could only serve as trademark if it had acquired the so called 'secondary meaning'. This condition is fulfilled if

the public understands the name to serve as a trademark and not just as a reference to a person.

d) slogans like 'whenever you see colour think of us', a very famous slogan coined by a company sell its paints; or 'simplify' of Air Deccan and so on;

e) devices and symbols like the star for 'Mercedes Benz' cars, a big T in three different oval shaped circles for Toyota and such similar examples;

f) numbers like for example in the case of a washing soap '555' or such other similar combinations with words;

g) letters with fanciful combinations such as S×4 for particular kind of Maruthi Suzuki cars; or Wagon-R; and

h) pictures or symbols e.g. on shirts and trousers such as 'Adidas shoes and shirts.

There can be many such examples and if one carefully examines the products in the market it is not difficult to find these examples and the categorisation of these different kinds of trademarks.

The granting and registration of trademarks takes place within national legal regimes. The object of trademark law is to permit an enterprise or a company by registering its marks to obtain exclusive right to use, share, licence or assign a mark. It would, therefore, be important to identify

a) the kind of signs which may be registered as trademarks;

b) the products for which registered marks may be used; and

c) the categories of mark which the law protects.

10.3.3 Kinds of Marks

The scope of trademarks protection varies taking into account the subject matter that needs to be protected. As mentioned above, there are different kinds of marks such as 'certification marks', 'collective marks' and 'well-known marks'. The Trademarks Act ,1999 in Section 2 (2) provides that a 'trademark', unless the context otherwise requires, "shall include reference to "collective mark" or "certification trademark". We shall examine the scope of these different kinds of marks.

10.3.4 Collective Marks

A collective mark could be owned by an association which itself does not use the collective mark but whose members may use the collective mark. For example, an association founded typically to ensure the compliance of certain quality standards by its members. Members could use these marks once they fulfill or comply with the standards set by the association. It is, therefore, stated that the function of the collective mark is to inform the public about certain particular features of the product for which the collective mark is used.

The Paris Convention for the Protection of Industrial Property provides in Article 7*bis* for the collective marks and it requires Member countries provide protection for the collective marks of the other Members. Trademarks Act ,1999 in Section 2 (1) (e) defines 'collective mark' as "a trademark distinguishing

the goods or services of members of an association of persons...which is the proprietor of the mark from those of others". Chapter VIII (Sections 61 to 68) of the Trademarks Act ,1999 deals with various measures, specifically with regard to registration process of such marks.

10.3.5 Certification Marks

A certification mark refers to certain defined standards. Anyone who has been following or applying these standards could use the certification mark. The difference between the 'collective mark' and the 'certification mark' is that the former i.e., collective mark could be used only by the members of an association, while latter i.e., certification mark could be used by anybody who complies with defined standards. The Trademarks Act, 1999 in Section 2 (1) (e) defines a 'certification mark' as 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 performance of services, quality, accuracy or other characteristics from goods and services not so certified." Chapter IX (Sections 69 to 78) of the Trademarks Act ,1999 deals the procedural aspects of granting and registration of 'certification marks'.

10.3.6 Well-known Mark

TRIPs Agreement makes a reference to 'well-known mark' through Article 6bis of the Paris Convention for the Protection of Industrial Property which, *inter alia*, provides that "...In determining whether a trademark is well known, account shall be taken of the knowledge of the trademark in the relevant sector of the public, including knowledge in that Member obtained as a result of the promotion of the trademark". The Trademarks Act, 1999 in Section 2 (2) (zg) defines a 'well known mark" in relation to any goods or services as "a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicting a connection in the course of trade..."

10.3.7 Criteria for Trademarks Protection

Trademarks laws all over the world generally refer to two distinct criteria for granting protection. The first criterion requires the trademark to be distinctive or capable of distinguishing different products. The other criterion requires that it should not be misleading and should not violate public order or morality. It should be noted that Article 6 of the Paris Convention for the Protection of Industrial Property provides that the trademarks that are "devoid of any distinctive character" should not be registered. It further provides that the trademark in question should not be "contrary to morality or public order, and, in particular, of such a nature as to deceive the public". Article 15 (1) of the TRIPs Agreement requires that the signs that are to be protected as trademarks must be "inherently capable of distinguishing the relevant goods and services". We may examine these two criteria in greater detail in the following discussion.

10.3.8 Requirement of Distinctiveness

As stated above, the main function of a trademark is to distinguish the products and services of one enterprise from the products or services of other enterprises.

The idea of distinctiveness arises from this. It has been pointed out that in order to be capable of distinguishing, a trademark must be easily recognizable as a sign which is different from the product itself and also different from the name of the product. To illustrate, a picture of a tea leaf or the word 'tea' are not suitable to serve as trademark for tea, since trademark should not convey the idea of the kind of product but should distinguish a particular product from products of the same kind. Therefore, the task of selection of a distinctive trademark for a particular product or service requires professional skill. The bottom line is – good trademarks clearly distinguish the product or service from competing products or services and appeal to the consumer.

The criterion of 'distinctiveness' operates in three different situations. The first one is 'inherent distinctiveness' i.e., a trademark is distinct as such. The second situation relates to trademark which is not distinctive as such but which has acquired distinctiveness through use. The third situation concerns a trademark which has lost its distinctiveness. We shall examine each of these situations.

10.3.9 Inherent Distinctiveness

A trademark which is unique, arbitrary or fanciful is termed as inherently distinctive. It has been pointed out that the trademark that is inherently distinct "consists of a word or design which invokes a particular idea different from the product or service or consists of a completely new word or design not invoking any particular idea". If the trademark does not evoke such a response or feeling that is distinct, the trademark concerned cannot be inherently distinctive. The Model Law developed by WIPO for Developing countries on Marks, Trade names and Acts of Unfair Competition provides for a *negative test* to identify whether the trademark is inherently distinctive. This has been modeled on the basis of few questions. The questions are:

a) does the proposed trademark consist of shapes and forms imposed by the inherent nature of the products or services or by their industrial functions?

b) does the proposed trademark exclusively consist of a sign or indication which may serve, in the course of trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, or time of production or of supply, of the products or services concerned?

c) Does the proposed trademark exclusively consist of a sign or indication which has become current language or in the *bonafide* and established practices of the trade of the country, a customary designation of the products or services concerned?

d) Is the proposed trademark, for other reasons, incapable of distinguishing the products or services of one enterprise from those of other enterprises?

It is provided that if any one of these questions is to be replied in the affirmative, the trademark lacks inherent distinctiveness. It should be noted that the Section 9 of the Trademarks Act, 1999 incorporates somewhat this 'negative test' while determining the 'inherent distinctiveness'. It, *inter alia*, provides that the trademarks that exhibit the following characteristics shall not be registered:

a) which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person;

b) which consist exclusively of marks or indications which may serve in trade 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;

c) which consist exclusively of marks or indications which have become customary in the current language or in the bonafide and establishing practices of the trade.

10.3.10 Acquisition of Distinctiveness through Use

Lack of inherent distinctiveness is not the end of the road for a trademark or that it is forever excluded from protection. Such trademarks may become eligible for protection if it has acquired distinctiveness through use. A proviso to the Section 9 of the Trademarks Act ,1999, as mentioned above, provides that "a trademark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well-known trademark." WIPO study points out that this is an important principle i.e., acquisition through use, recognized by large number of countries in their national legislations. Article 6 quinquies C(1) of the Paris Convention for the Protection of Industrial Property states that "in determining whether a mark is eligible for protection, all the factual circumstances must be taken into consideration, particularly the length of time the mark has been in use".

WIPO study further points out that in number of countries two different Registers exist for the registration of trademarks and the question in which Register a registration is to be effected depends, *inter alia*, on the fact whether a trademark is inherently distinctive or has acquired distinctiveness through use. Indian law, however, does not make such a distinction. Section 6 of the Trademarks Act ,1999 provides for the creation of Register of Trademarks and any question arising as to the class within which any goods or services falls shall be determined by the Registrar (as per Section 7 (2) of the Indian law). It has been pointed out that his decision in this regard shall be final.

10.3.11 Loss of Distinctiveness

For a trademark 'distinctiveness' is the key. The loss of distinctive character of a trademark could happen in various ways. It may also lose its distinctive character through constant or widespread use. It has been pointed out that this could happen to new products whey they first appear on the market and that they are not yet known under a generic name. WIPO study provides an example. 'Cellophane' was introduced as a trademark for a transparent foil which became a very popular in the market. This led to the widespread use of this name in the market. The word 'cellophane' became another name or word for transparent foils. Thus that trademark changed its meaning; it became the name of a product.

This may not happen uniformly in all countries. The law in different countries might handle it differently. A trademark when it becomes a generic name, it might lose its protection under the trademark law. That was the position in the United States. It should be noted that for this transformation of the trademark to generic name, the owner of the trademark could also be equally responsible. The WIPO Model Law requires removal from the Register a trademark where the registered owner has provoked or tolerated the transformation of the trademark into a generic name…so that, in trade circles and the eyes of the public, its

significance as a mark has been lost. Therefore, to prevent trademark becoming a generic name, a trademark owner whenever he uses the trademark, in particular in advertising, he should always insist on the fact that it is a trademark and not the name of a product or service. In addition, he should use the internationally customary sign ®. He should sue for infringement anybody who uses his trademark for commercial purposes, even if it is used as a generic name.

Section 29 of the Trademarks Act ,1999, dealing with the infringement of registered trademarks, *inter alia*, provides three grounds that relate to the 'generic name' aspect. These grounds are where the trademark is used in the course of trade and a mark which because of (a) its identity with the registered trademark and the similarity of the goods or services covered by such registered trademark; or (b) its similarity to the registered trademark and the identity or similarity of the goods or services covered by such registered trademark; or (c) its identity with the registered trademark and the identity of the goods or services covered by such registered trademark; and it is likely to cause confusion on the part of public, or which is likely to have an association with the registered trademark.

10.3.12 Permitted Use

A registered trademark is infringed when it is used as a mark "which is identical with, or deceptively similar...or in such manner as to render the use of the mark likely to be taken as being used as a trademark" (Section 29 (1) of the Trademarks Act ,1999). One important exception to this rule is, when it is used by way of a 'permitted use'. What is permitted use? The permitted use by a person other than registered proprietor and registered user is allowed (a) when it is used in during the course of a trade; or (b) by consent of the registered owner in a written agreement; or (c) the use complies with any conditions or limitations to which such user is subject and to which the registration of the trademark is subject.

10.3.13 Term of Protection

Article 18 of the TRIPs Agreement provides for the term of protection of trademarks. It proposes a term of no less than seven years after initial registration. It also provides that the registration of a trademark shall be renewable indefinitely. Section 25 of the Trademarks Act, 1999 provides a protection for a period of ten years and it can be renewed from time to time subject to the payment of applicable fees. At the international level, the duration protection varies from ten to twenty years. Some countries like United Kingdom allow initial period of protection seven years and then the renewal of registration to an increasing period of around fourteen years.

Self Assessment Questions **(Spend 4 minutes)**

1) a) Define Trademark with illustrations.

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b) What are different kinds of trademarks?

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c) What criteria are applied for trademark protection?

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10.4 PASSING OFF

We have seen in the earlier section that 'distinctiveness' constitutes the basis for the trademarks protection. Further to this, a trademark should not be misleading or deceptively similar. In other words, there is an attempt to confuse or mislead the public. This can be done very meticulously without violating any of the provisions of the trademark law. An ordinary buyer or a customer might pass it off those goods or services as identical or similar to the other product. This is usually called as 'passing off'. It should be noted that 'passing off' is a common law tort, which could be used to enforce unregistered trademark rights. It attempts to prevent one person from misrepresenting the goods or services as that of another. The basic question that the courts will have to look into is – whether the conduct of one party (a defendant perhaps) is such as to tend to mislead the public or to cause confusion.

The three fundamental elements of passing off are – reputation, misrepresentation and damage to goodwill. These elements were outlined by the House of Lords in their famous decision in the case of ***Reckitt & Colman Ltd v. Borden Inc.*** It has been pointed out that in a suit for passing off the plaintiff must establish.

a) goodwill or reputation attached to his goods or services;

b) he must prove a misrepresentation by the defendant to the public i.e, leading or likely to lead the public to believe that the goods and services offered by him are that of the plaintiffs; and

c) he must demonstrate that he has suffered a loss due to the belief that the defendant's goods and services are those of plaintiffs.

It should be noted that there is a thin line of difference between passing off and infringement of trademarks. Infringement provisions and the consequent remedies are clearly provided in the trademark law. Section 29 of the Trademark Act, 1999 for example, provides for infringement. There is no clear provision of passing off i.e., some person misleading or pass off some goods and services as his own thereby grossly misleading the public. The Indian law, however, provides for the definition and interpretation of what could be termed as 'deceptively similar'.

A deceptively similar or misleading mark has been defined Section 2 (1) (h) of the Indian law as one which "nearly resembles that other mark as to be likely to deceive or cause confusion". It should be noted that a 'deceptively similar' or 'misleading' mark is different from 'false trade description', as defined in Section 2 (1) (i) of the Trademarks Act ,1999. According to this provision a 'false trade description' has several substantive elements. We may highlight here some of the salient points of this. These are:

a) It is a trade description which is untrue or misleading in a material respect as regards the goods or services to which it is applied;

b) any alteration of a trade description as regards the goods or services to which it is applied, whether by way of addition, effacement or otherwise, where that alteration makes the description untrue or misleading in a material respect; or

c) that it misleads with regard to measurement;

d) that the marks or arrangement or combination of goods and services appear to mislead public to believe that the goods or services are manufactured or provided by some person other than the person who really manufactures or provides the services;

e) any false name or initials of a person applied to goods or services in such a manner as if such name or initials were a trade description.

We could briefly outline the difference between 'infringement' of a trademark and the action for 'passing off'. These differences are:

a) as regards infringement of a trademark statutory remedy is available. The action for passing off, as mentioned above, is a common law remedy;

b) for infringement it is sufficient to establish that the infringing mark is identical or deceptively similar to the registered mark. In the case of passing off action, one will have to prove that marks are identical or deceptively similar which is likely to deceive or cause confusion and damage to the business of the company;

c) infringement proceedings will move with regard to a registered trademark in relation to specified goods and services while with regard to passing off action the goods and services relate to both registered and unregistered trademarks.

10.5 TRADE SECRETS

Trade Secrets are termed as 'undisclosed information' under TRIPs Agreement. Article 39 of the Agreement provides a broad framework for the protection. In the following analysis we could consider broader issues relating to trade secrets. It could also be termed as confidential information that has immense commercial value. Broadly speaking, any confidential business information which provides an enterprise a competitive edge may be considered a trade secret. Trade secrets encompass manufacturing or industrial secrets and commercial secrets. The unauthorized use of such information by persons other than the holder is regarded as an unfair practice and a violation of the trade secret. Depending on

the legal system, the protection of trade secrets forms part of the general concept of protection against unfair competition or is based on specific provisions or case law on the protection of confidential information.

The subject matter of trade secrets is usually defined in broad terms and includes sales methods, distribution methods, consumer profiles, advertising strategies, lists of suppliers and clients, and manufacturing processes. While a final determination of what information constitutes a trade secret will depend on the circumstances of each individual case, clearly unfair practices in respect of secret information include industrial or commercial espionage, breach of contract and breach of confidence.

The TRIPS Agreement requires undisclosed information – trade secrets or know-how – to benefit from protection. According to Article 39.2, the protection must apply to information that is secret, that has commercial value because it is secret and that has been subject to reasonable steps to keep it secret. The Agreement does not require undisclosed information to be treated as a form of property, but it does require that a person lawfully in control of such information must have the possibility of preventing it from being disclosed to, acquired by, or used by others without his or her consent in a manner contrary to honest commercial practices. "Manner contrary to honest commercial practices" includes breach of contract, breach of confidence and inducement to breach, as well as the acquisition of undisclosed information by third parties who knew, or were grossly negligent in failing to know, that such practices were involved in the acquisition.

The TRIPs Agreement in Article 39 (3) also contains provisions on undisclosed test data and other data whose submission is required by governments as a condition of approving the marketing of pharmaceutical or agricultural chemical products which use new chemical entities. In such a situation the Member government concerned must protect the data against unfair commercial use. In addition, Members must protect such data against disclosure, except where necessary to protect the public, or unless steps are taken to ensure that the data are protected against unfair commercial use.

As mentioned earlier, trade secrets or undisclosed information does not create any legal regime to protect subject matter that comes under its purview. It provides for a simple, yet strong protection through contractual arrangements. Unlike patents, trade secrets are protected without registration, that is, trade secrets are protected without any procedural formalities. Consequently, a trade secret can be protected for an unlimited period of time. For these reasons, the protection of trade secrets may appear to be particularly attractive for business enterprises. It should be noted, perhaps for this reason, a large number of technologies are either protected through trade secrets or confidential business information. There are, however, some conditions for the information to be considered a trade secret. Compliance with such conditions may turn out to be more difficult and costly than it would appear at first glance. While these conditions vary from country to country, some general standards exist which are referred to in Article 39 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). We may outline the salient features of Article 39 of the TRIPs Agreement. These are:

- 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).

- It must have commercial value
- because it is a secret.

We could examine this through an example. A business enterprise develops a process for the manufacturing of its products that allows it to produce its goods in a more cost-effective manner. Such a process provides the enterprise a competitive edge over its competitors. The enterprise in question may therefore value its know-how as a trade secret and would not want competitors to learn about it. It makes sure that only a limited number of people know the secret, and those who know it are made well aware that it is confidential. When dealing with third parties or licensing its know-how, the enterprise signs confidentiality agreements to ensure that all parties know that the information is a secret. In such circumstances, the misappropriation of the information by a competitor or by any third party would be considered a violation of the enterprise's trade secrets.

Self Assessment Questions **(Spend 5 minutes)**

2) a) What are the basic elements in law of passing off?

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b) What is the difference between 'infringement' of a trademark and the action for passing off?

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c) What are the basic legal parameters for trade secret protection?

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10.6 DOMAIN NAMES

The principal recommendations of the Report of the first WIPO Internet Domain Name Process were implemented through the adoption by the Internet Corporation for Assigned Names and Numbers (ICANN) of the Uniform Domain Name Dispute Resolution Policy (UDRP) on August 26, 1999. This procedure, which entered into operation in December 1999, provides holders of trademark rights with an administrative mechanism for the efficient resolution of disputes arising out of the bad faith registration and use by third parties of Internet

domain names corresponding to those trademark rights. The UDRP now applies to disputes in the gTLDs .com, .net, and .org, the new gTLDs .aero, .biz, .coop, .info, .museum, .name, and .pro, and those ccTLDs that have adopted the Policy on a voluntary basis.

Since its entry into force, the UDRP has become widely regarded as the primary means of combating trademark cybersquatting in the gTLDs, with approximately 8,000 cases filed under the procedure. Of those, more than 4,500 have been filed with the WIPO Arbitration and Mediation Center, the procedure's leading dispute resolution service provider.

While the focus of the UDRP is to protect trademarks against their abusive registration as domain names, it became clear, already at the time the first WIPO Internet Domain Name Process was conducted in 1998, that identifiers other than trademarks also were the subject of abuse in the DNS. In order to address these outstanding problems, the WIPO Member States requested the Organization to conduct the Second WIPO Internet Domain Name Process, which was launched in the summer of 2000 and covered issues arising from the bad faith, abusive, misleading or unfair registration or use, as domain names, of (a) international nonproprietary names (INNs) for pharmaceutical substances; (b) names of international intergovernmental organizations (IGOs); (c) personal names; (d) geographical indications, indications of source and geographical terms; and (e) trade names.

The final Report of the Second WIPO Process, titled "The Recognition of Rights and the Use of Names in the Internet Domain Name System," was published on September 3, 2001, and submitted to WIPO's Member States and the Internet community. A decision was taken by the WIPO Member States at their Assemblies in September 2001 to subject the Report to a comprehensive analysis by the WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications. After holding two special sessions for this purpose, the Standing Committee formulated recommendations that were considered by the WIPO General Assembly at its meeting from September 23 to October 1, 2002.

The WIPO General Assembly reached decisions on the issues addressed in the Second WIPO Internet Domain Name Process, on the basis of each of the recommendations of the SCT, as follows: (a) it adopted the recommendation with respect to INNs, that no particular form of protection of INNs would be recommended in the DNS at this time, but that WIPO, together with the World Health Organization (WHO), would continue to monitor the situation and, where necessary, bring any important developments in this area to the notice of Member States; (b) it adopted the recommendation with respect to trade names, that Member States should keep this issue under review and raise it for further discussion if the situation so required; (c) it adopted the recommendation with respect to personal names, that no action is recommended in this area; (d) it adopted the recommendation with respect to geographical indications, that this issue be reverted to the regular session of the SCT to decide how to address the issue of the protection of geographical indications in the DNS; (e) it adopted the recommendation with respect to the names and acronyms of IGOs, that the UDRP should be amended to allow complaints to be filed by international organizations under certain circumstances, while taking into account the privileges and immunities of these intergovernmental organizations under international law.

In addition, the General Assembly instructed the Secretariat to transmit this recommendation to the Internet Corporation for Assigned Names and Numbers (ICANN). The Delegation of the United States of America dissociated itself from this decision; and (f) concerning the recommendation with respect to country names (the SCT had noted that most Member State Delegations favoured some form of protection for country names against registration or use by persons unconnected with the constitutional authorities of the country in question), it noted that all Delegations supported the recommendation, with the exception of Australia, Canada and the United States of America. It noted, however, that a number of issues regarding the modalities of protection of country names in the DNS warranted further discussion, and decided that these discussions should be continued in the SCT with a view to reaching a final position.

10.6.1 Top Level Domains (ccTLD) Programme

At the request of its Member States, WIPO also established the WIPO ccTLD Program, which aims to enhance the protection of intellectual property in the ccTLDs through cooperation with their administrators. As part of this Program, WIPO has provided advice and assistance to administrators of ccTLDs on the management of intellectual property issues in their domains through: (1) the publication of the WIPO ccTLD Best Practices for the Prevention and Resolution of Intellectual Property Disputes (a voluntary set of minimum standards for intellectual property protection in the ccTLDs, available at http://ecommerce.wipo.int/domains/cctlds/bestpractices/index.html), (2) counseling ccTLD administrators who seek intellectual property advice from WIPO, and (3) advising ccTLD administrators on the conduct of national consultations that draw inspiration from the first and Second WIPO Internet Domain Name Processes.

As a result of the WIPO ccTLD Program, alternative dispute resolution (the UDRP in particular) has increasingly gained ground in the ccTLDs. To date, 28 administrators of ccTLDs have retained the WIPO Arbitration and Mediation Center as dispute resolution service provider on the basis of the UDRP or a variation thereof.

10.7 GEOGRAPHICAL INDICATIONS (GIS)

The idea of Geographical Indications (GIs) emerged from the basic premises that a product's quality, reputation or other characteristics could be determined by where it comes from. GIs are place names or it could be words and phrases that are attached or refer to places. Most importantly, the products are identified on the basis of places from where they come from. We have many examples of that. 'Darjeeling Tea' is from the area Darjeeling. The word 'Champagne' refers to a place. 'Basumati Rice' that is grown in the north-western part of India has a special reputation. Similarly, it is possible for us to identify many more such examples. It is important also to note that sometimes the commercial value of the product is linked to the place it originates from. In other words, it is clear that a designated product may possess an added value because it comes from that particular place. For this reason, such kind of a protection is termed as 'geographical indications'. They indicate to the geographical origin of a product and the given quality, reputation or other unique characteristic of the product that is attributable to that geographical origin.

The difference between GIs and trademark is also crucial. In many instances they overlap resulting in confusion and could mislead the consumer as well. A trademark is a sign used by an enterprise to distinguish its goods and services from those of other enterprises. It gives its owner the right to exclude others from using the trademark. A trademark will often consist of a fanciful or arbitrary name or device. A geographical indication tells consumers that a product is produced in a certain place and has certain characteristics that are due to that place of production. It may be used by all producers who make their products in the place designated by a geographical indication and whose products share specified qualities. Unlike a trademark, the name used as a geographical indication will usually be predetermined by the name of the place of production.

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

We shall also examine the new Indian legislation i.e., Geographical Indications of Goods (Registration and Protection) Act, 1999 where necessary. This enactment came into force only in September 2003, although it was passed by our Parliament in 1999. We should note that this new enactment was brought into operation pursuant to India's obligations under the TRIPs Agreement. It should be noted that under TRIPs Agreement India is obligated to protect GIs of other Member countries in whose territory it is formally protected under a legislative framework. Most of the European and other Western countries had for a very long time provided for the GI protection. So, as per TRIPs obligations India had to extend protection to their GIs. In the absence of any legislation on GIs on the date of entry into force of TRIPs (and WTO) in 1995 within India, our goods could not get such a protection in the territory of other WTO Member countries. In other words, unless a GI is protected in the country of its origin, there is no obligation under TRIPs for other countries to extend reciprocal protection. India would, on the other hand, be required to extend protection to goods imported from other countries which provide for such protection. In view of this, the Indian legislation on GIs was formulated.

The scope of protection under the Indian law is broader and it defines 'goods' to include "...agricultural goods, natural goods or manufactured goods as originating or manufactured in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of such goods is essentially attributable to its geographical origin..." (see Section 2 (e) of the Indian GIs of Goods Act, 1999) Accordingly, in the Indian context, any good which exhibits any of these characteristics could be registered as a GI. It should also be noted that in order to get a reciprocal protection in other countries TRIPs requires that the goods must be protected in their country of origin (Article 24 (3) of the TRIPs Agreement).

The Indian law provides for the establishment of GIs Registry (Section 5) and it can be located in any place deemed fit by the Central Government. The names, addresses and other descriptions of all goods that are proposed to be protected shall be entered in the Register of GI as established under Section 6. This register can be maintained wholly or partly in computer floppies or diskettes or in any other electronic form, subject to safeguards as may be prescribed.

This register will have two Parts, namely Part A and Part B. The particulars relating to the registration of the GI shall be incorporated and form part of Part

A of the register and the particulars relating to the registration of authroised users shall form part of Part B of the register (Section 7).

Certain kinds of GIs and in certain circumstances cannot be registered. These grounds are (Section 9):

- A GI whose use is likely to deceive or cause confusion;
- A GI whose use is contrary to any law for the time being in force;
- A GI which comprises or contains scandalous or obscene matter;
- A GI which comprises or contains any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India;
- A GI which is otherwise disentitled to protection in a court;
- A GI which has been determined as a generic name or indication of good and accordingly ceased to be protected in the country of origin or that GI has fallen to disuse in that country;
- GIs which, although literally true as to the territory, region or locality in which the goods originate, but falsely represent to the persons that the goods originate in another territory, region or locality, as the case may be.

Homonymous GIs can be registered if the Registrar is satisfied that such homonymous (GIs with similar names and origin) indications could be differentiated from other homonymous indication and the need to ensure equitable treatment of the producers of the goods concerned, that the consumers of such goods should not be confused or mislead in consequence of such registration (Section 10 of the Indian GI Act).

- The application for a GI could be filed by (a) association of persons; or (b) producers; or (c) any organization or authority established by or under any law that is in force. These categories of persons or groups should represent the interests of the producers of the concerned goods. The applications shall be in writing addressed to the Registrar in a prescribed form accompanied with prescribed fees.

Article 22 (1) of the TRIPs Agreement provides the definition of GIs. It, inter alia, has three main elements, namely:

a) Geographical Indications are…indications which identify a good as originating in the territory of a Member, or a region or locality in that territory;

b) where it originates the good has a given quality, reputation or other characteristic; and

c) these unique features concerning quality and reputation etc. of the good is essentially attributable to the geographical origin.

TRIPs definition is a broad one and it refers to a 'good'. The definition of a 'good' has been broadly construed so as to include different categories of products. The Indian GI Act in Section 2 (1) (e) refers, in the first place, to the definition of a 'good' and it primarily outlines the scope of the term 'good'. It refers to such 'goods' as "agricultural goods, natural goods, or manufactured

goods as originating or manufactured in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristics of such goods is essentially attributable to the geographical origin" (the latter part of the formulation is from the TRIPs provision). The Indian definition does not stop at this. It goes on to add one more condition specifically with regard to 'manufactured goods'. It, inter alia, provides that "...in cases where such goods are manufactured goods 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, as the case may be".

According to World Intellectual Property Organization (WIPO) "the use of geographical indications is not limited to agricultural products. They may also highlight qualities of a product which are due to human factors associated with the place of origin of the products, such as specific manufacturing skills and traditions. That place of origin may be a village or town, a region or a country. For example, "Bohemia" is recognized as a geographical indication in many countries for specific products made in the Czech Republic, in particular crystal ware".

It should be noted that WIPO's description of GI is similar to TRIPs Agreement. According to it "a geographical indication is a sign used on goods that have a specific geographical origin and possess qualities, reputation or characteristics that are essentially attributable to that place of origin. Most commonly, a geographical indication includes the name of the place of origin of the goods. Agricultural products typically have qualities that derive from their place of production and are influenced by specific local factors, such as climate and soil. Whether a sign is recognized as a geographical indication is a matter of national law. Geographical indications may be used for a wide variety of products, whether natural, agricultural or manufactured".

It should be noted that there is a very thin line of difference between GIs, appellations of origin or indications of source. We have already examined in detail the definition of GI. An appellation of origin is also like a GI, but it is a special kind of geographical indication. It generally consists of a geographical name or a traditional designation used on products which have a specific quality or characteristics that are essentially due to the geographical environment in which they are produced. The concept of a geographical indication encompasses appellations of origin. In other words, appellations of origin are a broader term that includes GI as well within its meaning and scope. Appellations of origin is also the older than GI in that sense as it was included for the first in the Paris Convention for Protection of Industrial Property negotiated in 1883.

After considering the definition of GIs, we could now turn our attention to examine the provisions of the TRIPs Agreement relating to GIs. TRIPs Agreement, for the first time, turned the focus of many countries, particularly developing countries on the protection of GI-related products. Until then, GI and its protection was essentially a Euro-centric effort. The key areas of GI protection, the subject matter of protection, in the context of Europe primarily concerned with wines and spirits. A critique of the TRIPs Agreement, in general and GIs in particular, notes that the language of TRIPs emanated from various European Conventions on IPRs. Consequently, while Europe was comfortable with GIs, developing countries were still attempting to understand its implications

for their countries. India, as mentioned above, had no legislation on GIs. Similarly many developing countries had no idea about the nature and scope of GI protection. TRIPs brought GI on the multilateral agenda and required the countries to evolve or put in place a domestic legal mechanism to protect GI. Many developing countries, including India, sought to construct a domestic legal framework in the latter part of 1990s based on their TRIPs obligations.

The TRIPs Agreement (Articles 22-24) provides for the basic framework of protection. We have already discussed the scope of definition of GIs as mentioned in Article 22 (1) of the TRIPs Agreement. We shall examine in the following some of the salient features of this framework.

- Article 22 covers all products. It requires Members to provide the "legal means" without really specifying the mode of protection. So, countries are free to adopt various legal means as available within their domestic legal framework.
  - Geographical indications have to be protected in order to avoid misleading the public and to prevent unfair competition (Article 22 (2));
  - Refuse or invalidate a trademark that contains or consists of a GI with respect to goods not originating in the territory.
- Article 23 provides a higher or enhanced level of protection for geographical indications for wines and spirits: subject to a number of exceptions, they have to be protected even if misuse would not cause the public to be misled.
  - any comparable trademark in existence for wines and spirits to be refused or invalidated;
  - regarding homonymous GIs for wines each Member to decide practical conditions under which they are to be protected; homonymous GIs are similar or identical GIs that may lawfully in existence in other designated territories.
  - developing countries who have no great stake in wines and spirits question this provision as to why special treatment is being given to wines and spirits. What about other subject matters that could be protected under GIs? The negotiating history shows the dominance of few countries, specifically from Europe in framing the provisions concerning GIs.
- Article 24 allows Member countries of TRIPs to enter into negotiations aimed at increasing the protection of individual GIs. This is the key problem before TRIPs and WTO negotiations. GIs, it should be noted, have become an important legal tool to protect traditional knowledge and folklore.
  - However, Article 24 also seeks to preclude Members from entering into bilateral or multilateral agreements to enhance GI protection. In some cases, geographical indications do not have to be protected or the protection can be limited. Among the exceptions that the agreement allows are: when a name has become the common (or "generic") term (for example, "cheddar" now refers to a particular type of cheese not necessarily made in Cheddar, in the UK), and when a term has already been registered as a trademark.

The Council for TRIPs to keep under review the scope and application of GIs. Under this provision, currently developing countries are asking for the extension of GI protection to other products apart from wines and spirits;

No obligation for Member countries to protect GIs which are not or cease to be protected in their country of origin or which have fallen into disuse in that country.

Self Assessment Questions **(Spend 4 minutes)**

3) a) What are the current developments at WIPO with regard to the protection and regulation of domain names?

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b) What is Indian law on GIs?

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c) What are the salient features of the GI protection under TRIPs Agreement?

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10.8 PLANT VARIETIES AND FARMERS' RIGHTS

Pursuant to its TRIPs obligations and to give effect to these obligations, India enacted the Protection of Plant Varieties and Farmers' Rights Act, 2001. This enactment recognizes and protects the rights of farmers in respect of their contribution made at any time to conserve, improve, and to make available plant genetic resources for the development of new plant varieties. The objective of the enactment is also to help farmers to have free access to their plant varieties and seeds. The salient features of the enactment are summarized below:

- It, *inter alia*, defines key terms such as variety, essentially derived variety, 'extant variety breeder, farmer, farmers' variety, seed and others;
- It establishes the Protection of Plant Varieties and Farmers' Rights Authority;

- It provides for the registration of plant varieties and essentially derived varieties;
- The duration of protection initially is nine years in the case of trees and vines and six years in the case of other crops; and this period could be reviewed and the total period of protection, in any case for trees and vines cannot exceed eighteen years and for extant varieties fifteen years and in other cases fifteen years from the date of registration;
- It has provisions relating to farmers' rights, rights of communities;
- It incorporates a provisions that provides for the protection of innocent infringement;
- The enactment lays down criteria for granting compulsory license in certain circumstances e.g., to meet the reasonable requirement of the public or in public interest;
- It creates a 'gene fund' to help farmers and communities (Section 45);
- It has a dispute settlement machinery that provides for dispute settlement by creating a Plant Varieties Protection Appellate Tribunal, a specialized body deal with cases that may arise under the enactment;
- It provides for infringement, penalties and other related issues.

10.9 BIODIVERSITY, TRADITIONAL KNOWLEDGE (TK) AND IPRS

The linkage between biodiversity, TK and IPRs is of recent origin. Biodiversity, as the term connotes, is very broad concept and covers entire life system that exists in a natural setting. The term traditional knowledge also has a very broad connation covering living styles and practices of communities. Some of these things which are part of nature are very useful and could have immense commercial value. We could begin by looking at the attempts to protect some of these intangible things. It should be noted that all these attempts begin within the area of folklore and oral traditions that have been termed as 'intangible expressions'. These traditions form part of traditional knowledge.

The first attempt to provide protection to intangible expressions and folklore was made by the World Intellectual Property Organization (WIPO). It had initiated discussions on the sui generis protection of expressions of folklore in collaboration with the United Nations Educational, Scientific and Cultural organization (UNESCO) in 1978 itself. Pursuant to this, UNESCO adopted in 1982 Model Provisions for National Laws on the Protection of Expressions of Folklore against Illicit Exploitation and Other Prejudicial Actions. This attempt by WIPO and UNESCO almost identified the contours of protection that could be granted to traditional knowledge.

Convention on Biological Diversity

The United Nations Conference on Environment and Development (UNCED), held in 1992, laid the foundation for the protection of biodiversity. This is famously known as 'Rio Agenda' as it was held in the capital of Argentina Rio De Janeiro. The UNCED, inter alia, adopted the Convention on Biological Diversity (CBD) and another document on environment principles known as

'Agenda 21'. At that time CBD, except in Article 16 where it spoke about transfer of environment-friendly technology to developing countries, did not deal specifically with IPRs. Article 16 (5) of the CBD, however, provided that "The Contracting Parties, recognizing that patents and other intellectual property rights may have an influence on the implementation of this Convention, shall cooperate in this regard subject to national legislation and international law in order to ensure that such rights are supportive of and do not run counter to its objectives". This provision was not acceptable to many developed countries. Some countries like United States reserved their position on this provision. The linkage of IPRs with biodiversity at that point of time could be termed as hazy.

TRIPs Agreement

The conclusion of the TRIPs Agreement in 1995 as part of the WTO covered Agreement, as mentioned above, was regarded as a crucial step in this linkage. However, it should be noted that initially TRIPs did not make any reference to biodiversity and traditional knowledge. Article 27 of the TRIPs Agreement made some references to patenting of life forms providing that plants and animals are not patentable; essentially biological processes not patentable; microorganisms are, however, patentable; non-biological and microbiological processes are patentable. It further requires member countries to "...provide for the protection of plant varieties either by patents is by an effective sui generis system or by any combination thereof".

The last sentence of Article 27 (3) (b) provided that "The provisions of this sub-paragraph shall be reviewed four years after the entry into force of the Agreement Establishing the WTO". Pursuant to this several countries have made suggestions to improve and expand the scope of this provision.

In Doha Ministerial meeting of the World Trade Organization (WTO) developing countries put a concerted effort to expand the ambit of Article 27 (3) (b). This was adopted and accordingly paragraph 19 of the 2001 Doha Declaration broadened the discussion. It stated that the TRIPs Council should also look at the relationship between the TRIPS Agreement and the UN Convention on Biological Diversity, the protection of traditional knowledge and folklore. It added that the TRIPS Council's work on these topics should be guided by the TRIPS Agreement's objectives (Article 7) and principles (Article 8), and must take development issues fully into account. A group represented by Brazil and India and including Bolivia, Colombia, Cuba, Dominican Republic, Ecuador, Peru, Thailand, and supported by the African group and some other developing countries, wanted to amend the TRIPS Agreement so that patent applicants were required to disclose the country of origin of genetic resources and traditional knowledge used in the inventions, evidence that they received "prior informed consent" (a term used in the Biological Diversity Convention), and evidence of "fair and equitable" benefit sharing. In the TRIPs Council some countries had proposed amendments to the Patent Cooperation Treaty (PCT) so that domestic laws may ask inventors to disclose the source of genetic sources and traditional knowledge when they apply for patents.

A key issue raised was that the TRIPs Agreement be amended in order to provide that the Members should require an applicant for patent relating to biological materials or to traditional knowledge provide, as a condition to acquiring patent rights:

- disclosure of the source and country of origin of the biological resource and of the traditional knowledge used in the invention;
- evidence of prior informed consent (PIC) through approval of authorities under the relevant national regime; and
- evidence of fair and equitable benefit sharing under the relevant national regime.

WIPO Committee on Genetic Resources, TK and Folklore

The member countries of WIPO also felt the need to examine some of the technical aspects of this relationship concerning biodiversity, TK and IPRs. WIPO, therefore, constituted an Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC) in 1999 and its formal meeting was held in 2001. IGC constituted a forum for discussions among Member States on IP issues arising in the context of (a) access to genetic resources and benefit sharing; (b) protection of TK, whether or not associated with those resources; and (iii) protection of expressions of folklore. In considering the relationship between IP and genetic resources, TK and folklore, IGC has undertaken information gathering, policy discussion, and practical capacity building in these three policy areas. This work has highlighted the overlapping nature of this subject matter and pointed to the benefits of an integrated approach to continuing international cooperation on these IP concerns. IGC developed a series of studies on legal protection of TK, which included surveys of national experiences with IP protection of TK, analysis of the elements of a sui generis TK system and analysis of the definition of TK. These documents included details of national sui generis laws for protection of TK, and the range of experiences reported using IP laws to protect TK.

Biodiversity: Scope and Application

The basis of this linkage needs closer scrutiny. As stated above, biodiversity refers to the variety of life-forms (living organisms) found in different eco-systems on land and water. According to Article 2 of CBD "Biological diversity" means the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems. According to Section 2 (b) of the Indian Biological Diversity Act, 2002, (which is essentially based on the definition of CBD except that it seeks to broaden the scope by using the phrase 'all sources') 'biological diversity' "means the variability among living organisms from all sources and the ecological complexes of which they are part and includes diversity within species or between species and of eco-systems". Developing countries, particularly countries from the South, are regarded as endowed with rich biodiversity. The definition of 'biological resources' as provided in Section 2 (c) of the Indian Biological Diversity Act outlines the categories of resources available such as "...plants, animals and micro-organisms or parts of thereof, their genetic material and by-products (excluding value added products) with actual or potential use or value but does not include human genetic material". Article 2 of the CBD defines "Biological resources" broadly and it includes genetic resources, organisms or parts thereof, populations, or any other biotic component of ecosystems with actual or potential use or value for humanity.

These biological resources are essentially regarded as the building blocks for the biotechnological inventions. In order to arrive at an original biotechnological invention what one would need is the basic genetic material derived from plant or animal species, as the case may be. According to Article 2 of the CBD "Biotechnology" means any technological application that uses biological systems, living organisms, or derivatives thereof, to make or modify products or processes for specific use. Most of the original genetic materials are located in the biodiversity hot spots of developing countries. These genetic materials are transferred or obtained by those big multinational companies located mainly in the developed world for their biotech research through various means. Some of these transfers of biological resources have taken place without the knowledge of these poor countries. Some of them perhaps have no legal or other infrastructural means to know such transfers. These resources are not adequately documented. They are simply located in their natural habitat. This kind of transfer has been termed as 'biopiracy'. One way to check this biopiracy, developing countries argue, is to link biodiversity with IPRs.

Traditional knowledge

The use of knowledge such as traditional technical know-how or traditional ecological, scientific or medical knowledge has been categorized as TK. This encompasses the content or substance of traditional know-how, innovations, such as information, practices, skills and learning of TK systems including traditional agricultural, environmental or medicinal knowledge. These forms of knowledge can be associated with traditional cultural expressions (TCEs) or expressions of folklore, such as songs, chants, narratives, motifs and designs. A traditional tool may embody TK but also may be seen as a cultural expression in itself by virtue of its design and ornamentation. This means that for many communities TK and its form of expression are seen as an inseparable whole. This has led to calls for policymakers to respect the holistic context of TK and TCEs, and to recognize the linkages between these aspects of the life and culture of traditional communities.

What makes knowledge "traditional" is not its antiquity: much TK is not ancient or inert, but is a vital, dynamic part of the contemporary lives of many communities today. It is a form of knowledge which has a traditional link with a certain community: it is knowledge which is developed, sustained and passed on within a traditional community, and is passed between generations, sometimes through specific customary systems of knowledge transmission. A community might see TK as part of their cultural or spiritual identity. So it is the relationship with the community that makes it "traditional". TK is being created every day, and evolves as individuals and communities respond to the challenges posed by their social environment. This contemporary aspect is further justification for legal protection. It is not only desirable to develop a protection policy that documents and preserves TK created in the past, which may be on the brink of disappearance; it is also important to consider how to respect and sustain the development and dissemination of further TK that arises from continuing use of TK systems.

Similar linkages and problems of transfer exist with TK as well. The nature and meaning of TK is also nebulous. In many countries there is no specific law that seeks to protect TK. How should it be defined? Definition is an essential issue in TK and within the realm of IPR as well. Unless their territories are defined,

how could one outline the scope of protection? These are some fundamental issues that still need answers while linking TK, biodiversity and IPRs. Unlike biological resources (which are to an extent and largely a tangible property) TK has elements that are both tangible and intangible. In other words, the term TK is used to refer to the content or substance of knowledge that is the result of intellectual activity and insight in a traditional context, and includes the know-how, skills, innovations, practices and learning that form part of traditional knowledge systems, and knowledge that is embodied in the traditional life style of a community or people, or is contained in codified knowledge systems passed between generations. It is not limited to any specific technical field and may include agricultural, environmental and medicinal knowledge, and knowledge associated with genetic resources.

Even in the case of TK, firms based in developed countries with their advanced scientific, technological and marketing capabilities capture virtually all the value added in the products by adapting TK-based ideas. Apart from tangible things, TK has a large cultural and spiritual value that cannot be quantified in monetary terms. Accordingly, it is sometimes argued that TK has the potential to improve the performance and economic conditions of many developing countries by enabling greater commercial use of their biological wealth and increasing exports of TK-based products.

TK Examples

- Thai traditional healers use plao-noi to treat ulcers;
- The San people use hoodia cactus to stave off hunger while out;
- Hunting;
- Sustainable irrigation is maintained through traditional water systems such as the aflaj in Oman and Yemen, and the qanat in Iran;
- Cree and Inuit maintain unique bodies of knowledge of seasonal Migration patterns of particular species in the Hudson Bay region;
- Indigenous healers in the western Amazon use the Ayahuasca vine to prepare various medicines, imbued with sacred properties.

Self Assessment Questions **(Spend 4 minutes)**

4) a) What are the main elements of Plant Varieties and Farmer Rights Act?

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b) What is the relationship between biodiversity and IPRs?

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c) What is TK?

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10.10 FARMERS' RIGHTS

Apart from the above, farmers' rights are also an important issue. It should be noted that much of the world's crop diversity is in the custody of farmers who follow age-old farming and land use practices in ecologically complex agricultural systems, which enable the conservation of biodiversity. These traditional communities maintain the centres of crop genetic diversity, which include the traditional cultivars, or land races, that constitute an essential part of the world's crop genetic heritage and non-domesticated plant and animal species. The International Treaty on Plant Genetic Resources on Food and Agriculture concluded under the auspices of the Food and Agriculture Organization (FAO) in 2004 provides recognition to farmers' rights and it, inter alia,

- recognizes the enormous contribution of farmers to the diversity of crops that feed the world;
- establishes a global system to provide farmers, plant breeders and scientists with access to plant genetic materials;
- ensures that recipients share benefits they derive from the use of these genetic materials with the countries where they have been originated.

10.11 BIOPIRACY

The term 'biopiracy' normally refers to the unauthorized extraction of biological resources and associated TK from developing countries or to the patenting without compensation of spurious inventions based on such knowledge or resources. Indigenous communities have always experienced difficulties in protecting their knowledge against the onslaught of such piracies. Such piracies are allegedly consistent with the existing IPR regimes. As mentioned above, there is no proper legal or institutional mechanism that provides adequate protection to these knowledge systems. Even the prohibitive costs of registering and defending a patent or other IPRs may curtail effective protection. Within the context of scientific progress, modern IP systems have allowed the big firms particularly the pharmaceutical firms to monopolize the benefits derived from the use of indigenous knowledge with disregard for their moral rights and material (financial) interests of indigenous communities themselves. Many incompatibilities have emerged between biodiversity/TK-related knowledge systems and IPRs.

It should be noted that IPRs are primarily based on the concepts and standards that have been developed by few western countries. These concepts and standards, it has been realized, not necessarily fulfill the IP requirements or standards of majority of the developing countries. The codified or non-codified TK has also become an open treasure for misappropriation. Since this knowledge exists in local languages and in format not understandable to patent examiners, patents have been obtained concerning some of these knowledge systems. Several examples are known where patents have been granted on applications, which are based on codified traditional knowledge. TK is often developed in part as an intellectual response to the necessities of life: this means that it can be of direct and indirect benefit to society more broadly. There are many examples of important technologies being derived directly from TK. But when others seek to benefit from TK, especially for industrial or commercial advantage, this can lead to concerns that the knowledge has been misappropriated and that the role and contribution of TK holders has not been recognized. Some examples of biopiracy in the Indian context could be briefly discussed.

10.12 SUMMARY

- Trademark helps in distinguishing products, goods and services. It is an identification tool that assists a consumer.
- It could be represented through any sign, visible mark, graphic mark and so on. Even the sound and smell are waiting to get into the fold of trademark protection.
- India adopted its first trademark law in 1940 followed by another one in 1958. However, keeping in view its TRIPs obligations India adopted a new trademark law in 1999.
- We have addressed the issue of what actually constitutes a 'trademark'. The scope of trademark extends to various and different kinds of marks such as certification marks, collective marks, service marks and well known marks.
- TRIPs Agreement brought in for the first time the concept of 'well known' marks.
- The applicable criteria to determine the trademark is crucial. 'Distinctiveness' and its various forms such as 'inherent distinctiveness', acquisition of trademark through use are all crucial to determine the criteria. We have also seen that these criteria could differ from country to country. The loss of distinctiveness also could happen.
- The term of protection of a trademark varies from seven years to ten years and a trademark can be protected for an indefinite period through registration after payment of prescribed fees.
- Lastly, we have examined the concept of 'passing off', a common law remedy.
- We have also identified the difference between 'infringement' of a trademark and the action for 'passing off'
- In this study we have examined the scope and criteria of protection for GIs, trade secrets and/or confidential information.

- GIs protect products that originate from a specific geographic area and have commercial value, reputation, quality and goodwill; because it originates from that area. TRIPs Agreement provided for a multilateral legal framework to protect GIs.
- We have also seen how it has been defined both by TRIPs and also by the Indian law on the subject i.e., Geographical Indications of Goods (Registration and Protection) Act, 1999.
- Trade secrets or an undisclosed information must be secret, and must have commercial value to be protected in that way. We have also briefly examined the relationship between patents and trade secrets.
- We have outlined the developments that have taken place in regard to the protection of domain names within WIPO.
- The Indian law on plant varieties and farmers rights is comprehensive.
- There is a linkage between biodiversity, traditional knowledge and IPRs.
- Farmers Rights have now been recognized at the international level.
- Biopiracy is one of the important issues that needs regulation and it affects largely developing countries.

10.13 TERMINAL QUESTIONS

1) What are the criteria for the protection of trademark?
2) What elements should be taken into account in trade secret protection?
3) What are GIs?
4) Define the scope of Farmers' Rights.
5) What is biopiracy? How does it affect the interests of developing countries?
6) Define traditional knowledge with illustrations.

10.14 ANSWERS AND HINTS

Self Assessment Questions

1) (a,b,c) Refer to Section 10.3
2) (a) Refer to Section 10.4
   (b&c) Refer to Section 10.5
3) a) Refer to Section 10.6
   (b&c) Refer to Section 10.7
4) a) Refer to Section 10.8
   b) Refer to Section 10.9
   c) Refer to Section 10.9

Terminal Questions

1) Refer to Section 10.3
2) Refer to Section 10.5
3) Refer to Section 10.7
4. Refer to Section 10.10
5. Refer to Section 10.11

10.15 REFERENCES AND SUGGESTED READINGS

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2) *WIPO Handbook: Policy, Law and Use* (WIPO) see www.wipo.int.
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NOTE

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