



IPR in India

Emerging Trends

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Presentation Topics

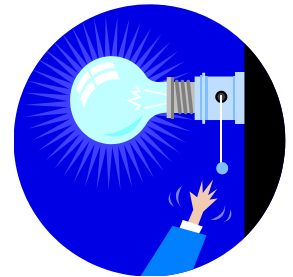
- **Introduction to IPR**
- **Historical Perspective & Evolution of IP Laws**
- **Indian IP Laws**
- **TRIPS & International IP Regime**
- **Unique legislative provisions in Indian patent law**
- **Trends and Technology challenges in current patent laws**
- **National IPR Policy**

References

- IPO website- ipindia.nic.in
- Manual of Patent Office Practice and Procedure
- Protect your ideas-(EPO Publication)
- History of the United States Patent Office

INTELLECTUAL PROPERTY

- Creations of Human mind
- Knowledge Assets created through manifestation of ideas
- Conferred on creators as exclusive statutory rights for Intangible Knowledge Assets
- Tradable Commodities like any other right
- IPR- enforceable by law
- IPR play more important role as assets for an enterprise than physical assets
- Tool for business Competitiveness
- IPR - “New wealth of Nations



National And International Dimension of IPR

- IPRs are governed by national laws and rules of a given country,
- international conventions ensure minimum rights and provide certain measures for enforcement of rights by the contracting states.

- **Patent is a statutory right** granted for an invention to the inventor or his assignee for a **limited period of time, excluding others** from making, using, offering for sale, selling or importing any **product** covered by a patent or, if a patent is for a **process**, then from using the process or a product obtained by that process, for the above actions.

For this purpose, an invention is defined as a new product or process , involving an Inventive Step and capable of Industrial application

Criteria for Patentable invention :

- **Novelty** - An invention should not form a part of the state of the art
- **Inventive Step** – Feature(s) of the invention that involves technical advance as compared to existing knowledge or has economic significance or both and that makes the invention not obvious to a person skilled in the art
- **Capable of industrial application** – The invention is capable of being made or used in any kind of industry.
- **Valid for 20 years** from the date of filing or priority date

Designs

- **Design means** only the **features** of shape, configuration, pattern or ornament or composition of lines or colour or combination thereof applied to any article, whether 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.**
- **Design does not include** any **mode or principle or construction** or anything which is in substance a mere mechanical device, and does not include any trade mark, as defined in Section 2 (v) of the Trade and Merchandise Marks Act, 1958, property mark or artistic works as defined under Section 2(c) of the Copyright Act, 1957.
- **Valid for 10 years**, extendable by 5 more years.
- Industrial Designs are of **great commercial value** because shape or configuration of the article can often be a great selling point

Trade Marks

- **Trademark means** a mark capable of being represented graphically and which is **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.
- Trademark can be sign, words, letters, numbers, drawings, pictures, emblem, colours or combination of colours, shape of goods, packaging or sound or any combination of the above as applied to goods or services.
- **Valid for 10 years**; thereafter renewable perpetually for term of 10 years each

Geographical Indications

- **Geographical Indication:** Identifies **agricultural or natural or manufactured** goods,
 - as **originating or manufactured** in the territory of a country or region or locality in that territory,
 - where a given **quality, reputation or other characteristics** of such goods is **essentially attributable** to its geographical origin.
- **Prevents unauthorised use** of a Registered Geographical Indication by others.
- **Promotes economic prosperity** of local producers of goods in a geographical territory

Copyright

- **Exclusive Right** given to the owner/author for an original work that he has created.
- **Types of “Original” works** that are **protected** under Copyright:
 - Literary
 - Dramatic
 - Musical
 - Artistic Works
 - Cinematograph films; and
 - Sound Recording ;
- **Bundle of rights** including rights of reproduction, communication to the public, adaptation and translation of the work.
- Copyright **does not ordinarily protect** titles, names, short word combinations, slogans, short phrases, methods, plots or factual information.

Duration :

The scope and duration of protection provided under copyright law varies with the nature of the protected work.

I. **Original literary, dramatic, musical and artistic works :**

Duration is the **lifetime** of the author or artist, and **60 years** counted from the year following the death of the author

II. **Cinematograph films, sound recordings, photographs, posthumous publications, anonymous and pseudonymous publications, works of government and works of international organizations:**

Sixty years which is counted from the year following the date of publication.

iii. **Broadcast reproduction right**

A special right Broadcasting organisation in respect of its broadcasts for **twenty-five years** from the beginning of the calendar year next following the year in which the broadcast is made.

iv. **Performer's right-**

Right to any performer who appears or engages in any performance, in relation to such performance, for **fifty years** from the beginning of the calendar year next following the year in which the performance is made.

Historical Perspective of IPR

Early use of Marks

- **The Chinese pots** exhibit two types of marks: the name of the period's Emperor and/or the name of the maker or place of origin (**2700 B.C.**).
- The usage of **stamps on bricks by the Roman** brick maker for the purpose of identification began as early as the 2nd Century BC.
- **'Potters mark' of Greek and Roman times** appeared on vessels to indicate the origin, destination along with the identification of the maker.
- One of the finest examples of both ancient and modern trademark use was the **Barber's pole** which was used to indicate the location of business.
- During the 10th Century, **'merchants mark'** also referred to as **'proprietary mark'** was used to prove ownership rights of goods.
- **In 1266, the English Parliament enacted a law** stating that every baker shall have a mark of his own for each sort of bread in order that, would-be customers should know what kind of bread they were being offered.

- **As early as the 13th century**, copying of valuable marks became so common and injurious that infringement was made a misdemeanor, in some cases even a felony.
- **As 14th and 15th centuries observed** dramatic emergence of merchant and craft guilds, trademark-like symbols and logos began to appear as identification of goods and services.
- **Southern v How, 1617:**

In this landmark case, the dictum **‘nobody has any right to represent his goods as the goods of somebody else’** and **‘nobody has the right to pass off his goods as the goods of somebody else’**, when a clothier’s mark (who had gained great reputation by putting his marks on clothes made by him) was used by another to deceive and make profits.

The British Trademark Act of 1875 provided for a formal registration of trademark based on the fulfillment of criterion whether the Trademark distinguished the goods of the trader or not. Thus, **Registration** was considered prima facie **evidence of ownership** of a Trademark.

Early Patent System

- “**patent**” originally meaning “**open.**” and noun form comes from “**letters patent,**” meaning “**official documents**” or “**open letters**”
- by “**letters patent**” certain privileges, rights, ranks, or titles were conferred and publicly announced
- The **sovereign** would grant to the individual (usually foreign) the exclusive privilege of supplying in the territory with a certain product.

Earliest Example of “Patent System

In the ancient Greek city of Sybaris (destroyed in 510 BC), leaders decreed:

"If a cook invents a delicious new dish, no other cook is to be permitted to prepare that dish for one year .

During this time, only the inventor shall reap the commercial profits from his dish. This will motivate others to work hard and compete in such inventions."

[Ref: EPO Publication-Protect your ideas Patent teaching kit – Protect your ideas]

The aim of this patent on recipes for delicious meals appears **to encourage cooks** to work hard and compete with each other in "culinary innovation" i.e. **to motivate people to innovate**. This goal is very similar to the main objective of today's patent system.

Early Patents

The early English patent was granted **by Henry VI in 1449** to John of Utynam, a glass-maker, so that he could share his technological secrets with his apprentices without fear of competition from them. [Ref: EPO Publication-Protect your ideas }

- ***Granted for making stained glass for windows of Eton College, the process previously unknown in England.*** The King commanded that none of his subjects could use such arts for a term of twenty years without the consent of John, since his art of making colored glass had never been practiced in England and because he intended to instruct various subjects of the King in many arts.
- ***Duration of the patent was 20 years; In return, he was required to teach the process to English glass makers.***

Thus, the patent ensured the transfer of knowledge, whilst protecting the inventor for a set period of time.

The first Italian patent was awarded by the Republic of Florence in 1421 to architect Filippo Brunelleschi who found some difficulty in bringing the heavy stones over the River Arno into Florence for his work of construction of massive dome of the cathedral in Florence.

He invented a new kind of boat in which such loads could be effectively hauled over the river. He refused to make his invention public for fear that "the fruits of his genius" be taken by another without his consent.

The privilege was granted, making him the first known inventor to be so rewarded .
(Ref <http://www.myoutbox.net/popch01.htm>)

Venetian Patent Act of 1474

- The **first account of a formal patent law** dates back to **1474 AD**, when the senate of **Venetian republic of Italy** introduced a patent law.
- The aim of this patent law was **to promote innovation** and **protect the honour of inventors**. Venice is believed to have issued about 600 patents (approximately 5 patents per year) from 1474 to 1594.
- It provided that an inventor might be entitled to an exclusive license for a certain period and that a patent would be cancelled if it were not actively exploited.

- *“Any person in this city who makes any new and ingenious contrivance, not made heretofore in our dominion, shall, as soon as it is perfected so that it can be used and exercised, give notice of the same to our State Judicial Office, it being forbidden up to 10 years for any other person in any territory of ours to make a contrivance in the form and resemblance thereof”.*

[Ref: Protect your ideas.unina.stidue.net]

Invention : **new to the world**

Incentive : **to innovate**

Requirement : **share knowledge**

Galeleo Galilei patent request

Under **Venetian Patent Act of 1474** , Galeleo Galilei obtained a patent for irrigation pump in 1594. His request for the patent coincides with the theme of modern patent laws.

“Your Majesty, I invented a highly profitable machine which can pump up water to irrigate arable lands easily and inexpensively and continuously ejects water from its 20 nozzles by a power of a single horse.

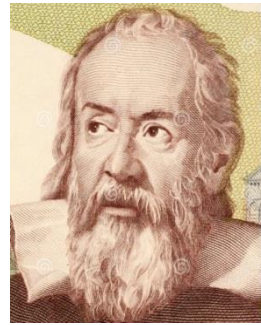
This invention is mine made with great labour and investment. Majesty may kindly grant me rights for 40 years or the period which the majesty would decide, to prevent anyone other than me, my descendants or persons authorized by me from making or using or modifying this machine.

And anyone who breaks the rule will be imposed a fine by your Majesty, a part of which will be paid to me as compensation.

With this favor, I will serve your majesty more faithfully to create further inventions for the welfare of the society.”

Patent granted to Galileo Galilei

Venetian Senate awarded him a **patent for a device for Raising water**. The patent reads as follows:



*“ That by the authority of this Council is granted to Mr. Galileo Galilei that for the space of the next **twenty years** others than him or his agents are **not allowed** in the city or any place in our state **to make, have made, or, if made elsewhere, to use the device invented by him** for raising water and irrigating fields, by which with the motion of only one horse twenty buckets of water that are contained in it run out continuously; under pains of losing the devices which will go to the supplicant, and 300 ducats, a third of which will be for the accuser, a third for the magistrate who undertakes the prosecution, and a third for our Arsenal; the supplicant being obligated, however, to have made known this new type of device within one year, and that it has not been invented or recorded by others, and that a patent has not been granted [on the same device] to others; otherwise the present grant will be void.”*

U.K. : Statute of Monopolies, 1623-24

- The issuance of letters patent in England was a **royal prerogative**. The Crown of England (i.e. the King or Queen) granted **diverse monopolies**, not just for inventions, but also in respect of all sorts of **common goods such as salt, playing cards etc.**
- Thus, the power used to be widely **abused** and was also used to **raise money** for the crown. As patents of such undue monopoly became very numerous in England after 1560, the abuses led to increasing **public discontent**.
- **In 1624 Statute of Monopolies was enacted which declared that** that the monopolies were only to be given for '**projects of new invention**'.
- **the English Parliament** declared monopolies granted by the Crown to be **void except** those based on patents for **inventions**, on the grounds that the extensive monopolies were **against the public interest**.
- The Statute restricted the crown's power explicitly so that the King could only issue letters patent to the inventors or introducers of **original inventions** for a **fixed number of years**.

Darcy v Allein- (1602) 74 ER 1131 - Case of Monopolies

- An early **landmark case in English law**, establishing that the grant of exclusive rights to produce any article was improper.
- Brought in **infringement of a patent for playing cards**, which were a **common article of commerce** before the patent was issued.

➤ **FACTS**

- The plaintiff, Edward Darcy, received from the Queen a **license to import and sell all playing cards** to be marketed in England. This arrangement was apparently secured in part by the Queen's concern that card-playing was becoming a problem among her subjects and that having one person control the trade would regulate the activity.
- When the defendant, Thomas Allein, sought to make and sell his own playing cards, Darcy sued, bringing an action on the case for damages.

➤ **JUDGMENT-**

- The **Queen's Bench court** delivered judgment for the defendant, resolving that the Queen's grant of a monopoly was invalid, for several reasons as under:

Contd..

*“ Such a monopoly **prevents persons who may be skilled** in a trade from practicing their trade, and therefore promotes idleness.*

*Grant of a monopoly **damages not only tradesman** in that field, but **everyone** who wants to use the product, because the monopolist will raise the price, but will have no incentive to maintain the quality of the goods sold.*

*The Queen **intended to permit** this monopoly for the **public good**, but she must have been deceived because such a monopoly can be used only for the **private gain** of the monopolist.*

*It would set a **dangerous precedent** to allow a trade to be monopolized - particularly because the person being granted the monopoly in this **case knew nothing about making** cards himself, and where there was **no law** that permitted the creation of such a monopoly ” .*

- **Significance:**
- **The definitive statement** by a court that state-established monopolies are inherently harmful and therefore contrary to law.
- The case has since come to be known as ***The Case of Monopolies***, and arguments set forth therein have served as the basis for modern **antitrust and competition law**.

Copyrights : early history

- In 557 AD, in Ireland, St. Columba, while on a visit to his former teacher Abbot Finian, borrowed the manuscript from Finian--possibly without permission--and secretly copied it.
Finian demanded the return of the copy and, getting no satisfaction, referred the dispute to the King Diarmait, who ruled in his favour famously saying; ***"to every cow her calf and consequently to every book its copy"***.
- After the invention of printing press in 1440, making multiple copies of a work became easy. The King assumed a prerogative of granting printing privileges and **the earliest copyright protection took the form of printers' licenses granted by the sovereign.**
- Under this system, specific **Guild members held monopoly** rights in a particular work that were treated as being **perpetual**. **Authors** could not become members of the Guild and **were not entitled to any royalties** or additional payments after purchase.
- These early copyright privileges were "**monopolies**," which continued until the Statute of Monopolies was enacted in 1623, ending most monopolies, with certain exceptions, such as patents;
- **The republic of Venice** granted its first privilege for a particular book in 1486. It was for a book on history of the city itself.

(Ref. Wikipedia)

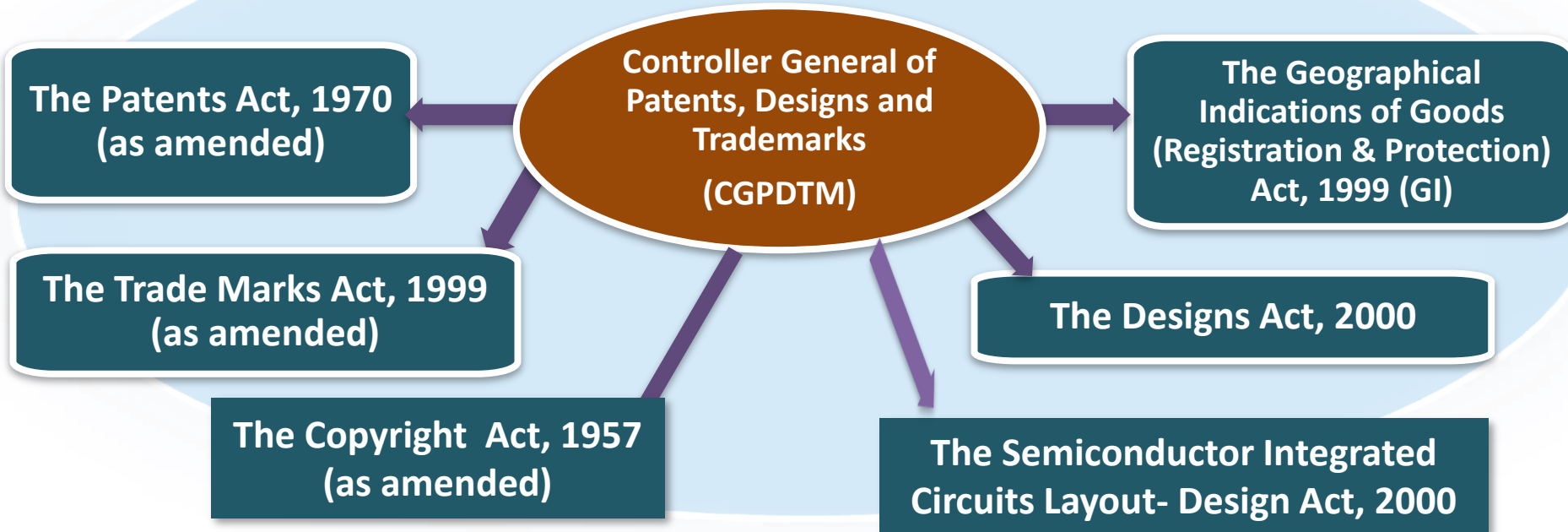
Statute of Anne 1710

- **Statute of Anne 1710** was the first real Copyright Act, that gave the author in the Britain rights for a fixed period, after which the copyright expired.
- The statute's full title was,
“An Act for the Encouragement of Learning, by vesting the Copies of Printed Books in the Authors or purchasers of such Copies, during the Times therein mentioned.”
- This statute is credited to **first accord exclusive rights to authors (i.e., creators) rather than publishers**, and it included protections for consumers of printed work ensuring that publishers could not control their use after sale.

INDIA- IPR Evolution and Developments

IPR Laws in India

IPR Laws administered by Office of CGPDTM



Laws administered by other Ministries

Ministry of Environment
and Forests



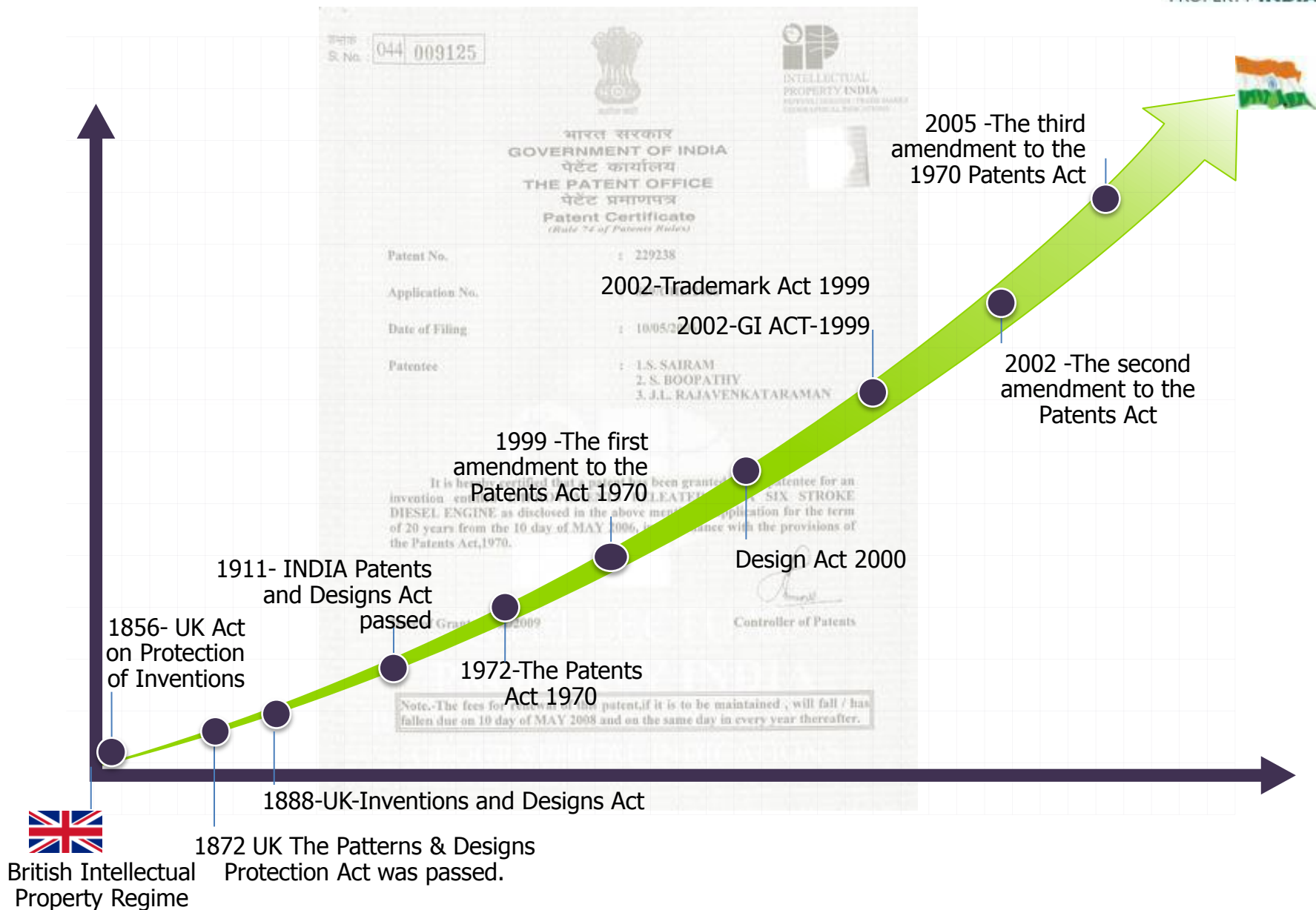
Biological Diversity Act, 2002

Department of Agriculture and
Cooperation



The Protection of Plant Varieties and Farmers'
Rights Act, 2001

Evolution of IPR in India - Milestones



Evolution of IPR Laws in India

PATENT

YEAR	HIGHLIGHTS
1856	British implemented the first patent statute in India “On Protections of Inventions, provided certain exclusive privileges to inventors for a 14-year term.
1888	Inventions and Designs Act introduced to consolidate and amend previous legislations- 1872 Act for designs and 1883 Act for patents in conformity with amendments in the UK law.
1911	Enactment of the Indian Patents and Designs Act, 1911 . Establishment of Patent Office & The Controller of Patents; Increase in term of patent from 14 years to 16 years; Product Patents in all fields of technologies.
1970	Patents Act 1970; only Process patents for food, drugs, agrochemicals, alloys. 7 years term for food, drug and 14 years term for others; Compulsory license provisions.
1999	TRIPS Obligations; Filing of application for Product Patents in areas of drugs, pharma and agro-chemicals allowed as mailbox applications; EMR.
2002	Introduction of 18 months’ Publication; Examination of applications by request; Establishment of Intellectual Property Appellate Board; Uniform term of 20 years irrespective of the field of invention.
2005	Product patents introduced in areas of drugs, pharmaceuticals and agrochemicals; Pre/Post- grant Opposition system.

TRADEMARKS

Till 1940	No specific legislation for Trademarks, Common Law to resolve issues
1940	Trademarks Act & Registry
1958	Trade and Merchandise Act
1999	New Act in view of TRIPS agreement, new developments in trading practices- service, well-known marks registered
2013	Introduced provisions of Madrid Protocol

DESIGNS

1872	Patterns & Designs Act
1888	Consolidated as Inventions & Designs Act
1911	Renamed as Indian Patents & Designs Act
1970	Patents Act was separated from Designs Act
2001	Design Act 2000

Geographical Indications

1999	Geographical Indications of Goods (Registration & Protection) Act, 1999
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COPYRIGHT

1914 Indian Copyright Act was enacted for the first time in 1914 primarily based on the U.K. Copyright Act, 1911.

1957 After Independence the Comprehensive Copyright Act was enacted in the year 1957 to consolidate the laws related to copyrights in India.

- 1994**
- definition of “Literary work” consistent with definition of “Computers” and “Computer Programmes”.
 - harmonizing with Rome Convention, 1961 by providing protection to rights of Performers. Producers of Phonograms and Broadcasting organizations.
 - the concept of Registration of Copyright Societies for Collective Management of the rights.

- 2012**
- The copy Right (amendment) Act 2012 notified on 8-6-2012.
 - provisions in conformity with the WIPO Treaty and WIPO Performances and Phonograms Treaty.
 - Definition of “Copyright” as Exclusive Right , author of a work is the first owner of copyright.

Semiconductor Integrated Circuit Design Layout

2000 Semiconductor Integrated Circuits Layout Design Act was enacted in 2000 to provide protection for semiconductor IC layout designs

Patent- Post Independence Developments

- Feeling that the Indian Patents & Designs Act, 1911 was **not fulfilling its objective**, the Government of India constituted a **Patents Enquiry Committee (PEC) in 1949 under the Chairmanship of Justice (Dr.) Bakshi Tek Chand, a retired Judge of Lahore High Court**, to review the patent law in India.
- Based on the **recommendations** of the Committee's report dated 4th August, 1949, a bill was introduced in the Parliament in 1953 . The bill lapsed on dissolution of the Lok Sabha.
- However, **the 1911 Act was amended** in relation to **working of inventions and compulsory licence/revocation in 1950** and, subsequently, for compulsory licence in relation to patents in food , medicines, insecticides, germicides and fungicides, **in 1952**. Compulsory licence was also made available on **notification by the Central Government** .

Patents Act 1970

- **Justice N. Rajagopala Ayyangar Committee (1957):**

The Government appointed Justice N. Rajagopala Ayyangar Committee in 1957 to examine the question of **revision of the Patent Law** and advise government.

- **Report of the Committee (September, 1959):**

The committee recommended **retention of the patent system**, despite its **shortcomings**, along with **major changes**.

- **The Patents Bill, 1965** was introduced in the Lok Sabha on 21-9-1965, which lapsed.

- **In 1967, Amended Bill** was introduced which was referred to a **Joint Parliamentary Committee** and **on the final recommendation of the Committee, the Patents Act, 1970** was passed.

- **1970 Act repealed and replaced the 1911 Act**, so far as the **patents** law was concerned. However, the 1911 Act continued to be applicable to **Designs**. Most of the provisions of the 1970 Act were brought into force on **20th April, 1972** with the publication of the **Patents Rules, 1972**.

Salient features of the Patents Act, 1970

- Industrial **Designs** was separated from The Act
- Elaborate **definition of invention**
- **No product patents** available for food, drugs and medicines including the product of chemical processes
- **Codification** of certain **inventions** as non-patentable
- Mandatory furnishing of **information** regarding **foreign applications**
- Adoption of **absolute Novelty criteria in case of publication**
- **Expansion of the grounds for opposition** to the grant of a patent
- **Exemption from anticipation** in respect of certain categories of **prior publication, prior communication and prior use**
- **Provisions for secrecy** of inventions relevant for defence purposes
- Provision for **use of inventions** for the purpose of **Government** or for **research** or instruction to pupils

Contd..

- **Term** of patent reduced from **16 years to 14 years**
- **Term** of patent for the processes for **drugs/foods maximum 7 years**
- Provision for **non-working** as ground for **compulsory licences, licences of right, and revocation of patents**
- **Government** empowered to use inventions for its **own use**
- Prevention of abuse of patent rights by making **restrictive conditions** in licence agreements/contract **as void**
- Provision for appeal to **High Court** on decisions of Controller
- Provision for opening of **branches of the Patent Office.**
- Endorsement of '**LICENSE OF RIGHT**' to the patents related to drugs, foods and products of chemical reaction

OBJECT OF THE PATENT LAW- Supreme Court

Hon'ble Supreme Court while deciding the appeal in “*Bishwanath Prasad Radhey Shyam v. H.M. Industries*” in respect of infringement of the patent entitled, "Means for holding utensils for turning purposes" (13 December, 1978) [Ref. A.I.R. 1982 S.C. 1444 at paragraph 17] , has, interalia, stated:

“The object of the patent law is to encourage scientific research, new technology and industrial progress. Grant of exclusive privilege to own, use or sell the method or the product patented for the limited period, stimulates new inventions of commercial utility. The price of the grant of the monopoly is the disclosure of the invention at the Patent Office, which after the expiry of the fixed period of the monopoly passes into public domain.”

This is the most important case in the patent jurisprudence in India, decided by the Apex court as early as in 1978. The principles laid down in the case are followed even today and have been codified in the Indian Patent Act.

TRIPS Era –Salient Features

BEFORE PARIS CONVENTION

- Protection of IPR in various countries
- Different laws different countries
- Filing in one country eroded novelty in all other countries
- 1873 (Vienna) – The Empire of Austria-Hungary invited other countries to-
 - participate in an international exhibition of inventions
 - Inventors Refused – temporary protection granted for exhibition period

PARIS CONVENTION

The **Paris Convention** is an international convention devised to facilitate **protection of industrial property** simultaneously in the member countries without any loss in the priority date.

- 1880 (Paris) -Diplomatic conference in Paris in 1880
- Paris Convention signed in 1883 by 11 countries
- From 1900 to 1979 the treaty saw many revisions
- Final amendment made on September 28, 1979 many provisions applicable today.
- During second world war number of signatories increased
- Today there are 174 convention countries

National Treatment under the Paris convention:

- Provide **equal treatment** to applicants from member countries, and **not to differentiate** between the nationals of member countries, for the purpose of grant and protection of industrial property
- Similarly, the applicants from member countries shall have the **same protection after grant** and identical legal remedies **against any infringement**.
- No **requirement** as to **domicile or establishment** in the country where protection is claimed, may be imposed.

WTO and TRIPS Agreement

- After 1994 Uruguay Round of the General Agreement on Tariffs and Trade, the World Trade Organization (WTO) was created . TRIPS (Trade Related Aspects of Intellectual Property Rights) Agreement was adopted along with WTO agreement in 1994 and **entered into force on January 1, 1995.**
- India became a member and became obligated to amend its domestic intellectual property laws in order to come into compliance with the TRIPS Agreement.

Trade-Related Aspects of Intellectual Property Rights (TRIPS)

- TRIPS applies basic **international trade principles** to member states regarding **intellectual property**, including national treatment and most-favoured-nation treatment.
- TRIPS establishes **minimum standards for the availability, scope, and use of seven forms of intellectual property**: copyrights, trademarks, geographical indications, industrial designs, patents, layout designs for integrated circuits, and undisclosed information (trade secrets).
- It spells out permissible **limitations and exceptions** in order to balance the interests of intellectual property with interests in other areas, such as public health and economic development.

Relationship between the Paris Convention and the TRIPS Agreement

- TRIPS Agreement is an offshoot of a series of negotiations going on around the world since the inception of the Paris Convention in the year 1883.
- It has been made mandatory for the member countries of the TRIPS Agreement to comply with the Article 1 to 12 and Article 19 of the Paris Convention.

TRIPS Agreement

- Part I: **General Provisions** and Basic Principles
- Part II: **Standards** Concerning the Availability, Scope and Use of Intellectual Property Rights
- Part III: **Enforcement** of Intellectual Property Rights
1. General Obligations
 2. Civil and Administrative Procedures and Remedies
 3. Provisional Measures
 4. Special Requirements Related to Border Measures
 5. Criminal Procedures
- Part IV: **Acquisition and Maintenance** of Intellectual Property Rights and Related *Inter-Partes* Procedures
- Part V: **Dispute Prevention** and Settlement
- Part VI: **Transitional Arrangements**
- Part VII: **Institutional Arrangements**; Final Provisions

Significance of TRIPS Agreement

- Pre- TRIPS :
- **Patent issues** like, Patentability criteria, Scope of protection, Process and/or product patents, Exceptions and exemptions, Checks and balances vs. abuse of IPRs, **were treated differently** in each country.
- Post- TRIPS:
- Establishes **minimum standards of protection for 7 forms** of intellectual property for all member countries
- Mandates detailed civil, criminal, and border **enforcement** provisions;
- Provides **Dispute Settlement** Mechanism
- Uses **national treatment** (treating nationals and foreigners equally), and MFN (most favored nation-equal treatment for nationals of all trading partners in WTO),
- Includes **administration, enforcement, transition periods**

Patents and the TRIPS Agreement

- **Minimum standards for patent protection** and enforcement of with a view to **reducing distortions and impediments** to international trade.
- **Framework for national implementation** but not a **uniform international law** or uniform legal requirements
- Patents to protect *inventions*, in **all fields** of technology
- **Patentability criteria**: novelty, inventive step, industrial application (**TRIPS Art.27**)
- Patents for both **products and processes**
- Patent **Term** – minimum **20 years**
- Patents and the promotion of **public interest**

TRIPS FLEXIBILITIES

TRIPS Article- 30

Exceptions to rights conferred

- Limited exceptions to the exclusive rights conferred by a patent
- provided that such exceptions do not **unreasonably conflict** with normal exploitation of the patent and **do not unreasonably prejudice the legitimate interests of the patent owner**, taking account of the legitimate interests of third parties.
- **Specified and limited use of patent permitted**
- **"Bolar" Provision:** Use of patent prior to expiry for approval for generic product for report to the regulatory authority,
- **Other uses:** research, experimental,
- **Not defined,** Automatically applicable if provided for in legislation, no further conditions

TRIPS Article 31

Other Use Without Authorization of the Right Holder

- **Public non-commercial (Government) Use - Government right** (Govt. agency, dept. or contractor) **to use patent in the public interest**
- **Compensation** to patent holder
- Scope and duration **limited to the purpose**
- **Compulsory licence:**
 - Government can grant licence to third party to use patent **without consent of patent holder.**
 - **Conditions for grant:** prior negotiations, compensation to patent holder, appeals process
 - **Non-exclusive, non-assignable**, authorized predominantly for supply to domestic market **[31(f)]**.
 - **Liable to be terminated** when the circumstantial need ends excepting to prevent anti-competitive practice determined after judicial or administrative procedure
 - To correct the anti-competitive practice, the judicial authority may refuse termination.

TRIPS and Amendments to Indian Patents Act



- India became a **member of the TRIPS effective January 1, 1995** and became obligated to amend its domestic IPR laws in compliance with TRIPS Agreement.
- India got **grace period (10 yrs)** till 2005 to amend its laws to be TRIPs compatible
- Accordingly, **Amendment of Patents Act 1970** was done in **3 stages: 1999, 2002 and 2005 amendments.**
- **Patents (Amendment) Act, 1999** was brought into force from **1st January, 1995**. The Amended Act provided for **filing of applications for product patents** in the areas of drugs, pharmaceuticals and agro-chemicals as **Mail-box applications**, though product patents were not allowed. Such applications were **to be examined only after 31-12-2004.**
- Meanwhile, the applicants could be allowed **Exclusive Marketing Rights (EMR)** to sell or distribute these products in India, subject to fulfilment of certain conditions.

Salient features of Patents (Amendment) Act, 2002

- **Codification of non-patentable inventions**
- **20 years term** of patent for all technology
- Provisions of **compulsory licences** to meet public health concerns
- Deletion of provision of **licence of right**
- Introduction of system of **Deferred Examination**
- **Mandatory publication** after 18 months from the date of filing
- Establishment of **Appellate Board**
- **Burden of proof in case of suits concerning infringement** [S. 104-A]: Burden of Proof is on the defendant provided that patentee first proves that the process that has produced a product so desired, is identical to be patented products .
- Provision for **parallel imports**
- No infringement proceedings for use of a patented invention for obtaining **regulatory approval for a patented product**
- Provision to **protect biodiversity and traditional knowledge**
- **Compliance with Budapest Treaty**: Deposit of **biological material** for completing the disclosure to be made before the date of filling and reference to be given in the application. Access to material available upon publication.

Patents (Amendment) Act 2005

- Extension of **product patents** to all fields of technology including food, drugs, chemicals and micro organisms
- Deletion of the provisions relating to **Exclusive Marketing Rights**
- Introduction of a provision of **compulsory licence for export of medicines** to countries having insufficient or no manufacturing capacity to meet emergent public health situations
- Modification in opposition procedures by having **both pre-grant and post-grant opposition** in the Patent Office
- Strengthening the provisions relating to national security to guard against **patenting abroad** of dual use technologies
- Rationalisation of **provisions relating to time-lines** with a view to introducing flexibility and reducing the processing time for patent application

Public Interest Provisions in Patents Law

- **No ever greening:** No patent for a new use of a known drug or substance: [Section 3(d)]
- **Revocation of Patent by the Government in public interest: (Section 66)**
- **Bolar provision:** To facilitate generic version of the patented product at competitive prices immediately on expiry of the patent: [Section 107-A (a)]
- **Compulsory licences :** Availability of products at reasonable price ensured: (Section 84)
- **Special Provision of Compulsory license** during national emergency, extreme urgency or public non-commercial use : (Section 92).
- **Use and acquisition of patents by Government** for public purpose : Compensation by mutual agreement between the Government and patent holder, failing which by the High Court: (Section 102)

Unique legislative provisions in Indian Patent Act

1. Non-patentable Inventions (Section 3)

- Inventions contrary to Public order / morality
- Discoveries are not patentable (living/non-living substance occurring in nature.
- Methods of Agriculture or Horticulture
- Methods of treatment for human beings *or* similar treatment of animals to render them free of disease or to increase their economic value
- Plants & animals *in whole or any part thereof other than* micro-organisms, *but* including seeds, varieties and species *and* essentially biological process for production or propagation of plants & animals.
- A mathematical method or a business method or Algorithms or Computer programme *per se*.
- An invention which, in effect, is the Traditional Knowledge or an aggregation or duplication of known properties of traditionally known component or components

2. Section 3 (d)

- Patents (amendment) Act 2005 introduced **section 3 (d) along with explanatory part** stating that the **incremental inventions** like polymorphs etc. to be treated as same substance unless an **improved efficacy** is established.
- Section 3 (d) :**

*The **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.***

Explanation : For the purposes of this clause,:

*Salts, esters, ethers, polymorphs, metabolites, pure form, particle size, isomers, mixture of isomers, complexes, combinations and other derivatives of known substances, shall be considered to be the **same substance, unless they differ significantly in properties with regard to efficacy.***

Novartis case

- The matter was taken to **Supreme Court by Novartis AG** against rejection of their patent application. The product involved is beta crystalline form of imatinib mesylate, used to treat chronic myeloid leukemia and is marketed by Novartis as “Glivec”. Novartis **challenged the rejection of the patent application** as well as **validity of section 3 (d)** through the appeal.
- **The Hon’ble Supreme Court** decided all the issues on 1st April 2013 in the landmark decision in this case , **dismissing the appeal** and upholding the **validity of section 3 (d)**.
- The Court clarified that **efficacy** as contemplated under Section **3(d)** is **therapeutic efficacy**.
- The Court stated , inter alia, in their decision:-

Novartis Case Decision

- “We find no force in this submission that section 3(d) is a provision *ex majore cautela* (Out of abundant caution).. **To our mind, the submission completely misses the vital distinction between the concepts of invention and patentability** – a distinction that was at the heart of the Patents Act as it was framed in 1970, and which is reinforced by the 2005 amendment in section 3(d). [Paragraph 102]
- “ We have, therefore, no doubt that **the amendment/addition** made in section 3(d) **is meant** especially to deal with chemical substances, and more particularly pharmaceutical products. The amended portion of section 3(d) clearly sets up a second tier of qualifying standards for chemical substances/pharmaceutical products **in order to leave the door open for true and genuine inventions but, at the same time, to check any attempt at repetitive patenting or extension of the patent term on spurious grounds.** [Paragraph 103]

Novartis Case Decision

- *“While dealing with the explanation it must also be kept in mind that each of the different forms mentioned in the explanation have some properties inherent to that form, e.g., solubility to a salt and hygroscopicity to a polymorph. These forms, unless they differ significantly in property with regard to efficacy, are expressly excluded from the definition of “invention”. Hence, the mere change of form with properties inherent to that form would not qualify as “enhancement of efficacy” of a known substance. **In other words, the explanation is meant to indicate what is not to be considered as therapeutic efficacy**”.* [Paragraph 181]
- *“We have held that the subject product, the beta crystalline form of Imatinib Mesylate, does not qualify the test of Section 3(d) of the Act but that is not to say that Section 3(d) bars patent protection for all incremental inventions of chemical and pharmaceutical substances. **It will be a grave mistake to read this judgment to mean that section 3(d) was amended with the intent to undo the fundamental change brought in the patent regime by deletion of section 5 from the Parent Act. That is not said in this judgment**”.* [Paragraph 191]

3. Pre-grant opposition [S.25(1)]

Any person may file opposition to grant of patent, **before grant** of patent but **after publication** of Application, along with Statement and supporting evidence, if any, and **may request for hearing** , if so desired.

Grounds for Pre Grant Opposition:

- a. Invention is wrongfully obtained from other person
- b. Prior publication in India or elsewhere
- c. Prior claiming
- d. Prior public knowledge or use
- e. Obviousness
- f. Not an invention or not patentable under the Act
- g. Insufficient and unclear description or method of working
- h. Failure to disclose or falsely furnishing the information on corresponding foreign filing
- i. Conventional application filing late
- j. Source or geographical origin of biological material used for the invention - not disclosed or wrongly mentioned
- k. Invention anticipated by the knowledge, oral or otherwise, available within any local or indigenous community in India or elsewhere

4. COMPULSORY LICENCES

- May be granted **after 3 years from the date of grant** of patent, on failure to work a Patent, **to any Interested party** to work the Patented Invention (**S. 84**)

GROUND

- **Reasonable requirement** of the public has not been satisfied with respect to the patented Invention or,
 - Patented Invention is not available to the public at a **reasonable price** or
 - Patented Invention is **not worked** in the Territory of India
- **At any time after grant of the patent** , the Central Govt. can direct the Controller to grant compulsory license to **any interested party**, *in the circumstances of -*
 - National emergency or,
 - Extreme urgency or
 - Public non- commercial use : (S. 92)

Revocation of the patent in the public interest

- **Provided under section 66, which states that-**
 - *“ Where the Central Government is of the opinion that a patent or its mode of exercise is **mischievous to the state or generally prejudicial to the public**, it may, after giving the patentee an opportunity to be heard, make a declaration to that effect in the official Gazette and thereupon the patent shall be **deemed to be revoked**”.*

- **No Infringement Provisions (S.104)**

Any act of making , using or selling a patented invention solely for uses reasonably **related to the development and submission of information required** under any law for the time being in force ,in India or in any other country **that regulates** the manufacture, construction use or sale of any product.

- **Parallel Import (S.107 A)**

Importation of patented products by any person from a person who is duly authorised by the patentee to sell or distribute the product

Patent Legislation : Pathway

(1) Grant of patent was a royal prerogative and at the discretion and whims of the King/Monarch .

They used the power to grant Letters Patent and decide the term as a matter of privilege for conferment rather than as a right of inventor. No real criteria to judge the legality of such conferment of grant .

(2) Grant of patent for fixed term only for new creations based on novelty criteria

- Issuance of letters patent to inventors for new and ingenious creations not made before in the country, started with the enactment of **Venetian Patent Act of 1474**. The concept of novelty and recognition of right of inventor by way of protection for 10 years against infringement were specifically stated.
- **British Parliament passed the Statute of Monopolies in 1623-24**, declaring that the monopolies were to be given only for 'projects of new invention'.
- Along with the concept of **invention-based patent**, a **fixed term** of patent , concept of **licensing and royalty** to third party, **acquisition** of patent by states was also incorporated. However, these principles were applicable within the geographical area of **the country** and based on respective country law.

contd...

- (3) **Internationalization and harmonization of individual laws of countries started through Paris Convention since 1883** . However, there was supremacy of national law procedures over convention agreements.
- (4) **Unification of salient features of IPRs at international level were effected through WIPO and TRIPS Agreement.**

Certain **exclusions and flexibilities** were available to member countries regarding implementation of TRIPS Agreement. Except this, all the process-unification was brought in by TRIPS,

CURRENT ISSUES

1. **Drugs and pharmaceutical patents**

Issues of **Ever-greening and Incremental inventions** are major unresolved questions.

2. **Patents for IT and electronics related inventions :**

In view of yet to be resolved issues on FRAND (fair, reasonable and non discriminatory) and SEP (Standard Essential Patents) questions regarding infringements arise when standards are to be met in technical fields.

3. **Software and related inventions :**

Issues related to patentable subject-matter remains unresolved. : There is lack of clarity at international level as to whether these are to be regarded as Copyright or Patent.

4. **Private Rights vs. Public Rights**

- **Compulsory licensing (CL)** is an important provision sought after by various jurisdictions for providing remedy against abuse of patent protection .

- C L provision is available in many jurisdictions including USA, Europe etc. It appears that, at the **developmental stage of economy**, when implementing patent law became imperative, majority of developed countries have included Compulsory Licensing provision in their Patent Act.
- Current trend among the developed countries, including Europe and USA, is to put **strong opposition to** any attempt made by **developing countries and LDCs** for granting compulsory license, particularly in the pharmaceutical field, though the same may be **within the ambit of TRIPS and Doha declaration**. Hue and cry is raised against the CL along with an attempt to malign that country at global platform and invoking economic sanctions like use of **Super 301** are threatened .
- Country like USA which had been the biggest advocate of Compulsory License system during the initial years of implementation of Patent laws in USA, has been putting resistance to developing countries on compulsory licensing which is intended in public interest.

RECENT INITIATIVES BY INDIA INTELLECTUAL PROPERTY OFFICE

Ease of Access

- Comprehensive **e-filing facility** on 24x7 basis
- Comprehensive **payment gateway**.
- Complete **electronic processing** of Patents and Trademarks applications through specialized modules.
- **Auto allocation** of patent applications for examination across all patent offices to remove disparity in terms of time of examination
- **10% rebate on online filing** -increase in online filing from around 30% to around 90%
- **Expedited examination**
- **Online Certificate** of Grant of patent and Registration of TM through e-mail

Infrastructure development and Human resources Augmentation

- **Human Resources:**, large no. of Examiners and Controllers recruited in Patents and Trademarks under modernisation plan for reducing the pendency in examination and disposal of applications
- **In TMR**, pendency in Examination is reduced to less than one month. Pendency **in patent** examination will be brought at manageable level by March 2019 .
- **ICT infrastructure:** updated to cope with the increased need of computerisation and IT-enablement of IPO

Transparency and dissemination of information and Quality monitoring

- **Online real time status of IP applications with entire file wrappers and e-registers** containing renewals, assignments, legal status
- **Weekly publication** of online journals.
- **Free Public search facility** on comprehensive online database.
- **“Indian Patent Advanced Search System (InPASS)”**, with Full Text Search capability covering published and granted patents using parameters like title, Application No. Abstract, claims, Applicant/ inventor name etc.
- **Instant e-mail** communication to applicants.
- **QR coded office communication** for authentication.
- **Dynamic utilities for patents and Trademarks**
- **Feedback mechanism available in website**
- **Stakeholders’ meeting**
- **Awareness and training programmes on IPR**
- **Examination Guidelines** for Traditional Knowledge , Biotechnology and Pharmaceutical related inventions, Computer-related inventions
- **Cell to monitor quality of work output**

National IPR Policy



“Creative India; Innovative India: रचनात्मक भारत; अभिनव भारत

- **VISION STATEMENT**

An India where creativity and innovation are stimulated by Intellectual Property for the benefit of all; an India where intellectual property promotes advancement in science and technology, arts and culture, traditional knowledge and biodiversity resources; an India where knowledge is the main driver of development, and knowledge owned is transformed into knowledge shared.

- **MISSION STATEMENT**

- Stimulate a dynamic, vibrant and balanced intellectual property rights system in India to:
- foster creativity and innovation and thereby, promote entrepreneurship and enhance socio-economic and cultural development, and
- focus on enhancing access to healthcare, food security and environmental protection, among other sectors of vital social, economic and technological importance.

7 Objectives of IPR Policy

The Policy lays down seven Objectives with steps to be undertaken by the identified nodal Ministry/ department

1. **IPR Awareness: Outreach and Promotion**
2. **Generation of IPRs**
3. **Legal and Legislative Framework**
4. **IPR Administration and Management**
5. **Commercialization of IPR**
6. **Enforcement and Adjudication.**
7. **Human Capital Development**

OBJECTIVE 1: IPR Awareness: Outreach and Promotion – To create public awareness about the economic, social and cultural benefits of IPRs among all sections of society.

- To launch nation-wide program of promotion for improving awareness about the benefits of IPRs and their value to the rights-holders and the public.
- To build an atmosphere where creativity and innovation are encouraged in public and private sectors, R&D centers, industry and academia, leading to generation of protectable IP that can be commercialized.
- to reach out to the less-visible IP generators and holders, especially in rural and remote areas.

OBJECTIVE 2: Generation of IPRs - To stimulate the generation of IPRs.

- To tap a large talent pool of scientific and technological talent spread over R&D and stimulate the creation of IP assets.
- To conduct a comprehensive base line survey or IP audit across sectors that will enable assessment and evaluation of the potential in specific sectors, and thus formulate and implement targeted programmes.
- To focus on facilitating researchers and innovators regarding areas of national priority.
- To encourage corporate sector to generate and utilize IPRs.
- To take Steps to devise mechanisms so that benefits of the IPR regime reach all inventors, especially MSMEs, start-ups and grass-root innovators.

OBJECTIVE 3: Legal and Legislative Framework - To have strong and effective IPR laws, which balance the interests of rights owners with larger public interest.

- To strengthen further the legal framework for protection and promotion of IPRs
- To ensure that India 's rich traditional medicinal knowledge which exists in diverse forms in our country is fully protected from misappropriation.

OBJECTIVE 4: Administration and Management - To modernize and strengthen service-oriented IPR administration.

- To strengthen Intellectual Property Offices (IPOs) and administration of different Intellectual Property Rights including Copyright Act, 1957 and the Semiconductor Integrated Circuits Layout-Design Act, 2000 to set up efficient and balanced IPR system.
- IPOs to make their operations more efficient, streamlined and cost effective, with expanding work load and technological complexity and enhance their user-friendliness by developing and providing value added services to the user community.
- To facilitate more effective and synergetic working between various IP offices, as also promotion, creation and commercialization of IP assets.

OBJECTIVE 5: Commercialization of IPR- Get value for IPRs through commercialization.

- To make efforts to realise the value and economic reward for the owners of IP rights to through their commercialization.
- To encourage the Entrepreneurship so that the financial value of IPRs maybe captured.
- To make efforts for creation of a public platform to connect creators and innovators to potential users, buyers and funding institutions.

OBJECTIVE 6: Enforcement and Adjudication – To strengthen the enforcement and adjudicatory mechanisms for combating IPR infringements.

- To build respect for IPR among the general public and to sensitize the inventors and creators of IP on measures for protection and enforcement of their rights.
- To build the capacity of the enforcement agencies at various levels, including strengthening of IPR cells in State police forces.
- To identify and undertake measures to check counterfeiting and piracy. To arrange regular IPR workshops / colloquia for judges to facilitate effective adjudication of IPR disputes.
- To adjudicate on IPR disputes through specialised commercial courts and explore Alternative Dispute Resolution mechanism.

- ❑ **OBJECTIVE 7: Human Capital Development** - To strengthen and expand human resources, institutions and capacities for teaching, training, research and skill building in IPRs.
 - To develop a pool of IPR professionals and experts in spheres such as policy and law, strategy development, administration and enforcement.
 - To increase generation of IP assets in the country and their utilization for development purposes and to harness the full potential of IPRs for economic growth with the help of a reservoir of experts.

THANKS !