

# Intellectual Property Enforcement: Identify, Secure, Enforce

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# Introduction - Structure

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## **Part I - <Understanding Intellectual Property>**

- **What can be protected?**
- **IP Management Best Practices – Copyright, Trademark[s] and Patent[s]**
- **What is ‘defensible’?**

## **Part II - <Strategies>: Legal procedure and IP enforcement**

- **John Doe Orders and the ‘Skylarov Example’**

## **Part III – Evolving a National Enforcement Plan**

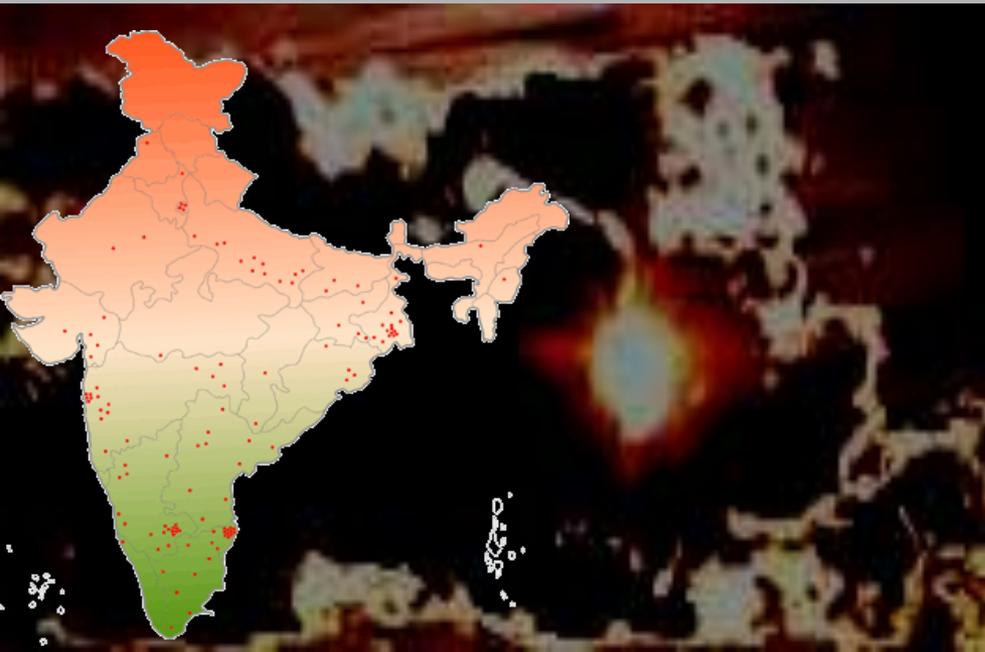
- **Strategic Models – Towards a Unified Strategy**

# Managing Legal Strategy

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## Issues in Intellectual Property Management

**Identify, Secure, Enforce**



# Intellectual Property: [the] internal audit

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- Strategic Integration – Do trademarks and patents go together? They must – the context of the pharmaceutical sector – Prozac and other brands
- Patents as a source of revenue – IBM and Texas Instruments
- Improve, Innovate and Commercialise -
  - improve blockbuster drugs patented by others - basically by removing side effects
  - obtain patent on improvement
  - license the improvement to owner of original drug patent and earn royalties
  - Prozac, Claritin and Seldane - some of the “blockbuster drugs” improved

# Patents: Best Practices [Dow Chemicals]

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- Developed **Intellectual Asset Management Model (IAM)**
- Mapped its existing patents : “weeded out” old technology
- Studied Competitors’ patents
- Built “Knowledge Tree”
- Build a ‘fortress of patents’ – new molecule, process, derivatives, use of derivatives, treatment, new use
- Key words: Assessment, Classification, Valuation, Investment & Portfolio Management

# Identify [I] – the internal audit

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- **The Internal IP Audit**

- Trademarks:

- *Registered Marks (Foreign and Domestic)*
    - *Business Names (Registered, DBA)*
    - *Words, Slogans*
    - *Logos, Icons, Graphics*
    - *Domain Names*
    - *Product Packaging/Configuration*
    - *Website Design*

- Trade Dress:

- *Packaging*
    - *Point-of-sale Displays*
    - *Website Design*

# Identify [II] – the internal audit

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- **The Internal IP Audit**
  - **Copyrights:**
    - *Registered Copyrights*
    - *Written Materials (Books, Manuals, Advertising)*
    - *Photographs*
    - *Illustrations*
    - *Computer Software*
    - *Music*
    - *Film/Video*
    - *Website Content*

# Identify [III] – the internal audit

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- **The Internal IP Audit**
  - **Patents:**
    - *Issued Patents (Foreign, Domestic)*
    - *Pending Applications (Provisional, Non-Provisional)*
    - *Invention Disclosure Statements*
    - *Mechanical Devices*
    - *Electronic Devices*
    - *Medicine/Medical Devices*
    - *Chemical Composition/Process*
    - *Computer-Based Business Process (Software)*

# Identify [IV] – the internal audit

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- **The Internal IP Audit**
  - **Trade Secrets:**
    - *Customer Lists*
    - *Pricing/Cost Data*
    - *Customer Information and Sales Practices*
    - *Business Plans*
    - *Financial Data/Forecasts*
    - *Manufacturing Techniques*
    - *Design Manuals*
    - *Production Processes/Specifications*
    - *Survey/Research Data (including negative R&D)*
    - *Computer Software (source code)*
    - *Employee Knowledge*

# Secure IP [I]

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- **Confirm Ownership** [Employee Contracts; Intellectual Property Assignments; License Agreements (In-Licensing and Out-Licensing); Cooperative Research Agreements; Financing Agreements; Security Interests; Public Filings; Outside Contractor Agreements; Work-for-Hire Doctrine]
- Register / File for protection [Patent and Trademark Office; Foreign patent and trademark office; Copyright Office; Domain name registrar; No filing requirements for trade secrets]
- Maintain IP [Pay maintenance and renewal fees; Safeguard [your] trade secrets; Internal Measures (inside your business); External Measures - dealing with 3<sup>rd</sup> parties]

# Secure IP [II]

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## Conduct IP Review of Transaction:

- Identify the IP
- Verify Ownership/Proper Chain of Title
- Review Underlying Documents  
(e.g. assignments, licenses, registrations, applications, financing agreements)
- Assess the 3<sup>rd</sup> Party
- Lawsuits/Threatened Claims

# The development of Intellectual Property – [I]

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- The doctrine of priority of 'use' in trademarks [*Century Traders v. Roshan Lal*; AIR 1978 Del. 250]
- Trading Style or trade name protection [*Ellora Industries Delhi v. Banarsi Das Goela*; AIR 1980 Del 254]
- First Norwich Pharmacal Order [*Souza Cruz v. N. K. Jain*; PTC (Suppl.) (2) 892 Del]
- Trade Secrets is a tort independent of contract [*Konrad Wiedermann GmbH v. Standard Castings Pvt. Ltd.*; 1985 IPLR 243]
- Trade Secrets and Engineering Drawings [*John Richard Brady & Ors. V. Chemical Process Equipment Pvt. Ltd.*; AIR 1987Del. 372]
- Unfair Trade Practices [*M/s Lakhanpal National Ltd. v. MRTP Commission & Anr.*; AIR 1989 SC 1692]

# The development of Intellectual Property – [II]

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- Joint Authorship of Literary Works [*Najma Heptullah v. Orient Longman Ltd.*; 1998 FSR 598]
- Parallel Importation [*Penguin Books Ltd v. India Book Distributors & Ors.*; 1984 PTC (4) 285]
- Trade Dress [*William Grant & Sons Ltd. v. McDowell & Co. Ltd.*; 1994 DLT (55) 80]
- Famous Marks [*N. R. Dongre v. Whirlpool*; (1996) 5 SCC 714]
- Trademarks/Passing Off – Use of market survey evidence [*Time Warner Entertainment Co. v. A. K. Das & Ors.*; 1997 PTC 17]
- Copyright – Moral Rights [*Phoolan Devi v. Shekhar Kapoor*; 1995 PTC (15) 46]  
[Also; Right of Privacy – *Kaleidoscope Pvt. Ltd. v. Pholan Devi & Anr.* AIR 1995 Del 316]

# The development of Intellectual Property – [III]

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- Copyright – ‘Sweat of the Brow’ [*Burlington Home Shopping v. Rajnish Chibber & Anr.*; 1995 PTC (15) 278]
- Domain Names and Trademark Law [*Satyam Infoway Ltd. v. Sifynet Solutions Pvt. Ltd.*; (2004) 6 SCC 145]
- Copyright – Statutory Licensing [*Gramophone Co. of India Ltd. v. Mars Recordings Pvt. Ltd. & Anr.*; 1996 PTC (16) 252]
- Well-Known Trademark protected despite 11 years delay [*Alfred Dunhill Ltd. v. Kartar Singh Makkar & Ors.*; 1999 PTC (19) 294]
- Mareva Injunction [*Koninklijke Philips Electronics N.V. & Anr. V. Overseas Business Corp.*; MANU/DE/2056/2001]
- Copyright – Moral Rights [*Amar Nath Sehgal v. Union of India*; 2005 PTC (30) 253]

# The development of Intellectual Property – [IV]

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- Interface between ‘Press Act’ and Trademark Law [*Playboy Enterprises v. Bharat Malik & Anr.*; 2001 PTC (21) 328]
- Trademark Infringement [*Usha International & Anr. v. Usha TV Ltd.*; 2002 PTC (25) 184]
- Copyright and Broadcasting Rights – ‘compulsory licenses’ in FM Radio [*Music Broadcast Pvt. Ltd. v. Phonographic Performance Ltd.*; 2003 PTC (26) 70]
- Copyright and Broadcasting Rights – ‘John Doe Orders’ [*Taj Television v. Rajan Mandal*; 2003 FSR 407]
- Copyright in a ‘concept’ for a television programme [*Anil Gupta v. Kunal Dasgupta & Ors.*; 2002 PTC (25) 1]

## The development of Intellectual Property – [V]

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- Trademarks – Concept of Similarity [*Cadilla Healthcare v. Cadilla Pharmaceuticals Ltd.*; (2001) 5 SCC 73]
- ‘Dilution’ in Trademark Law [*Jolen, Inc. v. Doctor & Co.*; 2002 PTC (25) 29]
- Ambush Marketing – Cricket World Cup 2003 [*ICC Development International v. Arvee Enterprises & Anr.*; 2003 PTC (26) 228]
- Trademarks & Colours [*Colgate Palmolive Co. & Anr. v. Mr. Patel & Ors.*; 2005 PTC (31) 583]

# The development of Intellectual Property – [VI]

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- Copyright - Fair Use [*The Chancellor, Masters & Scholars of University of Oxford & Ors vs. Rameshwari Photocopy Services & Anr.,; I.A. No. 14632/2012 in CS (OS) No. 2439/2012*]
- Patents – ever-greening; Section 3(d) [*Novartis Ag vs Union Of India & Ors; Civil Appeal No. 2706-2716 of 2013*]
- Revocation of Patent not automatic under Section 64(1)(m); Requirements under Section 8 [*Maj. (Retd.) Suresh Behl & Anr. v. Koninklijke Phillips Electronics; FAO (OS) no. 16 of 2014*]
- Patents – Expert Witness; Hindsight Analysis; Infringement [*Merck Sharp & Dohme Corporation & Anr. Vs. Glenmark Pharmaceuticals Ltd.; CS(OS) 586/2013 & CC No. 46/2013 & I.A. Nos. 9827/2013, 8048/2014 & 13626/2015*]

# <Strategies>: Legal procedure and IP enforcement

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## Enforcement Techniques and Partnership Models



# Structuring the Enforcement 'Action' [I]

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- Whether to send a 'cease and desist' letter [caveats; no interim injunction; loss of the 'surprise' element]
- The enforcement action [nature] – civil, criminal, administrative or a combination
- Publicity – planning and informing the media
- 'Selecting' the defendant

## Structuring the Enforcement 'Action' [II]

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- 'Cease and Desist' Letter[s] – the defendant could take the preemptive step of filing a suit against the rightsholders for groundless threat of legal proceedings]
- The nature of criminal enforcement [deterrence and publicity; exercise of restraint necessary; compounding]
- The nature of civil enforcement [injunctions and Anton Piller Orders; Joinder; Civil Contempt]
- Alternative [Administrative] Avenues of Enforcement – Department of Customs; Department of Metrology; Companies Act

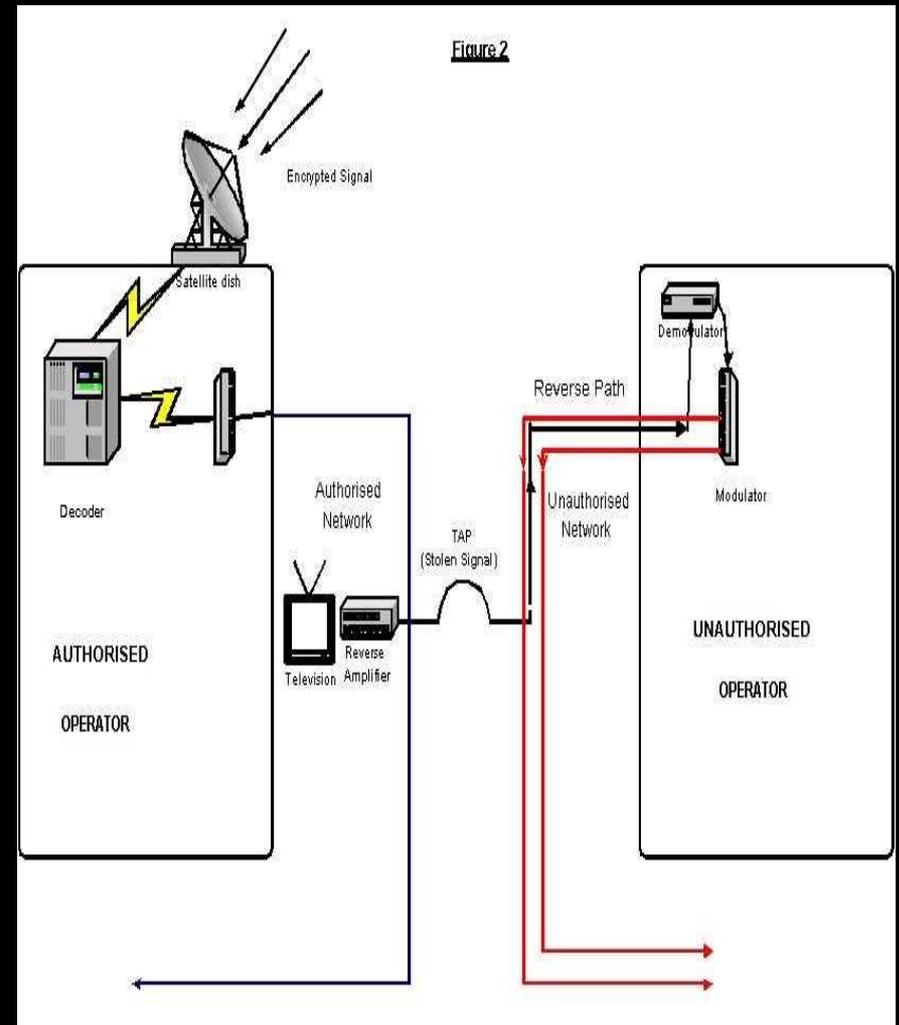
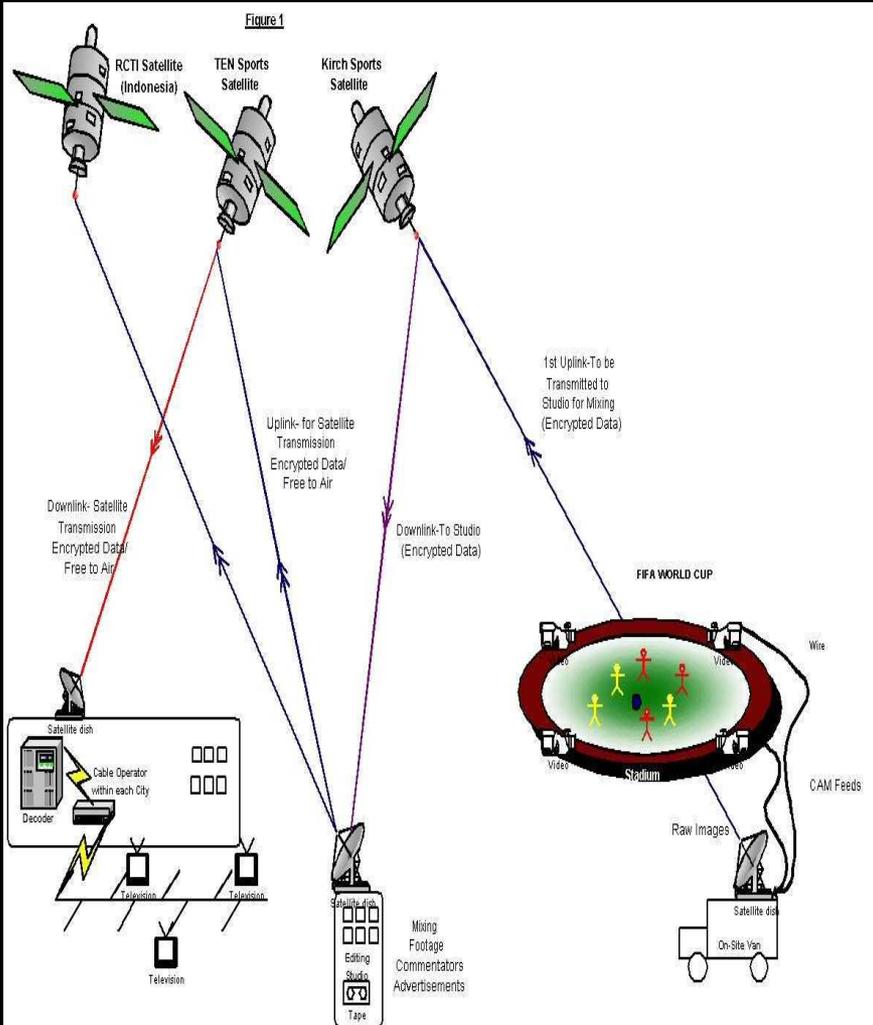
# Broadcast Regulation: the 'Ten Sports' Case

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The case brought to the fore many key issues relating to broadcast regulation. The main features of the decision are:

- The issuing of 'Ashok Kumar' [Indian 'John Doe'] Orders in addition to orders in the nature of Anton Piller Orders
- The appointment of a Commissioner by the Court to enter the premises of *unnamed* defendants and record evidence of infringing materials [photographs and video shots], which could be used in civil or criminal proceedings
- Seizure of infringing materials in the premises of *named* defendants
- Class actions against a group of defendants

# “The Ten Sports Case”: The Technology



# The 'Ten Sports' Case

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## The effect on Broadcast regulation

- No geographical limitations
- Orders can be passed against an unspecified number of defendants [wider authority than provided for in developed countries like the US and Canada]
- Provides judiciary with much needed authorisation to crack down on copyright infringement in the film broadcast industry
- Powers to check piracy with an urgency that is imperative for IP with a short shelf life

# The 'Skylarov Example'

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## **The Digital Millennium Copyright Act [DMCA] - Prohibition on Circumvention:**

- i) Making the technology/device for bypassing**
- ii) Selling the Circumvention technology/devices**
- iii) Publishing information on the circumvention technology/device.**

## **Dmitry Skylarov: Russian programmer with ElcomSoft Co. Ltd.**

- Designed software that circumvented the 'Advanced eBook Processor'**
- Circumvented Adobe e-Book files' encryption.**
- 'Arrested' and charged for 25 years imprisonment under the DMCA.**

# Intellectual Property – Towards a National Enforcement Framework

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- The need for reliable information on the nature of criminal activity, its size, diversity and scope
- The model must underpin strong tactical strategies
- The strategy must bring together different parts of the government, industry stakeholders, policy makers and enforcers – to create a coordinated approach to intellectual property enforcement.

# Intellectual Property Enforcement in India: Cultural Issues

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- The general perception of IP crime that it is a 'victimless crime'
- The factors contributing to the growth of IP crime – widespread availability of technology; increased globalisation of world trade; legal penalties are low [or perceived to be so]; the influence of organised crime
- Organised crime [and criminals] moving towards the manufacture [and distribution] of counterfeit products

# Intellectual Property Enforcement: International Examples

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- Industry Action Groups – Businesses to unite and take action [sharing of information; enforcement strategies; withdrawal of investment]
- World Customs Organisation working on new ways of monitoring [and controlling] international supply chains
- Interpol established an “IP Action Group” to improve co-ordination of international enforcement action
- The United States Patent Office [USPTO] has taken a strong role in enforcement issues [strong domestic focus; developing training and awareness; media information and relay messages]

## [A] Strategy to combat IP crime [I]

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- A new and coordinated approach – the challenge is to create and co-ordinate an enforcement network which targets resources more effectively and produces results on the ground
- Information – producing and sharing expert information
- “National Enforcement Report” – the result of national co-ordination; draw together the enforcement work carried out by the main stakeholders
- “Actionable Information” – [a] tactical assessments; [b] problem area profiles; [c] target area profiles; [d] threat assessment reports

## [A] Strategy to combat IP crime [II]

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- The Enforcement Hub – a structured approach – producing key facts of planning and decision making
- Enforcement at three levels – [a] local issues [crime affecting small areas]; [b] cross border [crime affecting more than one area]; [c] serious and organised crime [operating at a national and international level]
- Policy and Support Work – [a] Legislation and Policy; [b] Training; [c] Awareness and Publicity – outreach; [d] Threat assessment, analysis and information exchange

Any questions?

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