
UNIT 3 INTELLECTUAL PROPERTY RIGHTS – THE INDIAN SCENARIO

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3.1 INTRODUCTION

The tradition of scholarship and intellectual creativity in India goes back to a few millennia. Yet the concept of Intellectual Property Rights in the modern sense is rather new and would appear to have no cultural moorings or sanction in our country. The history of intellectual property rights in India backed by enforceable legal provisions scarcely goes back to 150 years.

Objectives

After studying this unit you will:

- know the history of IP legislation in India;
- have an overview of the IP Law in India;
- know IP Laws enacted by India; and
- know International IP Treaties where India is a member.

3.2 HISTORY OF IP LEGISLATION

Patents

The first Indian statute on patents was passed in 1856 granting some exclusive rights to inventors for 14 years. It had to be re-enacted with some modification as the Act of 1859. It granted to inventors of ‘new manufacture’ exclusive rights to make, sell and use the invention in India, or to authorise some one to do so. Its scope was expanded to include designs, under ‘the new manufacture’ in the Patents and Designs Protection Act 1872. Then came the Inventions and Designs Act of 1888, and later the Indian Patents and Designs Act 1911, (which was modelled largely on the British Patents and Designs Act 1907). After independence in 1947, the Government felt the need for a more effective patent legislation. The existing situation with regard to patents was reviewed by two expert committees: one, headed by Justice Rajagopal Iyengar, and another headed by Bakshi Tek Chand. It was revealed that the MNCs, who owned 90% of all patents in India, had misused patents largely to ensure a protected market in India for their products, denying availability of many essential goods to people at competitive prices. The Patents Bill following the reports of these Committees was debated for a decade when finally the Indian Patents Act 1970 was enacted. It was highly acclaimed by, amongst others, UNCTAD, as a most progressive patent law and inspired similar legislation in many developing countries. It clearly codified inventions that could not be patented, permitted patenting of only process, not products, of manufacture in the fields of food, drugs and medicines and substances

produced by chemical processes. The term of patent was in the case of process relating to food, medicines and drug, 5 years from the sealing of the patent or 7 years from the date of patent whichever was earlier; in case of other process patents, it was 14 years; it had provision for 'licences of right' and compulsory licensing in some circumstances; it provided for use of inventions for government purposes, acquisition of invention by Central Government and revocation of patents in public interest.

Following India's membership of the WTO and her obligations under the TRIPS Agreement, the Indian Patents Act 1970, was amended by Patents (Amendment) Act 1999 and Patents (Amendment) Act 2002, which came into force on May 2, 2003. The Provisions of the present Act are in line with the TRIPS Agreement.

Trademarks

No specific legislation existed on trademark before 1940. However, remedies for violation of trademark were available under the Indian Penal Code 1860 and Specific Relief Act, 1877. The Trade Marks Act, 1940 was replaced by the Trade and Merchandise Marks Act, 1958, which has now been repealed and replaced by the Trade Marks Act, 1999.

Designs

Designs continued to be governed by the provisions of the Indian Patents and Designs Act, 1911, until the Designs Act, 2000 was passed.

Copyright

In matters of Copyright the English Copyright Act, 1842 was deemed applicable to India, though it was never expressly declared to be so. The application of the Copyright Act, 1911 of England was extended to India as a British dominion. The Indian Copyright Act, 1914 introduced criminal sanctions for infringement and continued till the copyright act 1957 came into force on 21.1.1958. This was necessitated as much by the changed status of India as an independent nation as by the advancement of technology of reproduction and communication. The Act had several original features; registration of copyright was voluntary; an administrative machinery for registration of copyright was established; the government was empowered to protect copyright of citizens from other countries. It has been amended since then in 1983, 1992, 1994, and 1999 – the last one, after India ratified the TRIPS Agreement as a member of the WTO.

Besides these four principal fields for intellectual property protection, namely, patents, trademarks, industrial designs and copyright, India has enacted the IP laws for geographical indications of goods, protection of plant varieties and farmers' rights, semiconductor IC layout designs, information technology, and biodiversity.

3.3 OVERVIEW OF IP LAW IN INDIA

The Indian Law to grant and regulate protection of intellectual property in various fields of IP has now been aligned to the requirements and provisions as visualised under the TRIPS Agreement of the WTO.

You will study the details of the individual Acts dealing with specific IP instruments – patents, copyright, trademarks, industrial designs etc. – in relevant Units. Here we will refer to some general features, specially those pertaining to the administration and enforcement of IPRs in India, that define IP Laws in India.

3.3.1 The Indian Patent Law

The law relating to patents is laid down in the Indian Patents Act (1970) as amended by Patents (Amendment) Act, 1999 and Patents (Amendment) Act, 2002. Some of the

more significant changes introduced by these amendments in the original Act of 1970 are as follows:

- There is no restriction now on Indians applying for patents abroad.
- The definition of term ‘invention’ is fully consistent with the TRIPS Agreement, and includes both products and processes in all fields of technology. Before amendment only methods or processes of manufacture relating to food, medicines and drugs were patentable.
- The list of items that are not to count as inventions for grant of patents has been modified to include exclusions permitted by the TRIPS Agreement. Earlier an invention was not patentable if its primary or intended use would be ‘contrary to law or morality or injurious to public health.’ Now it will not be considered an invention if its ‘primary or intended use or commercial exploitation’ could be ‘contrary to public order or morality or which causes serious prejudice to human, animal or plant life or health or to the environment. Also ‘discovery of any living thing or non-living substance occurring in nature’ is not regarded as an invention under the amended Act.
- The rights of the patentee have been brought in line with the provisions of the TRIPS Agreement, as necessitated by changes permitting product patents.
- Reversal of burden of proof when infringement of a process patent occurs has been included in accordance with the TRIPS Agreement. It is now for the defendant to prove that the process being used by him is different from the patented process alleged to be infringed.
- The term of patent is now uniform 20 years as required by the TRIPS. Earlier, for a process patent, relating to an item of food, medicine or drug it was five years from the date of sealing of the patent or seven years from the date of application whichever period was shorter, and fourteen years from the date of patent in respect of any other invention.
- The provision of licenses of right has been omitted and compulsory licensing brought in line with TRIPS.
- Provisions for exclusive marketing rights have been included.
- Provisions for parallel import of patented products have been included.
- Protection of biodiversity and traditional knowledge, under ‘inventions not patentable’ category.

The Act makes the Controller General of Patents, Designs and Trade marks appointed under the Trade Marks Act, 1999 as the controller of Patents with powers of a civil court.

Indian Copyright Law

The Copyright Act, 1957, as amended in 1999 governs the copyright law in India. It came into force on January 15, 2000. It has established a copyright office, under the immediate control of the Registrar of Copyrights, to facilitate registration of copyright. It has also established a Copyright Board (CB) with Registrar of copyrights as its Secretary. The CB is meant to hear and settle certain kinds of disputes arising under the Act.

The Act defines various categories of works in which copyright subsists, and has inter alia, provisions for determination of first ownership of copyright, the scope of rights conferred; assignment and licensing of copyright; compulsory licensing and the circumstances in which it could be granted; performing rights of societies; broadcasting rights; authors special rights; international copyrights. The Act sets out

in detail what constitutes infringement and what does not; civil and criminal remedies against infringement and remedies against threat of legal proceedings without any ground.

The Indian copyright law is in conformity with the provisions of the TRIPS Agreement of the WTO. It is also in line with the provisions of the Berne Convention for the Protection of Literary and Artistic Works (Brussels Text, 1948), and the Universal Copyright Convention (1952); India is a member of both conventions.

Indian Trade Mark Law

The Trade Marks Act, 1999 lays down the law governing trade marks in India.

It extends the scope of protection by registration of trade marks to services, besides goods. It provides for a single register and simplifies the procedure for registration. It recognises 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 means.

The Controller-General of Patents, Designs and Trade Marks is the Registrar of Trade Marks. The act establishes an appellate board with the same powers as are vested in a civil court; any proceedings before the Board are deemed as judicial proceedings.

Several measures have been taken to simplify trade mark law and procedure, offer better protection and make enforcement more effective, e.g. a single application for registration in more than one class; increasing the term of protection from 7 years to 10 years; enhancing punishment to bring it at par with the copyright law; making trade mark offences cognisable.

Indian Designs Law

The Designs Act 2000 lays down the law for protection of industrial designs in India. The Controller-General of Patents, Designs and Trade Marks is the Controller of Designs.

The Act inter alia defines 'original' and enlarges the scope of definitions of 'article' and 'design'; it spells out what designs shall not be registered, brings in the internationally followed system of classification in place of the Indian system, provides for restoration of lapsed designs and maintaining the register of designs on computer; the two year period of secrecy of a registered design is revoked and any document for transfer of right in a registered design is required to be compulsorily registered. More grounds have been added for cancellation of registration and cancellation proceedings are to be initiated before the Controller of Designs instead of a High Court. Infringement attracts heavier penalties; the initial period of registration is enhanced from 5 years to 10 years, extendable by a further period of 5 years. It provides for control of anti-competitive practices in contractual licences. Appeal against an order of the controller lies to the High Court.

Appeal Mechanism

In keeping with its status as a major, vibrant economy, and as an active contributor in the realm of knowledge and creativity, India, though a relatively late comer in the IP game, has strong IP Laws and effective enforcement of IPRs. All the Acts dealing with IP in its various forms are aligned to the TRIPS Agreement making appropriate use of flexibilities available under the TRIPS. They are fully alive to the role of IPRs in growth and development consistent with societal and environmental concerns.

All the IP Laws provide for (i) a fully empowered administrative machinery to grant and register claims for IPRs in a fair and transparent manner, (ii) a mechanism for appeal against administrative decisions if necessary, and (iii) a procedure for legal enforcement of IPRs.

Patents and industrial designs are required to be registered under the relevant Acts to claim any legal protection of IPRs. However, copyright and trademarks (in India) have no such requirement. Their registration is voluntary, but in case of legal disputes, registration carries distinct advantages. As copying, counterfeiting and forgery have become easy and rampant and economic consequences of infringing a copyright or using a brand name (trademark) in an unfair way may be huge, it is advisable to get the copyright and trademark duly registered.

The provision of appeal against a decision/order of the highest controlling authority is only fair and necessary under a sound legal system. The appeal earlier used to lie with a High Court of appropriate jurisdiction. However, the domain of IP being highly specialised, which was often unfamiliar to a High Court judge, the need of a specialist member on the reviewing bench was always felt. Further the disposal of an appeal in a High Court was time-consuming and involved high cost of litigation.

Having regard to these considerations, the Trade Marks Act, 1999, established an Appellate Board (AB) having advocates who have been active in the field of Trade Marks for 10 years. A bench of the Appellate Board will consist of a Judicial Member and a Technical Member. The bench will sit at a place decided by the Central Government.

The Appellate Board for trade marks is also the appellate authority under the Patents Act, 1970, as amended by the Patents (Amendment) Act, 2002. It is also the Appellate Board for geographical indications. The Technical Member of the AB for patents cases is a person experienced in patent law to consider appeals against the decision of Controller. He is a person who has been Controller, or has exercised his functions, for 5 years, or he should be an Advocate practising law relating to patents and designs for 10 years. A bench of the Appellate Board consists of one judicial member and one technical member.

The Appellate Board sits in the following cities: Ahmedabad, Chennai, Delhi, Mumbai, Kolkata. The Board fixes its own procedure, place and time of sittings.

Pursuing a case before a trade mark Appellate Board or the Copyright Board (which can also have sittings all over India) can be frustrating and difficult experience.

The procedure for appeal in the case of copyright is different. The appeal against a decision of the Registrar of Copyrights lies with the Copyright Board. The Copyright Board, constituted by the Central Government, consists of a Chairman who is or has been or has the qualifications to be a judge of High Court, and two to fourteen members. The Registrar of Copyrights is the secretary of the Board. A further appeal against the decision of the Copyright Board lies with the High Court of appropriate jurisdiction.

Under the Designs Act, 2000, the appeal against a decision of the Controller of Designs lies with the High Court. The Semiconductor Integrated Circuits Lay-out Designs Act, 2000, provides for a Layout Design Appellate Board, and an appeal against its decision lies with the High Court. The appellate authority under the Protection of Plant Varieties and Farmers' Rights Act 2001, is the Plant Varieties Protection Appellate Tribunal. The Biological Diversity Act 2002 provides for a appeal against the orders of the national biodiversity authority or a state biodiversity board, to the High Court. The Information Technology Act provides for appeal to a cyber Appellate Tribunal against one order of the Controller of Certifying Authority or an adjudicating officer.

Thus, the situation in respect of appeal related to various kinds of IPRs may do with some streamlining.

The diversity of appellate authorities and procedures for different IPRs seems unnecessary. There could be a case to have only one Intellectual Property Appellate Tribunal to hear appeals cases of all category of IPRs. The Tribunal and its benches

may also shed the roving character and have fixed places for hearings to make it easy, convenient and less costly for litigants to pursue their cases.


3.4 IP ACTS ENACTED BY INDIA

India has enacted the following IP Acts:

1. The Patents Act, 1970, as amended by the Patents (Amendment) Act, 1999, and the Patents (Amendment) Act, 2002
2. The Copyright Act, 1957 as amended in 1999
3. The Trade marks Act, 1999
4. The Designs Act, 2000
5. The Geographical Indications of Goods (Registration and Protection) Act, 1999
6. The Protection of Plant Varieties and Farmers Rights Act, 2001
7. Integrated Circuit Layout Designs Act, 2000
8. The Biological Diversity Act, 2002

Activity 1

Find out which of the Acts are already in force.

 Spend
2 min.

SAQ 1

Has India aligned its IP Laws with the requirements of the international IP regime as envisaged under the TRIPS agreement.

3.5 MAJOR INTERNATIONAL TREATIES SIGNED BY INDIA

1. The Convention Establishing the World Intellectual Property Organisation
2. The Paris Convention for the Protection of Industrial Property
3. The Berne Convention for the Protection of Literary and Artistic works
4. The Patent Cooperation Treaty
5. The Geneva Convention for the Protection of Producers of Phonograms Against Unauthorised Duplication of their Phonograms.
6. The Budapest Treaty on the International Recognition of the Deposit of Micro organisms for the Purposes of Patent Procedure
7. The Universal Convention of Copyrights



3.6 SUMMARY

A brief history of IP legislation in India is given. An overview of the current IP Law in four principal kinds of IP viz. patents, copyrights, trade marks and designs, is given pointing to some salient features that make the IP provisions in India tougher and in conformity with its international obligations. Existing Acts giving IP laws in various categories of IP have been listed, as also major international treaties which India has signed.

3.7 TERMINAL QUESTIONS

Spend 10 min.

1. Discuss the major changes effected in the Indian Patent Law (1970) after its amendment by Patents (Amendment Act) 1999, and Patents (Amendment) Act, 2002.
2. Discuss the Appeal Mechanism available in India in relation to IPRs.

3.8 ANSWERS AND HINTS

Self Assessment Questions

1. Yes

Terminal Questions

1. Refer 3.3
2. Refer 3.3