

UNIT-I

INTRODUCTION TO INTELLECTUAL PROPERTY LAW

Introduction to Intellectual Property Law – Evolutionary past – Intellectual Property Law Basics - Types of Intellectual Property - Innovations and Inventions of Trade related Intellectual Property Rights – Agencies Responsible for Intellectual Property Registration – Infringement - Regulatory – Over use or Misuse of Intellectual Property Rights - Compliance and Liability Issues.

Property: Any product/ item that has some financial value

Classification of property

- **Movable property:** In civil law systems, personal property is often called movable property or movables – any property that can be moved from one location to another. This term is in distinction with immovable property or immovable, such as land and buildings.
- **Immovable property:** Immovable property is an immovable object, an item of property that cannot be moved without destroying or altering it - property that is fixed to the earth, such as land or a house. In the United States it is also commercially and legally known as real estate and in Britain as property.
- **Intellectual property:** Intellectual property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.
In a simple way Intellectual property is a property that arises/ comes from the human intellect. Simply it is product of human creation.

Intellectual property rights: Intellectual property rights are the rights given to persons over the creations of their minds. They usually give the creator an exclusive right over the use of his/her creation for a certain period of time.

Intellectual property can be brought, sold, and licensed. Similarly, it can be protected against theft or infringement by others. Nevertheless, there are some restrictions on use. For example, if you were to purchase the latest best seller by John Grisham, you would be entitled to read the book, sell it to others, or give it away. You would not entitle to make photocopies of the book and then distribute and sell those copies to other.

Features of Intellectual Property

- Documentation : (Need Documentation)
- Legal Authorization: (Need legal Acceptance)
- Description: (details of Intellectual property, whether it is a trade mark or patent, or copy right)

- Ownership : (identify the original owner for registration)
- Time Duration: Intellectual properties have time duration based on the property
- Fee: the owners has to pay prescribed fee for protecting their intellectual property
- Commercial value: intellectual properties have commercial value it means we can sell and we can buy

Importance of intellectual property

- ✓ Enhancing profitability
- ✓ It is a business strategy
- ✓ It is crucial to Success in the market place
- ✓ Useful for compete with competitors
- ✓ Useful to the customers
- ✓ Economy development

IMPORTANCE OF THIS COURSE FOR ENGINEERS:

The subject of IP is very useful and important for engineers. This is because a lot of technical innovations occur in engineering institutes and to protect them knowledge of IP is necessary. Knowledge of IP helps an engineer to not only protect his valuable ideas and thus create “Intellectual Property” but also to promote its licensing and development in the large interest of society.

The present course thus creates awareness about how IP can benefit an engineer in terms of new and better career opportunities and also increased sources of income. You don’t need a legal background to study and understand intellectual property- what you need to have is a strong technical background, which you already have- as an engineering professional!

Usefulness of IPR&P for Engineers:

- Knowledge of IP adds tremendous monetary value to your work.
- Knowledge of IP enables you to improve the quality of your own work.
- Knowledge of IP opens up a world of new career opportunities.
- Knowledge of IP empowers you to take your own decisions.
- Knowledge of IP has special value for qualified engineers in terms of consultancy promotion.

INTELLECTUAL PROPERTY LAW BASICS:

Intellectual property law: Intellectual property law deals with the rules for securing and enforcing legal rights to inventions, designs, and artistic works. Just as the law protects ownership of personal property and real estate, so too does it protect the exclusive control of intangible assets. The purpose of these laws is to give an incentive for people to develop creative works that benefit society, by ensuring they can profit from their works without fear of misappropriation by others.

IP Law provides certain protections for products that were created out of a person’s own mental process, and establish ownership for marketable ideas.

Basics:

Intellectual property is a field of law that aims at protecting the knowledge created through human efforts in order to stimulate and promote further creativity.

Authors who write books and musicians who compose songs would be unlikely to engage in further creative efforts unless they could realize profit from their endeavors. If their work could be misappropriated and sold by others, they would have no incentive to create further works. Pharmaceutical companies would not invest millions of dollars into research and development of new drugs unless they could be assured that their inventions would enable them to recover these costs and develop additional drugs.

On the other hand, if owner of intellectual property is given complete and perpetual rights to his or her invention or work, the owner would have a monopoly and be able to charge excessive prices for the invention or work, which would harm the public.

Intellectual property law attempts to resolve these conflicting goals so that owners' right to reap the rewards of their efforts are balanced against the public need for a competitive marketplace.

Thus, for example, under federal law, a patent for a useful invention will last for only 20 years from the date an application for the patent is filed. After that period of time, the patent expires, and anyone is free to produce and sell the product.

Legislations Relating to IPR&P in India:

The procedure for grant of IPRs in India has been formulated from time to time. At present the following legislations on IPRs are in force in India:

- The patent Act, 1970 as amended by the Patent (Amendments) Act, 2005 along with the Patent (Amendments) Rules, 2005 (effective from 01.01.2005).
- The Designs Act 2005 with The Design Rules, 2001.
- The Trade Mark Rules, 1999 along with The Trade Mark Rules, 2002.
- The Geographical Indications of Goods (Registration and Protection) Act, 1999 and the geographical indications of goods (registration and protection) rules, 2002.
- The copyright Act 1957, Copyright (Amendment) Act 1994, Copyright (Amendment) Act 1999 (effective from 15.01.2000).

As the laws governing the grant of all these intellectual properties vary from country to country, these are some global efforts to harmonize IP laws and procedures or to establish minimum standard for protection. These efforts are reflected in the international treaties and conventions like Paris convention, patent cooperation treaty and IPR&Ps, which have been reflected by most of the countries.

THE EVALUATIONARY PAST:

The basic concept behind IP and the grant of legal rights is to encourage innovation and creativity. So that society can prosper and progress. The fundamental concept behind all forms of rights related to intellectual property is that “the person, who has put in original effort, must be rewarded.” If there was no mechanism to protect and reward original effort and creativity, eventually nobody would want to make any effort and society would be the loser!

ILLUSTRATIONS:

You put in lot of hard work and effort and come up with a very good invention. The movement you discuss it with someone, it is copied. You can neither prevent it nor get any credit for all your hard work. Will you be motivated to come up with new inventions?

You spend years writing a laboratory manual. When it is ready, somebody just publishes it and takes all the profits. Will you be motivated to put in effort again?

Hence it is very important that adequate legal mechanisms are in place to reward original thinkers and innovators and punish those who try to benefit illegally from the efforts of others. The concept of “rights” over one’s work is not a new concept. A deep in to history shows that the concept of intellectual property existed hundreds of years ago.

- ✓ In Greece 500BC inventors can enjoy the profits only for one year. Later in 1449 AC in England King Henry VI extended the patent period from one year to 20 years. John of Utinam was the first person who received 20 years patent for his invention of colour glass.
- ✓ As early as 1474, there existed in Vennice a decree (order of law) on the protection of inventions
- ✓ The first English patent was granted to Giacompo Acotio in 1565 for a new type of Furnace.
- ✓ In 1594 Galileo was granted a Venetian patent for an irrigation machine.
- ✓ In 1641 in America Samuel Winslow took patent for invention of new procedure for making salt.
- ✓ In 1794 Elivitni got patents for cotton zin machine to separate seeds from cotton.
- ✓ In 1837 Thomas Davenport invented DC electric motor and took patent. But he did’t earned any profits because at that time there was no electricity.
- ✓ In 1851 Doctor John Gorri invented Ice Manufacturing machine to keep his patents room cool. He took patent. He died at the time of it introduction in to the market. But he was recognized as “Father of Refrigeration.”
- ✓ In 1872 Graham Bell received patent for his Telephone invention.
- ✓ In 1880 Thomas Alva Edition received patent for his Bulb invention.

There are even recordes of actions taken by a Jeweler named Claudio Vom Creutz in Nuremberg between 1593 and 1604 for violation of his patent rights relating to polishing of Gemstones. The infringer was imprisoned, had to pay penalty by way of costs and was banished from the city.

TYPES OF INTELLECTUAL PROPERTIES/ CLASSIFICATION OF INTELLECTUAL PROPERTIES

- Trade mark (for marks used in business)
- Copy rights (for creative/ Artistic works/ Software works)
- Patents (for inventions)
- Industrial design (for external shape of the product)

- Layout design of integrated circuits
- Geographical indicators (for goods from a particular region Ex: Darjeeling- Tea)
- Plant varieties (for new varieties of plant)
- Trade secrets (for information of commercial importance)

The main types of intellectual property rights are

1. Trade Mark
2. Copy rights
3. Patents
4. Trade secrets

1. **Trade Mark:** When George Eastman came up with the name KODAK® for his camera in 1883, what he came with was a trademark. A trademark is a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises. Trademarks are protected by intellectual property rights.

A word or a combination of words, letters, and numerals can perfectly constitute a trademark. But trademarks may also consist of drawings, symbols, three-dimensional features such as the shape and packaging of goods, non-visible signs such as sounds or fragrances, or color shades used as distinguishing features – the possibilities are almost limitless.

Choosing a Trade Mark

The strength of a trademark varies according to

- ✓ **Generic:** name of product or service
- ✓ **Descriptive:** tells something about product or service directly
- ✓ **Suggestive:** suggest something about product or service indirectly
- ✓ **Arbitrary:** no relationship to product or service

2. **Copy rights:** When Ernest Hemingway wrote *The Old Man and the Sea* in 1952, what he wrote was protected by copyright. Copyright (or author's right) is a legal term used to describe the rights that creators have over their literary and artistic works. Works covered by copyright range from books, music, paintings, sculpture, and films, to computer programs, databases, advertisements, maps, and technical drawings.

Exclusive rights of copyright owner:

- Reproduce work
- Prepare derivative works
- Distribute work to the public
- Perform work in public
- Display work in public

3. **Patents:** When Thomas Edison ran electricity through an incandescent filament in 1879, he

invented the modern light bulb, and what he got for it was a patent. Patents protect inventions. A patent is a property right given by the government to an inventor that gives the inventor the right to exclude others from making, using, offering for sale or selling the invention. In return for that exclusive right, the inventor must disclose the invention to the public so that others can learn from it.

Types of patents

There are several different types of patents in the United States

- ✓ **Design Patent:** Design patents cover the ornamental features (i.e., appearance) of a product.
- ✓ **Utility Patent:** Utility patents are the most common, and they cover processes, machines, articles of manufacture, and compositions of matter.
- ✓ **Plant Patent:** Plant patents cover newly developed varieties of plants provided they can be reproduced asexually.

Requirements for patentability

- ✓ **Novelty:** Must be “new” (i.e., not already known to the general public or those skilled in the field of invention).
- ✓ **Utility:** Must have a useful purpose and actual work. Must not be frivolous or immoral
- ✓ **Non-Obviousness :** Must not be obvious to a person with ordinary skill in the field of the invention at the time the invention was made
- ✓ **Term:** typically 20 years, but actual term varies depending upon country issuing patent.

4. Trade Secrets: When Dr. John S. Pemberton mixed together sugar syrup and other ingredients in 1886 to make a refreshing new beverage, he came up with the secret formula for COCA-COLA®. He kept it secret and protected it as a trade secret. A trade secret is information that: (1) provides a business with a competitive advantage; and (2) is treated in a way that can reasonably be expected to prevent the public or competitors from learning about it, absent improper acquisition or theft.

Trade secrets examples: A formula for a soft drink, Marketing strategies, Manufacturing techniques, Computer algorithms, Customer lists

5. Industrial design: In a legal sense, an industrial design constitutes the ornamental or aesthetic aspect of an article. An industrial design may consist of three dimensional features, such as the shape of an article, or two dimensional features, such as patterns, lines or color.

What kind of protection does an industrial design offer?

In principle, the owner of a registered industrial design or of a design patent has the right to prevent third parties 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.

What kind of products can benefit from industrial design protection?

Industrial designs are applied to a wide variety of products of industry and handicraft items: from packages and containers to furnishing and household goods, from lighting equipment to jewelry, and from electronic devices to textiles. Industrial designs may also be relevant to graphic symbols, graphical user interfaces (GUI), and logos.

6. Layout design of integrated circuits:

Layout designs (topographies) of integrated circuits are a field in the protection of intellectual property.

In United States intellectual property law, a "mask work" is a two or three-dimensional layout or topography of an integrated circuit (IC or "chip"), i.e. the arrangement on a chip of semiconductor devices such as transistors and passive electronic components such as resistors and interconnections. The layout is called a *mask* work because, in photolithographic processes, the multiple etched layers within actual ICs are each created using a mask, called the photo mask, to permit or block the light at specific locations, sometimes for hundreds of chips on a wafer simultaneously.

Because of the functional nature of the mask geometry, the designs cannot be effectively protected under copyright law (except perhaps as decorative art). They also cannot be effectively protected under patent law, although any processes implemented in the work may be patentable. So, national governments have been granting copyright-like exclusive rights conferring time-limited exclusivity to reproduction of a particular layout.

7. Geographical Indications:

A geographical indication (GI) is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin. In order to function as a GI, a sign must identify a product as originating in a given place. In addition, the qualities, characteristics or reputation of the product should be essentially due to the place of origin. Since the qualities depend on the geographical place of production, there is a clear link between the product and its original place of production.

What rights does a GI provides?

A geographical indication right enables those who have the right to use the indication to prevent its use by a third party whose product does not conform to the applicable standards. For example, in the jurisdictions in which the Darjeeling geographical indication is protected, producers of Darjeeling tea can exclude use of the term "Darjeeling" for tea not grown in their tea gardens or not produced according to the standards set out in the code of practice for the geographical indication.

However, a protected geographical indication does not enable the holder to prevent someone from making a product using the same techniques as those set out in the standards for that indication. Protection for a geographical indication is usually obtained by acquiring a right over the sign that constitutes the indication.

For what type of products can GI be used?

Geographical indications are typically used for agricultural products, foodstuffs, wine and spirit drinks, handicrafts, and industrial products.

8. Plant varieties:

Plant Variety Protection in India: Plant variety protection provides legal protection of a plant variety to a breeder in the form of Plant Breeder's Rights. The application for the registration of a plant variety is filed at Protection of Plant Varieties and Farmers' Rights Authority and its Head Quarters is located at NASC Complex, DPS Marg, Opp-Todapur, New Delhi-110012.

Four types of plant varieties can be registered under PPVFR Act, 2001:

1. New varieties: A variety which is not in public domain in India earlier than one year before the date of filing; or outside India, in the case of trees or vines earlier than six years, or in any other case, earlier than four years.

2. Extant variety: A variety which is notified under Seed Act, 1966 or a variety about which there is common knowledge or a farmers' variety or any other variety which is in public domain is considered as an Extant variety.

3. Farmers' variety: A variety which has been traditionally cultivated and evolved by the farmers in their fields or a variety which is a wild relative or land race of a variety about which farmers possess common knowledge.

4. Essentially derived variety (EDV): An "essentially derived variety" shall be said to be essentially derived from such initial variety when it is predominantly derived from such initial variety, or from a variety that itself is predominantly derived from such initial variety, while retaining the expression of the essential characteristics that result from the genotype or combination of genotype of such initial variety and it is clearly distinguishable from such initial variety. An EDV conforms to such initial variety that results from the genotype or combination of genotype of such initial variety.

Duration of protection for a registered plant variety:

- Trees and vines – 18 years
- Other crops – 15 years
- Extant varieties – 15 years from the date of notification of that variety by the Central Government under Seed Act, 1966

TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS (TRIPS)

The Agreement on Trade-Related Aspects of Intellectual Property Rights (**TRIPS**) is an international agreement administered by the World Trade Organization (WTO) that sets down minimum standards for many forms of intellectual property (IP) regulation as applied to nationals of other WTO Members. The World Trade Organization (WTO) is an intergovernmental organization which regulates international trade.

Why TRIPS was included in WTO?

The precursor to the TO was General Agreement on Tariffs and Trade (GATT) which sought to address issues related to international trade in goods.

The operation of the GATT over the years resulted in lowering of tariffs in general in international trade. As a result, increasingly other domestic policies of nation came into focus of the trading nations. The developed countries, including the United States started facing increasing competition in manufactured exports from Newly Industrializing Countries (NICs) of Asia.

For intellectual Property issues in general, the negotiators were required to “clarify GATT provisions and elaborate as appropriate new rules and disciplines” in order to reduce distortions and impediments to international trade.

A technology become more important in goods and commodities, having higher proportion of invention and design (Intellectual Creativity) in their value, IPR become important in international trade. As a result, in the Uruguay Round negotiations, the intellectual property rights dominated the discussions.

The Uruguay Round was the 8th round of multinational trade negotiations (MTN) conducted within the framework of the GATT spanning from 1986 to 1994 and embracing 123 countries as contracting parties.

Which IPRs are covered under TRIPS?

The IPRs covered by the TRIPS Agreement are:

1. Patents (for inventions)
2. Copyrights (for creative/artistic/software)
3. Trademarks (for marks used in trade)
4. Industrial Designs (for external shape)
5. Layout Design of Integrated Circuits
6. Plant Varieties (for new varieties of plants e.g a rose plant bearing roses of several colors)
7. Geographical Indications (for goods from particular region e.g Daljeeling Tea, Kullu Shawls)
8. Trade Secrets (for information of commercial importance)

The agreement covers five broad issues:

- ✓ how basic principles of the trading system and other international intellectual property agreements should be applied
- ✓ how to give adequate protection to intellectual property rights
- ✓ how countries should enforce those rights adequately in their own territories
- ✓ how to settle disputes on intellectual property between members of the WTO
- ✓ Special transitional arrangements during the period when the new system is being introduced.

AGENCIES RESPONSIBLE FOR INTELLECTUAL PROPERTY REGISTRATION

There are a number of international organizations and agencies that promote the use and protection of intellectual property:

1. International Trademark Association (INTA)
2. World Intellectual Property Organization (WIPO)

3. Paris Convention
4. Berne Convention (for the protection of literary and artistic works)
5. Madrid Protocol
6. North American Free Trade Agreement (NAFTA)
7. General Agreement on Tariffs and Trade (GATT)

1. International Trademark Association (INTA): The International Trademark Association (INTA) is a worldwide not-for-profit advocacy association of trademark owners and professionals dedicated to supporting trademarks and intellectual property in order to protect consumers and to promote fair and effective global commerce.

INTA's members are more than 6,500 organizations from 190 countries. The Association's member organizations represent some 30,000 trademark professionals and include brand owners from major corporations as well as small and medium-sized enterprises, law firms and nonprofits. There are also government agency members as well as individual professor and student members.

Activities: INTA provides services to its members and the public in three main areas: Global Trademark Resources, Programs & Events, and Policy & Advocacy.

2. World Intellectual Property Organization (WIPO): World Intellectual Property Organization (WIPO), international organization designed to promote the worldwide protection of both industrial property (inventions, trademarks, and designs) and copyrighted materials (literary, musical, photographic, and other artistic works). The organization, established by a convention signed in Stockholm in 1967, began operations in 1970 and became a specialized agency of the United Nations in December 1974. It is headquartered in Geneva, Switzerland. WIPO currently has 188 member states, administers 26 international treaties.

History: The origins of WIPO can be traced to 1883, when 14 countries signed the Paris Convention for the Protection of Industrial Property, which created intellectual-property protections for inventions, trademarks, and industrial designs. The convention helped inventors gain protection for their works outside their native countries. In 1886 the Berne Convention required member countries to provide automatic protection for works that were produced in other member countries. The two organizations, which had established separate secretariats to enforce their respective treaties, merged in 1893 to become the United International Bureau for the Protection of Intellectual Property (BIRPI), which was based in Bern, Switzerland. In 1960 BIRPI moved its headquarters to Geneva.

Purpose: The purposes of WIPO are twofold: (1) to promote the protection of intellectual property throughout the world through cooperation among states and, where appropriate, in collaboration with any other international organization; and (2) to ensure administrative cooperation among the unions.

Agreement between the WIPO and WTO: To facilitate the implementation of the TRIPS Agreement, the Council for TRIPS concluded with WIPO an agreement on cooperation between WIPO and the WTO, which came into force on 1 January 1996. As explicitly set out in the Preamble to the TRIPS Agreement, the WTO desires a mutually supportive relationship with WIPO. The Agreement provides cooperation in three main areas, namely notification of, access to and translation of national laws and regulations, implementation of procedures for the protection of national emblems, and technical cooperation.

- 3. Paris Convention:** The Paris Convention for the Protection of Industrial Property, signed in Paris, France, on 20 March 1883, was one of the first intellectual property treaties. It established a Union for the protection of industrial property. The Convention is currently still in force. The Paris convention is based on the principle of reciprocity, so that foreign trademark and patent owners may obtain in a member country the same legal protection for their marks and patents as can citizens of those countries. It is administered by WIPO.

After a diplomatic conference in Paris in 1880, the Convention was signed in 1883 by 11 countries: Belgium, Brazil, France, Italy, the Netherlands, and Portugal are six of them. As of September 2014, the Convention has 176 contracting member countries, which makes it one of the most widely adopted treaties worldwide.

- 4. Berne Convention:**

The Berne Convention for the Protection of Literary and Artistic Works, usually known as the Berne Convention, is an international agreement governing copyright, which was first accepted in Berne, Switzerland, in 1886. It has 171 contracting parties. The United States became a part to the Berne convention in 1989. It is administered by WIPO. And is based on the percept that each member nation must treat nationals of other member countries like its own nationals for purpose of copyright.

- 5. Madrid Protocol:**

The Madrid Protocol (Protocol), an international treaty, was adopted in 1989 in order to remove the difficulties that were deterring some countries from acceding to the Madrid Agreement (Agreement), the 1891 treaty that established the system for the international registration of trademarks. The Protocol, which has been in force since April 1, 1996, has become a convenient and economical means of securing trademark registration in member countries in Asia, Africa, Europe, and the Middle East, the Pacific Rim and the Western Hemisphere and the like. Total Contracting Parties are 97.

- 6. North American Free Trade Agreements (NAFTA):**

In 1994, the North American Free Trade Agreement (NAFTA) came into effect, creating one of the world's largest free trade zones and laying the foundations for strong economic growth and rising prosperity for Canada, the United States, and Mexico. Since then, NAFTA has demonstrated how free trade increases wealth and competitiveness, delivering real benefits to families, farmers, workers, manufacturers, and consumers. The NAFTA is a comprehensive agreement that sets the rules for international trade and investment between Canada, The UD and Mexico.

- 7. General Agreement on Tariffs and Trade (GATT):**

General Agreement on Tariffs and Trade (GATT) was a multilateral agreement regulating international trade. According to its preamble, its purpose was the "substantial reduction of tariffs and other trade barriers and the elimination of preferences, on a reciprocal and mutually advantageous basis." It was negotiated during the United Nations Conference on Trade and Employment and was the outcome of the failure of negotiating governments to create the International Trade Organization (ITO). GATT was signed by 23 nations in Geneva on October 30, 1947 and took effect on January 1, 1948. It lasted until the signature by 123 nations in Marrakesh on April 14, 1994 of the Uruguay Round Agreements, which established the World Trade Organization (WTO) on January 1, 1995.

INFRINGEMENT

“Infringement” is a legal term for an act that means breaking a law. IP rights are infringed when a product, creation or invention protected by IP laws are exploited, copied or otherwise used without having the proper authorization, permission or allowance from the person who owns those rights or their representative.

It can range from using technology protected by a patent to selling counterfeit medicines/software or copying a film and making it available online.

Risks for business

- Legal liability
- Security risks
- Reputational risks
- Resource implications

1. Patent infringement

Infringing a patent means manufacturing, using, selling or importing a patented product or process without the patent owner’s permission.

The owner of a patent can take legal action against you and claim damages if you infringe their patent.

Remedies for Patent Infringement

A **suit** can lie in the District or High court. It may issue **an injunction** either **to prevent** the infringer from any further use & **award damages** to the patent owner **or** will pay the patent owner **royalties** for further use.

Apple sued HTC over iPhone patents

Apple sued phone maker HTC and has filed a complaint with the U.S. International Trade Commission, alleging that the Taiwanese company is infringing 20 Apple patents related to the [iPhone](#)

Steve Jobs, Apple's CEO, said in a statement "We think competition is healthy, but competitors should create their own original technology, not steal ours."

2. Trademark infringement :

Trademark infringement is a violation of the exclusive rights attached to a trademark without the authorization of the trademark owner or any licensees (provided that such authorization was within the scope of the license).

Remedies for Trademark Infringement

A **suit** can lie in District or High court. Punishment extends from **6 months to 3 years** and a permanent bans on engaging in commercial activities

Example of a successful civil enforcement action

Three Suits filed by Adidas Saloman AG in the Delhi High Court against counterfeiters. At the initial stage, infringing goods were seized by the Local Commissioner Cases were decreed recently & damages of Rs. 15 lakhs was awarded to Adidas Saloman

3. **Copyright infringement:**

Copyright infringement is the use of works protected by copyright law without permission, infringing certain exclusive rights granted to the copyright holder, such as the right to reproduce, distribute, display or perform the protected work, or to make derivative works.

Examples: Using someone else's material on YouTube without permission, using a popular song as background to your own video, publishing a translation of someone's foreign work

Remedies for Copyright Infringement

A **suit** can lie in the district court or in a high court u/s 63 of the copyright act, 1957 Punishable with imprisonment up to **3 years** and fined as per the claims.

Copyright Claims On The Basis Of Underlying Artistic Works

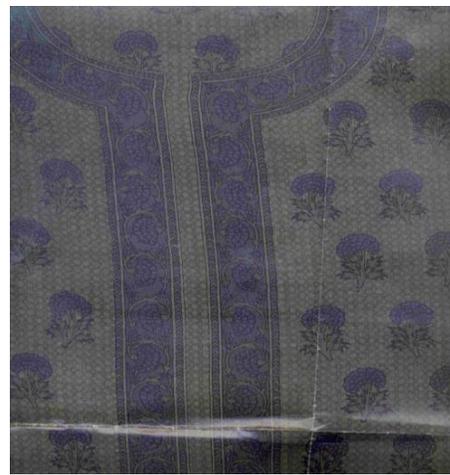
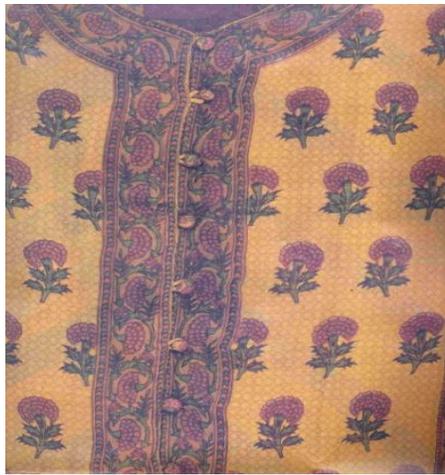
Ritika Limited v. Ashwani Kumar



Ritika Limited v. Nina Talukdar



Ritika Limited v. Sajid Mobin



This is Called “Innocent Infringement” occurs when infringer was unaware that things were protected.

Conclusion

Create yourself, rather than using other’s creations. Do not use competitor’s mark in such way that it harms competitor in unfair way. No comparisons that are likely to cause confusion . Technological advancement made the job of the CREATOR easy, it also made the job of the COPY-ER easy.

IPR ISSUES VS REGULATORY ISSUES:

IPR Issues:

‘Issues relating to creations of the mind or intellect having commercial value’

They are never mandatory in nature- whether you want to protect your intellectual creations or not is purely up to you!

Illustration: You invent a highly energy efficient boiler. It will be in your own interests to file a patent and create ownership over it and thus secure your intellectual property rights and also business interests, by preventing others from copying it. However, patenting is not compulsory. If you don't want to file a patent, nobody can force you to do it.

Regulatory Issues:

‘Mandatory requirements relating to the quality and safety of a product which must be fulfilled checked and certified by the government before the product the product is sold in the market.’

Illustration: Boilers, welding sets, corrosive chemicals etc. the license needed for handling and transport of corrosive chemicals requires certain conditions to be fulfilled to get the license. These conditions constitute ‘regulatory requirements’.

S.No:	Parameters	IPR Issues	Regulatory Issues
1	Status	Legally Enforceable	Legally Enforceable
2	Control	Government	Government
3	Purpose	Safeguard Public Interest by rewarding original work and thus encouraging innovations.	Safeguard Public interest by ensuring quality and safety of products for which governmental approval is necessary.
4	Nature	Intellectual Property is of 8 different types and there are 8 different mechanisms to protect it viz. Patents, Trademarks, Copyrights, Industrial Designs, Layout of Integrated Circuits, Geographical Indications, Plant Varieties and Trade Secrets. IPRs primarily ensure that original creator is rewarded. They have nothing to do with ensuring quality or safety of the innovative products.	These are primarily rules and regulations (mechanisms) for ensuring quality and safety of products. Regulatory issues have nothing to do with the innovators or inventors.
5	Target Segment	Original thinkers/ innovators. Recognize, protect and reward original work.	Industry. Ensure that the products, which are manufactured and made available to public, meet certain standards of quality and safety.
6	Binding	No. They are voluntary in nature. A person may or may not seek IPRs.	Compulsory. Regulatory issues offer no choice- they have to be complied with.
7	Stages	Starts from the time anything new originates in mind e.g. in form of design, painting, musical composition, literary work, invention etc. in case of inventions, steps involved for seeking patent are conforming novelty, non-obviousness and industrial application. Thereafter, replying to objections of the examiners and finally grant of patent.	Starts when manufacturing starts and a product has to leave the ‘production’ site and go to the ‘market’.
8	Role in Business Profitability	Play a key role in influencing business profitability by helping in identification of new technologies, worldwide technology trends, global players, preventing duplication of work and also encouraging	They are a part and parcel of business activities. No role in promoting profitability. Rather, they are regarded as hindrances and barriers to trade, which affect

		development of new processes. Lead to revenue generation by licensing out.	business profitability.
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MISUSE/ OVERUSE/ABUSE OF INTELLECTUAL PROPERTY RIGHTS

If an Intellectual Property owner improperly uses the Intellectual Properties beyond its lawful scope, the Intellectual property is consider to be improperly used or misused.

Example: patent misuse includes illegal tying of products and services to the patented invention, price fixing and the like.

Ways to Misuse/Overuse/Abuse IPR

- ✓ Monopoly pricing
- ✓ Restrictions on end users
- ✓ Territorial restraint
- ✓ Exclusive dealings

Reasons to Prevent Abuse/ Misuse of IPR

. Article 31 of TRIPs provides for the grant of compulsory licenses, under a variety of situations, such as:

- ✓ The interest of public health
- ✓ National emergencies
- ✓ Nil or inadequate exploitation of the patent in the country
- ✓ Anti-competitive practices by the patentees or their assignees
- ✓ Overall national interest
- ✓ Prevention of monopoly

Methods to prevent misuse of IPR

There are generally two approaches that have been adopted to prevent IPR abuse: compulsory licensing (an involuntary contract between a willing buyer and an unwilling seller imposed and enforced by the state) and parallel imports (goods brought into a country without the authorization of the patent, trademark or copyright holders after those goods were placed legitimately into the market elsewhere)

- ✓ **Compulsory Licensing:** (no one has the ownership rights) Compulsory licensing is when a government allows someone else to produce the patented product or process without the consent of the patent owner.
- ✓ **IP Law enforcement:**
- ✓ **Imposing huge penalties:**
- ✓ **Cancelation of licensing:**
- ✓ **Imprisonment:**
- ✓ **Banned from the doing business:**
- ✓ **Parallel Imports:** The term “parallel imports” (also known as “gray market goods”) refers to genuine branded goods obtained from one market (i.e., a country or economic area) that are subsequently imported into another market and sold there without the consent of the owner of the trademark.

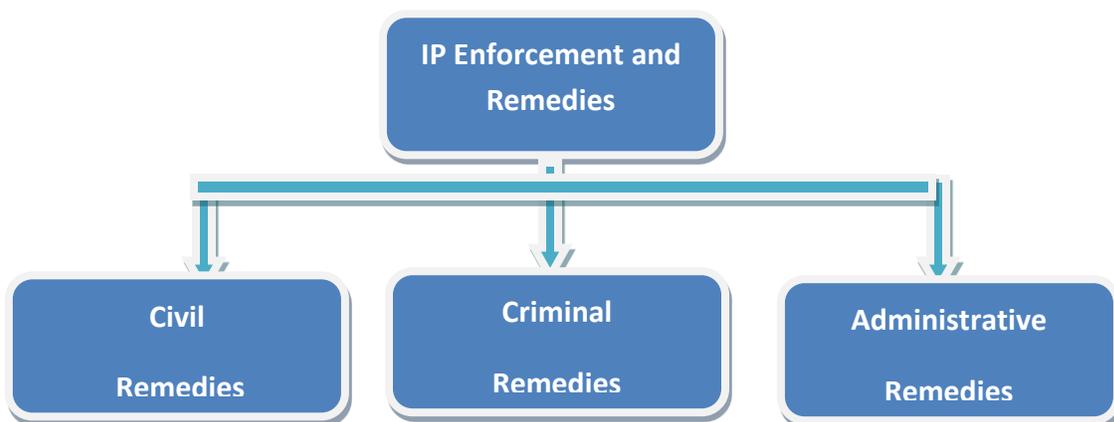
**INTELLECTUAL PROPERTY ENFORCEMENT AND PROTECTION IN INDIA:
(COMPLIANCE AND LIABILITY ISSUES IN IPR)**

Registration and Protection:

Registration is not mandatory for protection of copyright and trademark even though it is highly advisable to obtain registration for the same as it substantially increases the degree of protection and chances of success in case of infringement. It is pertinent to note that in case of trademarks, registration grants some extra rights to the owner of trademark. Moreover, it mandatory to get registration of patents, designs and geographical indication to enjoy any kind of protection under the IP law of India.

How can Intellectual Property Rights be Protected or Enforced in India?

Intellectual Property Rights can be enforced and protected in India broadly under the following categories:



I. Civil Remedies:

When any of the rights granted by the IP regime is violated the aggrieved party has two non mutually exclusive remedies. First begin civil remedy and the other being a criminal remedy. Civil remedies can be

enforced by a filing a suit for infringement and/or passing off in the competent court. Further in case of copyright, trademark and patent following reliefs of civil nature are available:

- i. **Interlocutory injunction:** interlocutory in law means not that which decides the cause, but that which only settles some intervening matter relating to the cause. Injunction is an order of court which prohibits a party from doing something. This form of injunction is the most commonly sought after and granted. It serves the purpose of preventing further infringement.
- ii. **Mareva Injunction:** Under, the court has the power to freeze the defendant's assets where there is a possibility that he may destroy goods or even dispose them off.
- iii. **Perpetual injunction:** It is an order restraining the defendant totally, for all times to come, from doing any act which infringes the rights of the owner of the trademark. This form of injunction is usually granted at the end of the case and also in cases where no interim injunction was granted.
- iv. **Anton Pillar Orders:** In English and English-derived legal systems, an Anton Pillar Order (frequently misspelled Anton Pillar Order) is a court order that provides the right to search premises and seize evidence without prior warning. This prevents destruction of relevant evidence, particularly in cases of alleged trademark, copyright or patent infringements.
- v. **Damages:** These refer to the amount which you can claim due to loss of business, owing to the illegal act of the accused in copying or making use of your trademark. It is determined by the quantum of loss actually sustained by you due to the direct acts of infringer. Speculative and unproven damages are not considered in determining the quantum of charge.
- vi. **Account of Profit:** It refers to the actual profits the person copying your mark (defendant) has made out of the sale of the infringing goods. In calculating the account of profits, the damage suffered by the plaintiff is immaterial.

II. Criminal Remedies:

The criminal remedies available to owner of copyright, trademark and patents are as follows:

- i. **Trademarks:** the Trademark Act, 1999 is the primary statute for the governing the law relating to the trademarks in India. The said act enumerates numerous offences in relation to the trademarks like falsifying and falsely applying a trademark, making or possessing instruments for falsifying Trademarks, applying false trade description, applying false indication of country of origin etc. the falsification and falsely applying a trademark related to food and drugs is a cognizable offence. The punishment for the aforesaid offences varies from offence to offence but the maximum punishment can go as high as imprisonment up to 3 years with or without fine.
- ii. **Copyright:** copyright Infringement is a cognizable offence. Under the Copyright Act, 1957 the offence of infringement of copyright is punishable with imprisonment, which may extend from a mandatory punishment of 6 months to maximum of 3 years and with a fine not less than fifty thousand rupees and extending up to two lakh rupees.
- iii. **Patents:** The Patent Act, 1970 under Chapter XX also prescribe many offences in relation to patents such as falsification of entries in register, unauthorized claim of patent rights, refusal or failure to supply information etc.

III. Administrative Remedies:

The IPR (Imported Goods) Enforcement Rules, notified in 2007 empower Custom Officer to enforce Intellectual Property Rights over the imported goods. The said rules provide a detailed procedure by which a right holder can register his intellectual property rights with the customs officials. The

registration imposes an administrative duty on the Customs Department to protect the right0holder against violation of his Intellectual Property Rights.

It is important to note that the Customs Officials can suspend the clearance of goods if it has prima facie evidence or reasonable grounds to believe that the goods are counterfeit. This suspicion or belief can arise either when a notice has been field by the right holder with the customs or even in the absence of such notice a suo moto action can be taken.

Registration with CBEC, empowers the Customs Authority to intercept, seize, and confiscate goods found to be or suspected to be infringing Intellectual Property Rights registered and in force in India by any person other than the Intellectual Property Right holder or without permission/authorization of the Intellectual Property Rights. Further by making one application the applicant can cover all the customs Air Cargo Complexes, Seaports and Land Customs Stations through which importation or exportation of pirated article is suspected in India. The registration is usually obtained within a month and is valid for five years. Once registered the Customs Authority store the IPR in their electronic database which is flashed across all entry points in India.

UNIT-II

INTRODUCTION TO COPYRIGHTS

Copy rights: When Ernest Hemingway wrote *The Old Man and the Sea* in 1952, what he wrote was protected by copyright.

What Works Are Protected under Copyright Law

Copyright protection is granted to works that include

- (1) Literary works;
- (2) Musical works, including any accompanying words;
- (3) Dramatic works, including any accompanying music;
- (4) Pantomimes and choreographic works;
- (5) Pictorial, graphic, and sculptural works;
- (6) Motion pictures and other audiovisual works;
- (7) Sound recordings; and
- (8) Architectural works.

What Is Not Protected by Copyright Law

Several categories of material are generally not eligible for federal copyright protection. These include among others:

- ✓ Works That Have Not Been Fixed In A Tangible Form Of Expression (For Example, Choreographic Works That Have Not Been Notated Or Recorded, Or Improvisational Speeches Or Performances That Have Not Been Written Or Recorded)
- ✓ Titles, names, short phrases, and slogans; familiar symbols or designs; mere variations of typographic ornamentation, lettering, or coloring; mere listings of ingredients or contents
- ✓ Ideas, Procedures, Methods, Systems, Processes, Concepts, Principles, Discoveries, Or Devices, As Distinguished From A Description, Explanation, Or Illustration
- ✓ Works Consisting Entirely Of Information That Is Common Property And Containing No Original Authorship (For Example: Standard Calendars, Height And Weight Charts, Tape Measures And Rulers, And Lists Or Tables Taken From Public Documents Or Other Common Sources)

How to obtain copy right protection

In U.S., copyright exists upon fixation of work in tangible medium; no registration necessary
Work must embody a threshold degree of originality.

BASIC COPYRIGHT PRINCIPLES

Since last year, I've had the privilege of serving as one of 18 members of the World Economic Forum's Global Agenda Council on the Intellectual Property System. Recently, we've developed and published a set of digital copyright principles that we hope will provide a framework for addressing copyright in light of the many new technologies for creating, disseminating, and consuming content.

The original document as published through the World Economic Forum can be found [here](#) the principles it identifies are as follows:

- **Provide protection to creators and producers:** Creators and producers of creative works should receive meaningful protection, recognition and compensation for their contributions to economic and cultural development.
- **Maintain balance between Creators, Owners and users:** Copyright law should reflect an appropriate balance between the rights of creators and copyright owners and the interests of consumers and other users of works.
- **Monitor the copy right laws regularly:** Copyright law should be regularly reviewed and updated as appropriate to respond to new technologies and uses.
- **Copyright should be cost effective and meaningful:** Copyright systems should enable rights to be meaningfully, practically, cost-effectively, and proportionally enforced.
- **Useful for the public:** A wide range of means should be available for creative works to reach the public, as enabled by Internet and other technologies—maximizing choice for both rights holders and users. It is desirable to have as much quality content as possible available in as many formats as possible.
- **Licensing should be liberalized:** Licensing should be streamlined in a content-appropriate manner and simplified to be as easy and efficient as possible, including for different types of content and across national boundaries.
- **Educate the public:** The public should be educated about the purpose, scope and nature of copyright protections, including exceptions, and the reasons for proposed changes or government action.

SUBJECT MATTER OF COPYRIGHT

In General

Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:

- (1) Literary works;
- (2) Musical works, including any accompanying words;
- (3) Dramatic works, including any accompanying music;
- (4) Pantomimes and choreographic works;

- (5) Pictorial, graphic, and sculptural works;
- (6) Motion pictures and other audiovisual works;
- (7) Sound recordings; and
- (8) Architectural works.

(b) In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

Subject matter of copyright: National origin

- **Unpublished Works:** The works specified by sections 102 and 103, while unpublished, are subject to protection under this title without regard to the nationality or domicile of the author.
- **Published Works:** The works specified by sections 102 and 103, when published, are subject to protection under this title if.
 - ✓ on the date of first publication, one or more of the authors is a national or domiciliary of the United States, or is a national, domiciliary, or sovereign authority of a treaty party, or is a stateless person, wherever that person may be domiciled; or
 - ✓ the work is first published in the United States or in a foreign nation that, on the date of first publication, is a treaty party; or
 - ✓ the work is a sound recording that was first fixed in a treaty party; or
 - ✓ the work is a pictorial, graphic, or sculptural work that is incorporated in a building or other structure, or an architectural work that is embodied in a building and the building or structure is located in the United States or a treaty party; or
 - ✓ the work is first published by the United Nations or any of its specialized agencies, or by the Organization of American States; or
 - ✓ The work comes within the scope of a Presidential proclamation. Whenever the President finds that a particular foreign nation extends, to works by authors who are nationals or domiciliaries of the United States or to works that are first published in the United States, copyright protection on substantially the same basis as that on which the foreign nation extends protection to works of its own nationals and domiciliaries and works first published in that nation, the President may by proclamation extend protection under this title to works of which one or more of the authors is, on the date of first publication, a national, domiciliary, or sovereign authority of that nation, or which was first published in that nation. The President may revise, suspend, or revoke any such proclamation or impose any conditions or limitations on protection under a proclamation.
- **Effect of Berne Convention:** No right or interest in a work eligible for protection under this title may be claimed by virtue of, or in reliance upon, the provisions of the Berne

Convention, or the adherence of the United States thereto. Any rights in a work eligible for protection under this title that derive from this title, other Federal or State statutes, or the common law, shall not be expanded or reduced by virtue of, or in reliance upon, the provisions of the Berne Convention, or the adherence of the United States thereto.

- **Effect of Phonograms Treaties:** Notwithstanding the provisions of subsection (b), no works other than sound recordings shall be eligible for protection under this title solely by virtue of the adherence of the United States to the Geneva Phonograms Convention or the WIPO Performances and Phonograms Treaty.

RIGHTS AFFORDED BY COPYRIGHT LAW

The Copyright Act has six exclusive rights for copyright holders. These rights are exclusive from each other. This means that the permission of one right does not automatically allow the permission of another right. The rights are also exclusive only to the copyright holder and to anyone the copyright holder gives permission of its use.

These exclusive copyright rights are:

- **The right to reproduce:** The ‘right to reproduce’ is the right to copy the copyrighted work. For example, no one else but the copyright holder of a novel may reprint or photocopy the pages of the book. Or as for sound recordings, only the record label or artist may copy the songs from the record album, tape, compact disc, or digital audio.
- **The right to derivative works:** The ‘right to derivative’ works entitles the copyright holder exclusive right to create adaptations of the copyrighted work. Thus a derivative work is when the process of the original copyrighted work is transformed. As such, J.K. Rowling enjoys the exclusive right to have her Harry Potter books adapted into screenplays. Derivative works may also include a board game adapted from a famous TV show or compilations of poems adapted into a book of poetry.
- **The right to distribute copies:** The ‘right to distribute’ is the exclusive right to publicly sell the copyrighted work or to transfer ownership either by rental, lease, or lending. Note that ownership is not the same as holding a copyright. An author’s storyline is the copyright but ownership is in the physical book. So when the copyright holder transfers ownership of the physical material, they do not transfer the copyright along with it. But although the copyright holder has the exclusive right to sell or transfer, this right is limited up until the first sale of the material. Under the ‘First Sale Doctrine’, anyone in ownership of the material after the first sale may sell, rent, lease, or lend the material without the copyright holder’s permission. Thus, when one buys a book at a bookstore, it is the first sale of that book. Thereafter, the person who bought the book may sell or dispose of the book as they please without authorization from the copyright holder.
- **The right to display publicly:** The rights to ‘publicly perform’ and to ‘publicly display’ are similar rights. The right to publicly perform only applies to certain copyrighted works which are literary, musical, dramatic, and choreographic works; pantomimes, motion

pictures and other audiovisual works. The right to publicly display includes all of the above works plus pictorial, graphic, and sculptural works. A work is displayed by showing a copy of it by means of any device or process. Thus, a street vendor selling movies may only display a clip of the movie if authorized by the copyright holder. To perform means to recite, render, play, dance, or act the copyrighted work either directly or by means of any device or process. So, a copyrighted dance routine can only be performed in public with the copyright holder's permission. A performance or display 'in the public' is a place opened to the public that does not include a family gathering or social gathering of acquaintances. Therefore, that dance routine can be performed at a private wedding without the copyright holder's authorization.

- **The right to perform publicly:** The last exclusive right, 'right to perform publicly by audio transmissions', only applies to sound recordings. This includes receiving the copyright holder's permission before using a song clip for a TV commercial or uploading an artist's song onto a YouTube video.
- The right to perform publicly via digital audio transmissions.

COPY RIGHT OWNERSHIP

Meaning of copyright owner: The person or entity who retains legal control over all (or some) of the rights granted under copyright law, usually the author of the work. Copyrights are generally owned by the people who create the works of expression, with some important exceptions:

- If a work is created by an employee in the course of his or her employment, the employer owns the copyright.
- If the work is created by an independent contractor and the independent contractor signs a written agreement stating that the work shall be "made for hire," the commissioning person or organization owns the copyright only if the work is (1) a part of a larger literary work, such as an article in a magazine or a poem or story in an anthology; (2) part of a motion picture or other audiovisual work, such as a screenplay; (3) a translation; (4) a supplementary work such as an afterword, an introduction, chart, editorial note, bibliography, appendix or index; (5) a compilation; (6) an instructional text; (7) a test or answer material for a test; or (8) an atlas. Works that don't fall within one of these eight categories constitute works made for hire only if created by an employee within the scope of his or her employment.
- If the creator has sold the entire copyright, the purchasing business or person becomes the copyright owner.

What rights do copyright owners have under the Copyright Act?

The Copyright Act of 1976 grants a number of exclusive rights to copyright owners, including:

- ✓ **Reproduction right:** the right to make copies of a protected work
- ✓ **Distribution right:** the right to sell or otherwise distribute copies to the public

- ✓ **Right to create adaptations (called derivative works)** : the right to prepare new works based on the protected work, and
- ✓ **Performance and display rights:** the rights to perform a protected work (such as a stage play) or to display a work in public. This bundle of rights allows a copyright owner to be flexible when deciding how to realize commercial gain from the underlying work; the owner may sell or license any of the rights.

COPYRIGHT TRANSFER

Meaning of Copyright transfer

A copyright transfer agreement is a legal document containing provisions for the conveyance of full or partial copyright from the rights owner to another party.

Termination of a Transfer

Sometimes an author transfer's copyright to someone and then later the author reacquires it through a process known as "terminating a transfer." Copyright laws provide a method by which authors can reclaim rights after a number of years. This termination and reclamation process is complex, and the rules differ depending on when the work was first published. As a very general rule, transfer terminations occur between 28 and 56 years after the first publication. Terminations are filed with the Copyright Office and can be located by researching Copyright Office records.

COPYRIGHT REGISTRATION

Meaning: Copyright registration is to place on record a verifiable account of the date and content of the work in question, so that in the event of a legal claim, or case of infringement or plagiarism, the copyright owner can produce a copy of the work from an official government source.

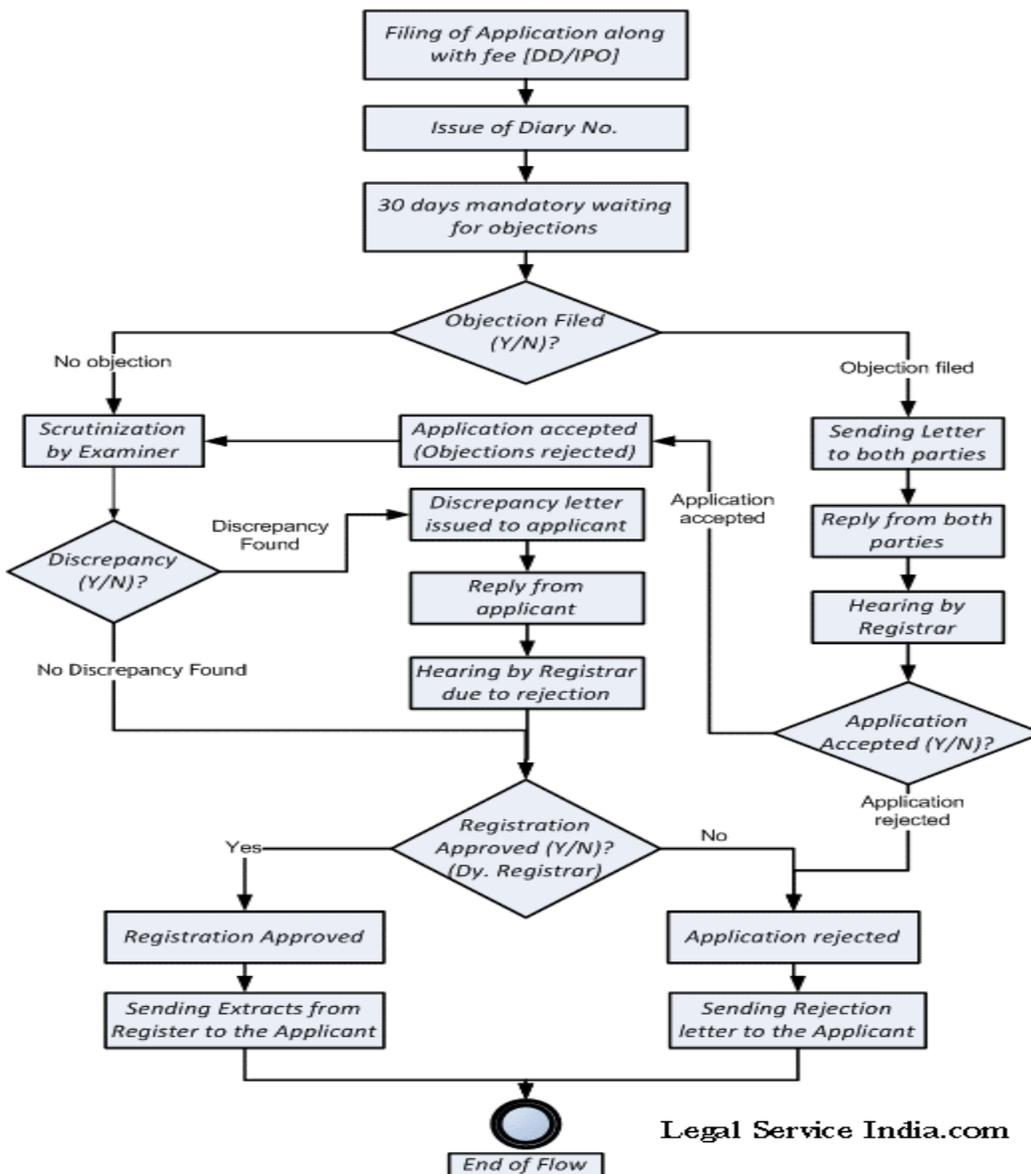
In general, copyright registration is a legal formality intended to make a public record of the basic facts of a particular copyright. However, registration is not a condition of copyright protection. Even though registration is not a requirement for protection, the copyright law provides several inducements or advantages to encourage copyright owners to make registration.

Advantages /Benefits of Copyright Registration

- ✓ Registration required before a copyright owner bring suit for infringement
- ✓ Statutory damages and attorneys' fees available infringement action if work registered before infringement or within 3 months after publication
- ✓ Registration may serve as presumptive evidence the copyright in the work is valid
- ✓ Registration may give actual or constructive no copyright claim
- ✓ Registration may be recorded with U.S. Customs Service to prevent importation of infringing goods.

Copyright Registration Process

Copyright Registration Workflow



Legal Service India.com

Copyright Registering agencies

- ✓ In Canada, copyrighted works can be registered at the Canadian Intellectual Property Office for a fee.
- ✓ In Kenya, copyrighted works can be registered at the Kenya Copyrights Board for a small fee.
- ✓ In the United Kingdom, commercial services provide a registration facility where copies of work can be lodged to establish legal evidence of a copyright claim. There are also requirements to file certain published works with the British Library and, on request, the five legal deposit libraries.
- ✓ In the United States, the United States Copyright Office accepts registrations. For works created in the US by US citizens, a registration is also required before an infringement

suit may be filed in a US court. Furthermore, copyright holders cannot claim statutory damages or attorney's fees unless the work was registered prior to infringement, or within three months of publication.

- ✓ In India Copyright office New Delhi.

Who May File an Application Form?

The following persons are legally entitled to submit an application form:

- ✓ The author.
- ✓ The copyright claimant.
- ✓ The owner of exclusive right(s).
- ✓ The duly authorized agent of such author, other copyright claimant, or owner of exclusive right(s). Any person authorized to act on behalf of the author, other copyright claimant, or owner of exclusive rights may apply for registration.

DURATION OF COPYRIGHT

The duration of copyright in these works is generally computed the same way as for works created on or after January 1, 1978: life plus 70 years or 95 or 120 years, depending on the nature of authorship. However, all works in this category are guaranteed at least 25 years of statutory protection. Duration may differ from country to country and nature of work.

Country	Copyright terms based on authors deaths	Copyright terms based on publication and creation dates
India	Life + 60 years (except posthumous works)	60 years from publication (posthumous works, photographs, cinematograph films, sound recordings, works of public undertakings, and works of international organizations).
USA	Life + 70 years (works published since 1978 or unpublished works)	95 years from publication for works published 1964–1977; 28 (if copyright not renewed) or 95 years from publication for works published 1923–1963 (Copyrights prior to 1923 have expired, not including copyrights on sound recordings published prior to February 15, 1972, covered only under state laws)

FEE DETAILS OF COPYRIGHT REGISTRATION

S.No.	For an application for COMPULSORY LICENSE :	Fee
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1.	For a license to republish a Literary, Dramatic, Musical or Artistic work (Sections 31, 31A,31B* and 32A)	Rs. 5,000/- per work
2.	For a license to communicate an any work to the public by Broadcast(Section 31(1)(b))	Rs. 40,000/- per applicant/per sataton
3.	For license to republish a Cinematograph Film (Section 31)	Rs. 15,000/- per work
4.	For a license to republish a sound recording (Section 31)	Rs. 10,000/- per work
5.	For a license to perform any work in public (Section 31)	Rs. 5,000/- per work
6.	For a license to publish or communicate to the public the work or translation (Section 31A)	Rs. 5,000/- per work
7.	For a license to publish any work in any format useful for person with disability (Section 31 B)	Rs. 2,000/- per work
8.	For an application for a license to produce and publish a translation of a Literary or Dramatic work in any Language (Section 32 & 32-A)	Rs. 5,000/- per work
9.	For an application for registration or copyright in a: (a)Literary, Dramatic, Musical or Artistic work	Rs. 500/- per work
	(b)Provided that in respect of a Literary or Artistic work which is used or is capable of being used in relation to any goods (Section 45)	Rs. 2,000/- per work
10.	For an application for change in particulars of copyright entered in the Register of Copyrights in respect of a: (a)Literary, Dramatic, Musical or Artistic work	Rs. 200/- per work
	(b)Provided that in respect of a literary or Artistic work which is used or is capable of being used in relation to any goods (Section 45)	Rs. 1,000/- per work
11.	For an application for registration of Copyright in a Cinematograph Film (Section 45)	Rs. 5,000/- per work
12.	For an application for registration of change in particulars of copyright entered in the Register of Copyrights in respect of Cinematograph film (Section 45)	Rs. 2,000/- per work
13.	For an application for registration of copyright in a Sound Recording (Section 45)	Rs. 2,000/- per work
14.	For an application for registration of changes in particulars of copyright entered in the Register of Copyrights in respect of Sound Recording (Section 45)	Rs. 1,000/- per work
15.	For taking extracts from the indexes (Section 47)	Rs. 500/- per work
16.	For taking extracts from the Register of Copyrights (Section 47).	Rs. 500/- per work
17.	For a certified copy of an extract from the Register of Copyrights of the indexes (Section 47)	Rs. 500/- per copy
18.	For a certified copy of any other public document in the custody of the Register of Copyright or Secretary of the Copyright Board	Rs. 500/- per Copy

19.	For an application for prevention of importation of infringing copies (Section 53) per place of entry	Rs. 1,200/- per wor
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COPYRIGHT REGISTRATION FORMALITIES

Copyright formalities are legal, generally statutory, requirements needed to obtain a copyright in a particular jurisdiction. Common copyright formalities include

- **Copyright registration:** In general, copyright registration is a legal formality intended to make a public record of the basic facts of a particular copyright.
- **Copyright renewal:** Copyright renewal is a process through which an initial term of copyright protection for a work can be extended for a second term. Once the term of copyright protection has ended, the copyrighted work enters the public domain, and can be freely reproduced and incorporated into new works.
- **Copyright notice:** In United States copyright law, a copyright notice is a notice of statutorily prescribed form that informs users of the underlying claim to copyright ownership in a published work. Copyright is a form of protection provided by U.S. law to authors of “original works of authorship.”
- **Copyright deposit:** Legal deposit is a legal requirement that a person or group submit copies of their publications to a repository, usually a library. The requirement is mostly limited to books and periodicals. The number of copies varies and can range from one to 19 (in Poland).

Note: Requirements for meeting copyright formalities were largely eliminated in many countries with the adoption of the Berne Convention, which granted a copyright for a creative work automatically as soon as the work was "fixed". Berne was first adopted in 1886 by eight countries, mostly in Europe. Acceptance grew over the course of the 20th century. (See List of parties to Berne Convention) The United States, a notable late holdout, joined Berne effective March 1, 1989, with the passage of the Berne Convention Implementation Act of 1988; China, another notable holdout, joined Berne in 1992.

With the adoption of Berne and its successor treaties, requiring formalities to obtain a copyright has fallen out of practice around the world.

COPYRIGHT INFRINGEMENT

Copyright infringement is the use of works protected by copyright law without permission, infringing certain exclusive rights granted to the copyright holder, such as the right to reproduce, distribute, display or perform the protected work, or to make derivative works.

Examples of copyright infringement

- ✓ Downloading and sharing MP3 files of music, videos and games without permission of the copyright owner.
- ✓ Using corporate logos without permission.
- ✓ Scanning a photograph that has been published and using it without permission or attribution.
- ✓ Placing a number of full-text articles on a course web page and allowing the web page to be accessible to anyone who can access the Internet.
- ✓ Downloading licensed software from non-authorized sites without the permission of the copyright or license holder.
- ✓ Making a movie file or a large segment of a movie available on a web site without permission of the copyright owner.

Common Method of Copyright infringement

- **Piracy:** The practice of labeling the infringement of exclusive rights in creative works as "piracy"
- **Theft:** Copyright holders frequently refer to copyright infringement as theft.

Ways to Identify Copyright infringement

- ✓ Copyright holders or their agents locate possible copyright infringements by using automated systems, such as spiders.
- ✓ Via Tagged files on file-sharing networks, like Gnutella, Lime wire and Bit Torrent.
- ✓ Taking content "bait" on industry-owned file servers.

Penalties of copy right infringement

- ✓ Infringer pays the actual dollar amount of damages and profits.
- ✓ The law provides a range from \$200 to \$150,000 for each work infringed.
- ✓ Infringer pays for all attorneys' fees and court costs.
- ✓ The Court can issue an injunction to stop the infringing acts.
- ✓ The Court can impound the illegal works.
- ✓ The infringer can go to jail.

Exceptions to Copyright infringement in India

The Copyright Act 1957 exempts certain acts from the ambit of copyright infringement. While many people tend to use the term fair use to denote copyright exceptions in India, it is a factually wrong usage. While the US and certain other countries follow the broad fair use exception, India follows a different approach towards copyright exceptions. India follows a hybrid approach that allows-

- ✓ Fair dealing with any copyrighted work for certain specifically mentioned purposes and
- ✓ Certain specific activities enumerated in the statute.

While the fair use approach followed in the US can be applied for any kind of uses, the fair dealing approach followed in India is clearly limited towards the purposes of

- ✓ Private or personal use, including research,
- ✓ Criticism or review,
- ✓ Reporting of current events and current affairs, including the reporting of a lecture delivered in public.

While the term fair dealing has not been defined anywhere in the Copyright Act 1957, the concept of 'fair dealing' has been discussed in different judgments, including the decision of the Supreme Court of India in *Academy of General Education v. B. Malini Mallya* (2009) and the decision of the High Court of Kerala in *Civic Chandran v. Ammini Amma*.

Prevention of copy right infringement in India

- **Administrative remedies:** detention of the infringing goods by the customs authorities
- **Criminal Remedies:** imprisonment (up to 3 years) along with a fine (up to 200,000 Rupees)
- **Civil remedies:** injunctions, damages and account of profits.

INTERNATIONAL COPYRIGHT LAW

While no creative work is automatically protected worldwide, there are international treaties which provide protection automatically for all creative works as soon as they are fixed in a medium. There are two primary international copyright agreements, the Buenos Aires Convention and the Berne Convention for the Protection of Literary and Artistic Works.

- **Berne Convention:** The Berne Convention for the Protection of Literary and Artistic Works (also referred to as just the Berne Convention) requires protection for all creative works in a fixed medium be automatic, and last for at least 50 years after the author's death for any work except for photographic and cinematographic works. Photographic works are tied to a minimum of 25 years. Cinematographic works are protected for 50 years after first showing, or 50 years after creation if it hasn't been shown within 50 years after the creation. The Berne Convention also allows for the rule of the shorter term, stating that "unless the legislation of that country otherwise provides, the term shall not exceed the term fixed in the country of origin of the work". Not all countries have applied this rule however.
- **Buenos Aires Convention:** The Buenos Aires Convention was a treaty signed by most North and South American countries, which allows for protection of all creative works as long as they contain a notice informing that the creator claims copyright on it. The Buenos Aires Convention also instituted the *rule of the shorter term*, where the length of the copyright term for the work in a country was whichever was shorter - the length of the term in the source country, or the protecting country of the work.

All Buenos Aires countries are now also parties to the Berne Convention, but elements from Buenos Aires are still used in the modern era, such as the rule of the shorter term.

SEMICONDUCTOR CHIP PROTECTION ACT

Meaning of Semiconductor chip: An integrated circuit or monolithic integrated circuit (also referred to as an IC, a chip, or a microchip) is a set of electronic circuits on one small plate ("chip") of semiconductor material, normally silicon.

Meaning of Semiconductor chip Protection act: The Semiconductor Chip Protection Act of 1984 (or SCPA) is an act of the US Congress that makes the layouts of integrated legally protected upon registration, and hence illegal to copy without permission. Prior to 1984, it was not necessarily illegal to produce a competing chip with an identical layout. As the legislative history for the SCPA explained, patent and copy right protection for chip layouts, or chip topographies, was largely unavailable. As a result, U.S. chip manufacturers- notably, Intel, along with the Semiconductor Industry Association (SIA), took the lead in seeking remedial legislation-against what they termed “chip piracy” during the hearings that led to enactment of the SCPA, chip industry representatives asserted that a pirate could for \$10,000 copy a chip design that had cost its original manufacturer upwards from \$10,000 to design. In 1984 the United States enacted the semiconductor chip protection Act of 1984 (the SCPA) to protect the topography of semiconductor chips. Japan and European Community (EC) countries soon followed suit and enacted their own, similar laws protecting the topography of semiconductor chips. Chip topographies are also protected by TRIPS, an international treaty.

In India, the Act for protection of the layout designs of integrated circuits in India, came into force on 4th September, 2000 and is called the SICLD (Semiconductor Integrated Circuit Layout Design) Act, 2000. The Act provides for exclusive rights to the registered proprietor of a layout design and also to the registered users. Applications for registration of layout designers must be filed with the registrar. Appeals against the orders of the registrar could be filed with the appellate board. The Act also provides for criminal prosecution for infringement of layout designs.

Benefits

- ✓ Protection of effort and investments in design and improvement of circuits
- ✓ Recognition of original effort

Registration

- ✓ Registration of circuit design in India can be done in India by making an application to registrar of SICLDL, New Delhi.
- ✓ Web link- <http://mit.gov.in/content/sicldr>

Term

10 years from date of filing or known date of commercialization, whichever is earlier

The following layout designs are not registrable

- ✓ Not original
- ✓ Already commercial exploited
- ✓ Not distinctive
- ✓ Not capable of being distinguishable from any other registered layout design.

UNIT-III

INTRODUCTION TO PATENT LAW

Meaning of Patent: A patent is a legal right to exclude others from practicing the patented invention for a limited period of time in exchange for disclosing the details of the invention to the public.

What can be patented?

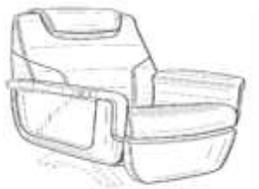
The United States Patent Law specifies the broad categories of what can be patented. Any useful, new and non obvious process, machine, article that is made, or chemical composition, or improvement of any of the above can be patented. Business methods and software can also be patented, but laws of nature and abstract ideas cannot be patented.

Types of patents

There are three types of patents

- **Design Patent meaning:** may be granted to anyone who invents a new, original, and ornamental design for an article of manufacture. *simple way External shape of the product*

Examples:



U.S. Patent
D577,503
Embrarer
Aircraft
Passenger Seat



U.S. Patent
D581,758 Mundial
Scissors



U.S. Patent
D685,163
Alpargatas Shoe



- **Utility Patent:** may be granted to anyone who invents or discovers any new and useful process, machine, article of manufacture, or composition of matter, or any new and useful improvement thereof

Examples: Manufacturing Process, Composition matters.

- **Plant Patent:** may be granted to anyone who invents or discovers and asexually reproduces any distinct and new variety of plant.

Examples: poinsettia plant named “Eckaddis”



RIGHTS OF OWNER OF A PATENT

The owner of the patent has the right to preclude any person from exploiting the protected invention by any of the following acts –

When the patent has been granted in respect of a product (Invention Is a Product)

- ✓ making, importing, offering for sale, selling and using the product; or
- ✓ stocking such product for the purposes of offering it for sale, selling or using the product;

When the patent has been granted in respect of a process (Invention Is a Process)

Using the process, or doing any of the acts referred to in paragraph (1), in respect of a product obtained directly by means of the process.

Enforcement of rights

The owner of a patent has the right –

- ✓ To obtain an injunction to restrain the performance or the likely performance, by any person without his authorization, of any of the acts referred to above; and
- ✓ To claim damages from any person who, having knowledge of the patent, performed any of the acts referred to above, without the owner's authorization.
- ✓ To claim compensation from any person who, without his authorization, performed any of the inventions, claimed in the published application, as if a patent had been granted for that invention; Provided that the said person, at the time of the performance of the act, had -

LIMITATIONS OF PATENT RIGHTS

- ✓ The rights under the patent act done for industrial or commercial purposes and in particular not to acts done for scientific research.
- ✓ The rights under the patent do not extend to acts in respect of articles which have been put on the market in Kenya or in any other country or imported into Kenya.
- ✓ The limitation on the rights under a patent above extends to acts in respect of articles that are imported from a country where the articles were legitimately put on the market. The rights under the patent do not extend to the use of articles on aircraft, land vehicles or vessels of other countries, which temporarily or accidentally enter the airspace, territory, or waters of Kenya. The rights under the patent are limited by the provisions of the terms of the patent. The rights under the patent are limited by the provisions on compulsory licenses' for reasons of public interest or based on interdependence of patents and by the provisions on State exploitation of patented inventions. The rights of the patent do not extend variants or mutants of living forms or replicable living matter that is distinctively different from the original for which patents were obtained where such mutants or variants are deserving of separate patents.

PATENT REQUIREMENTS

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvements thereof, may obtain a patent, subject to the conditions and requirements of this title.

Unfortunately, the actual test for patentability is a bit more complicated than this sentence suggests. Under U.S. patent law, an invention is patentable only if it meets the following four requirements, which are discussed in more detail below:

- ✓ **The invention must be Statutory:**
- ✓ **The invention must be New:**

- The invention was known to the public before the applicant filed for patent protection;
 - The invention was described in a printed publication before the applicant filed for patent protection; or
 - The invention was described in a published patent application or issued patent that was filed before the applicant filed for patent protection.
- ✓ **The invention must be Useful:** The patent law specifies that the subject matter must be "useful." This means that the invention must have a useful purpose. In most cases, the usefulness requirement is easily met in the context of computer and electronic technologies. The requirement is more important when attempting to patent a pharmaceutical or chemical compound, as it is necessary to specify a practical or specific utility for the new compound
 - ✓ **The invention must be non-obvious/Novel:**

PATENT TRANSFER/ PATENT ASSIGNMENT

Meaning of patent transfer: A patent assignment is the transfer of an owner's property rights in a given patent or patents, and any applications for such patents. These transfers may occur on their own or as parts of larger asset sales or purchases.

As objects of intellectual property or intangible assets, patents and patent applications may be transferred. A transfer of patent or patent application can be the result of a financial, such as an assignment, a merger, a takeover or a demerger, or the result of an operation of law, such as in an inheritance process, or in a bankruptcy.

Rights of the Patentee:

Patentee meaning: A person or organization that obtains or holds a patent for something or The person or organization that owns the legal right to make or sell something.

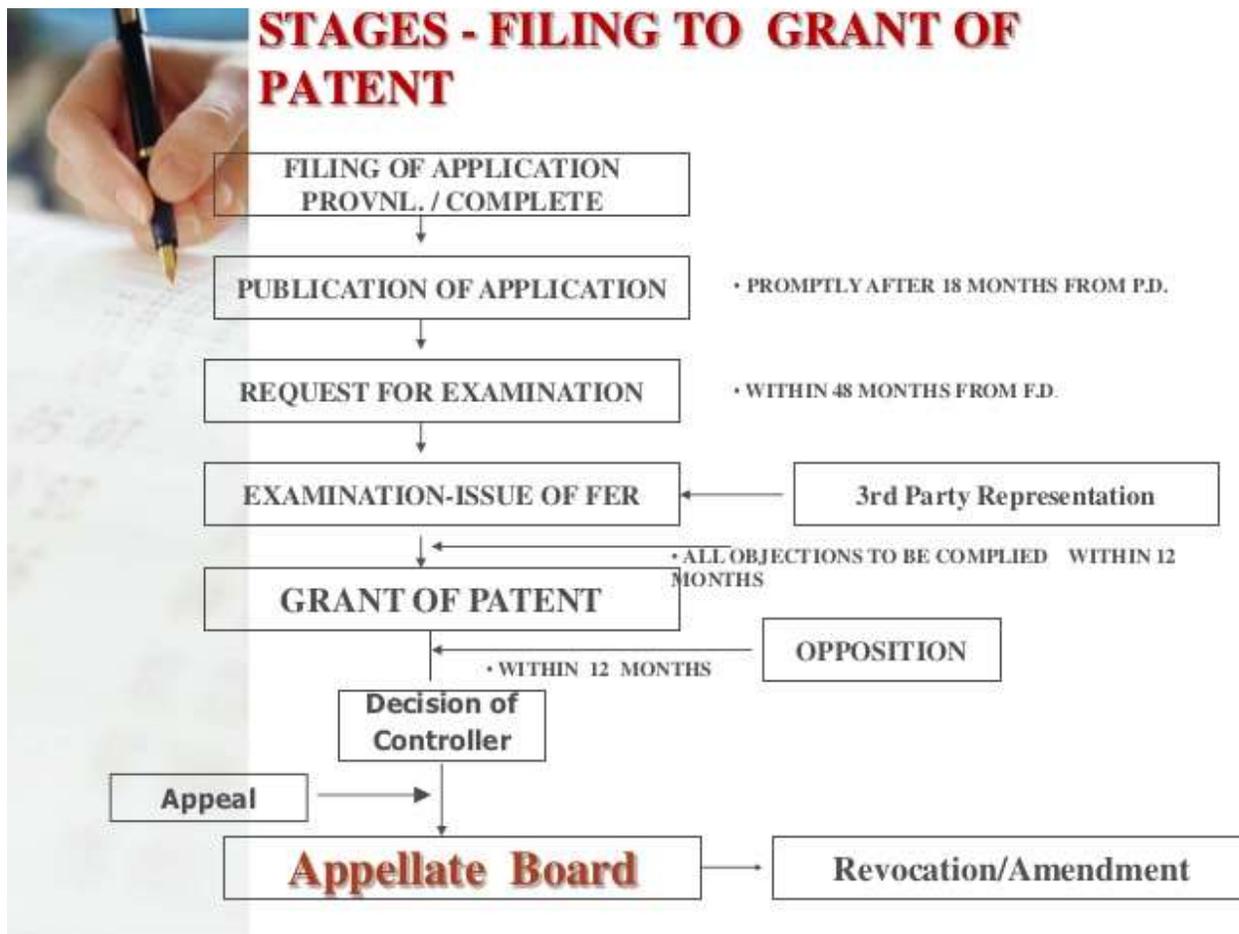
Rights

- ✓ Right to exploit the patent on the patentee
- ✓ The patentee can transfer the patent right by assignment or license
- ✓ The patentee can anytime surrender the patent
- ✓ The patentee, his assignee, licensee or agent has the right to institute a civil suit in court not lower than district court in case of any infringement.

PATENT APPLICATION PROCESS AND GRANTING

A patent application is a request pending at a patent office for the grant of a patent for the invention described and claimed by that application. An application consists of a description of the invention (the *patent specification*), together with official forms and correspondence relating to the application. The term patent application is also used to refer to the process of

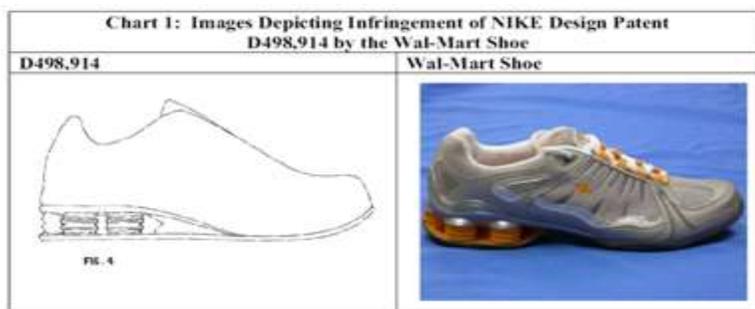
applying for a patent, or to the patent specification itself (i.e. the content of the document filed with a view to initiating the process of applying for a patent)



PATENT INFRINGEMENT

Meaning: Patent infringement is the act of making, using, selling, or offering to sell a patented invention, or importing into the United States a product covered by a claim of a patent without the permission of the patent owner.

Examples for Patent Infringement





Remedies for Patent Infringement

- **Equitable Remedy:** An equitable remedy is one which does not involve the payment of pecuniary (money) damages, but rather involves a court order to take some action or cease from some behavior.
- **Civil Action:** When the law permits one private party to sue another private party it is known as a civil action, as opposed to criminal actions which are brought by governmental entities (the state, the federal government, etc.)
- **Treble Damages:** The law sometimes permits a court, at its discretion, to award triple damages to a plaintiff, which is known as treble damages.
- **Injunctions:** an authoritative warning or order.

Exceptions to patent infringement / Non infringement activities

- Government use: section 47 of Indian patent Act 1970
- Research exemption:
- Supply of patented drugs to health institutions
- Use of patented invention on foreign vessels

PATENT LITIGATION

Meaning: A *patent litigation* suit is filed when the patent owner and the alleged infringer cannot agree to enter into a licensing agreement or if the patent owner is not willing to share his technology at all. Patent litigation suits are typically very costly, especially in the US, can last for many years and may cause expenses of millions of dollars.

Remedies for patent Litigation

- **Monetary Damages:** The party accused for patent infringement is sentenced in court and compensates the patent owner. Such compensations include the patent owner being entitled lost profits and/or royalties from the infringer.
- **Exclusion Order:** If the case is taken to the International Trade Commission they might issue an exclusion order. This is the same as a permanent injunction that forbids the patent infringer from importing the product that uses the infringed technology into the markets covered by the patent.
- **Mediation:** Using a mediator to settle the litigation outside of the courtroom and to avoid a potentially long and costly trial.
- **Negotiated Settlement:** If the patent owner has support from an experienced and well-financed firm it might be able to avoid going to trial and negotiate a settlement with the infringer. This settlement usually includes a licensing agreement between the parties. Most infringement cases are settled like this.
- **Injunctive Relief:** The infringing party is forced to cease production and/or sale of the infringing product or service. This does not provide the patent owner with any compensation, but it puts pressure on the infringing company.

UNIT-IV

IPR&P- TRADEMARKS

Introduction to Trade Mark- Trade Mark Registration Process- Post registration procedure-Trade Mark maintenance- Transfer of rights- Inter parties Proceedings- Infringement- Dilution of Ownership of Trade Mark- Likelihood of confusion- Trade Mark claims- Trade Marks Litigation- International Trade Mark Law

❖ INTRODUCTION TO TRADEMARK:

A **trademark** is a word, phrase, symbol or design, or a combination of words, phrases, symbols or designs, that identifies and distinguishes the source of the goods of one party from those of others. Although trademarks used to identify services are usually called **service marks**.

Use of TM, SM and ® symbols

'TM' stands for Trademark and 'SM' stands for Service mark. The use of TM and SM symbols notifies the public that the company is claiming exclusive ownership of the trademark and can generally be used by one who has filed a trademark application.

The ® symbol, can be used only once the trademark is registered and the registration certificate is issued. Also, you may use the registration symbol only in connection with the goods and/or services in respect of which the trademark is registered.

TM- used for unregistered trademarks

® - used for registered trademarks

Registration of trademark is not necessary in India, but it is advisable.

The registration process is the same for both trademarks and service marks.

What are the benefits of a registered trademark?

1. Identifies the origin goods and services
2. Advertise goods and services
3. Guards the commercial goodwill of a trader
4. Protects the innocent public from buying goods of second-rate quality

Salient features of Trademark:

1. Multi class applications are allowed in India. However, statutory filing fees will be applicable for each class.
2. Classification of goods and services is according to NICE classification (45 classes).
3. Prior use of the trademark is not mandatory for filing. Therefore, applications can be filed on a 'proposed to be used' basis.
4. Power of attorney is required (if filed through an agent/attorney)

5. Applications are examined as to registrability and availability based on existence of prior filed applications. Once accepted, it is published in the Trademarks Journal and an opposition may be filed by a third party within 3 months (extendable by one month). If no opposition is filed, the registration certificate is issued thereafter.
6. A trademark may be subject to removal on the grounds of non-use, if it is not used for a continuous period of 5 years.
7. The registration is valid for 10 years from the date of application and can be subsequently renewed every 10 years by payment of renewal fees.
8. Priority can be claimed provided the application is filed within 6 months from the date of the filing in the convention country.

How can I protect my Trademark?

At the national/regional level, trademark protection can be obtained through registration, by filing an application for registration with the national/regional trademark office and paying the required fees. At the international level, you have two options: either you can file a trademark application with the trademark office of each country in which you are seeking protection, or you can use **WIPO's Madrid System**.

Rights Provided by Trademark:

Trademark is an important asset for your business or company and contributes to the goodwill generated and it provide following rights:

1. Gives you stronger enforceable rights to prevent others from using the trademark in connection with the goods or services for which it is registered.
2. Trademarks can be sold, licensed or assigned.
3. Registration usually covers the whole of India.

How long does trademark protection last?

The term of trademark registration can vary, but is usually ten years. It can be renewed indefinitely on payment of additional fees. Trademark rights are private rights and protection is enforced through court orders.

What kinds of trademarks can be registered?

A word or a combination of words, letters, and numerals can perfectly constitute a trademark. But trademarks may also consist of drawings, symbols, three-dimensional features such as the shape and packaging of goods, non-visible signs such as sounds or fragrances, or color shades used as distinguishing features – the possibilities are almost limitless.

Trademark Search

Before adopting a trademark, a trademark search is highly recommended, as this will give an indication of any existing trademarks which have been applied for/or registered in the Trademarks Registry.

There are so many trademark attorneys'/trademark agencies provides trademark search services in India, assisting clients in the selection of brand names and ascertaining whether any identical or similar trademarks are already existing in the records of the Trade Mark Registry.

The cost of conducting a trademark search is quite insignificant in comparison to the efforts and costs involved in rebranding due to infringement of others rights.

Therefore, a trademark availability search is highly advisable before huge amounts of money and time are invested in a trademark and the guidance of an experienced trademark attorney is extremely worthwhile.

In order to conduct a trademark search, client has to provide the following simple information:

- Trademark to be searched
- Goods/Services in respect of which the trademark is to be searched

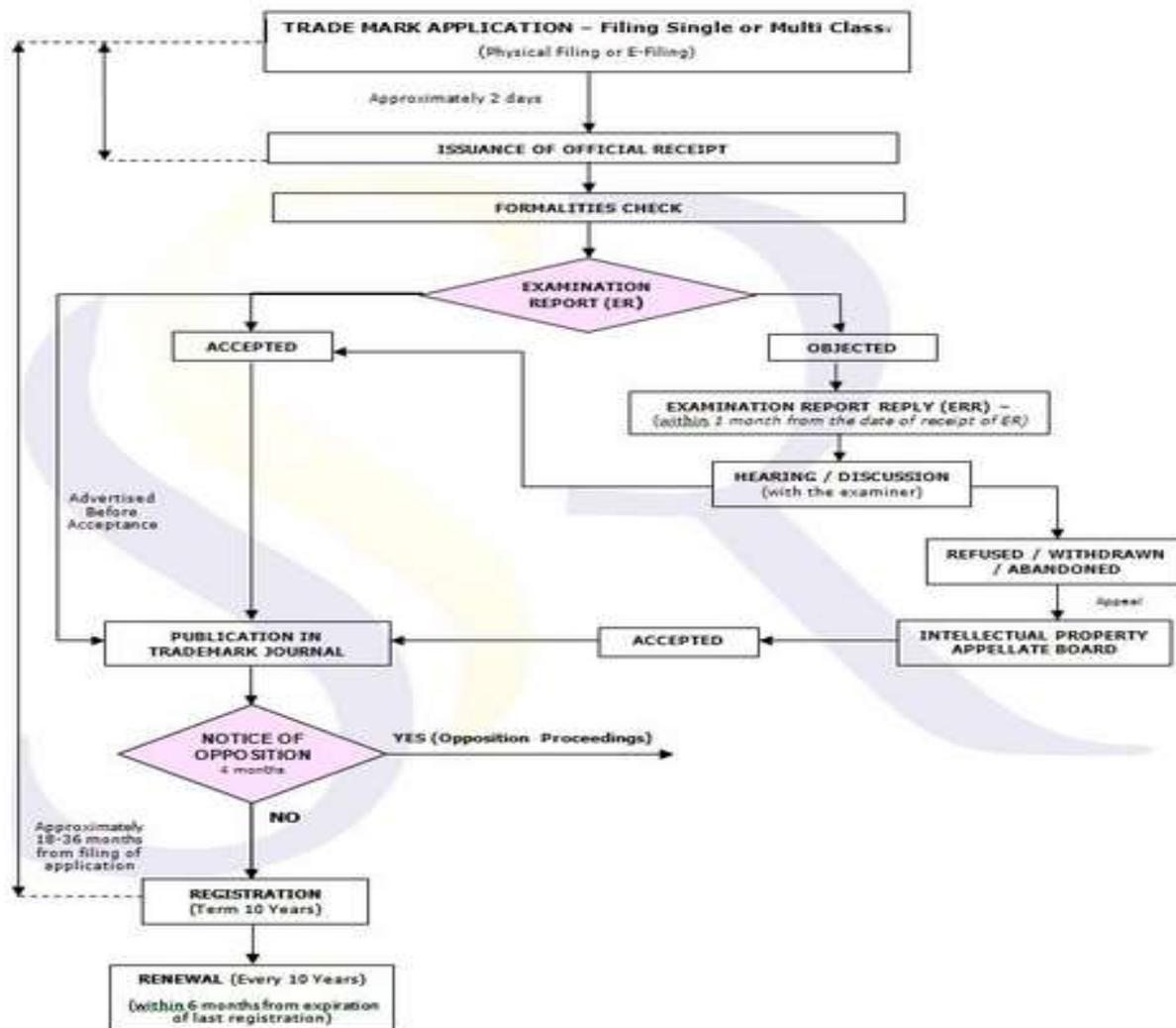
The trademark search results are reported within 1 or 2 business days.

Requirements for filing a trademark application:

1. The name, address and nationality of the applicant. If the applicant is a partnership firm, the names of all the partners. Also mention whether any minor is a partner.
2. If the applicant is a company, the country or state of incorporation.
3. A list of goods and/or services for which registration is required.
4. Soft copy of the trademark to be registered.
5. If the mark contains or consists of non-English words, a translation of those words into English is required.
6. If the application is to claim priority from an earlier filed convention application, details of that application is also required (application number, filing date, country and goods/services). A certified priority document or its duly notarized copy is to be submitted. If the certificate is not in English, a certified/notarized English translation is also required. If it is not readily available, the application can be filed based on the basic application number, date of the application and country of the application. A copy of the priority document can be submitted within 1 month from the filing date of the application.
7. Date of first use of the trademark in India, if at all used
8. Power of attorney simply signed by the applicant (no legalization or notarization is required). For Indian clients, power of attorney to be executed in 100 Rs. stamp paper and signed by the applicant. The power of attorney is not required at the time of lodging the application and can be submitted later with no additional cost.

❖ TRADEMARK REGISTRATION PROCESS

TRADEMARK APPLICATION PROCEDURE AND PROSECUTION FLOWCHART IN INDIA



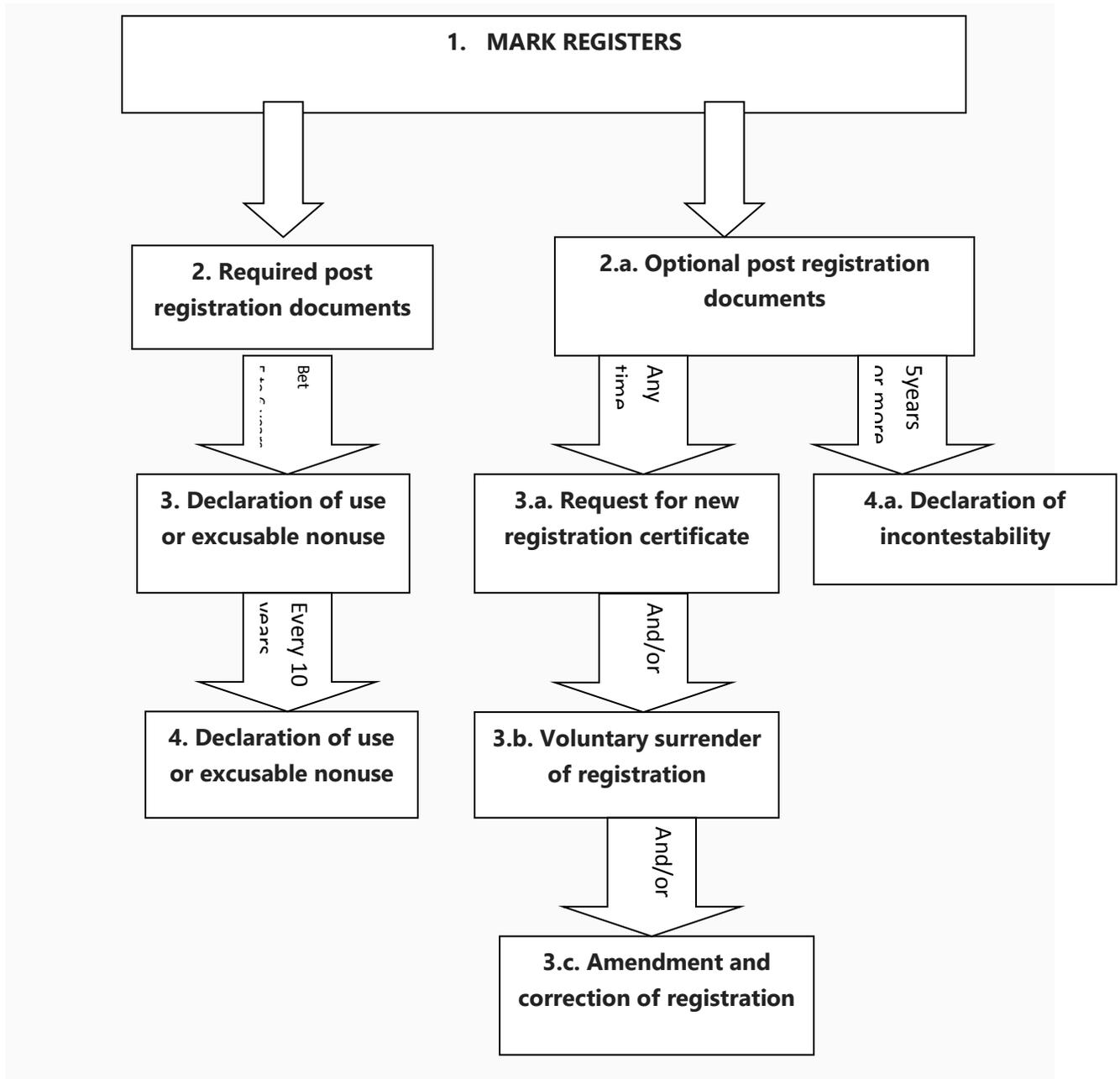
1. **SEARCH:** It is recommended to conduct a trademark availability search in order to check if any similar trademark has been filed in India, which may oppose your registration. The cost of the search is generally quite insignificant in comparison to the cost of re-branding if there is difficulty in using the trademark because it infringes the right of others.
2. **FILING:** A trademark application is filed with trademark office. Now the trademark application can be filed for more than one class of goods in one application. An application with priority rights shall be filed within 6 months from the date of initial grant of the registration application of the mark in other country.

3. **EXAMINATION:** The trademark office will examine the registrability of the application, which includes distinctiveness, existing similarity with prior registrations, and completion of supporting documents, if accepted, the trademark office will issue an acceptance order and the trademark is ordered for publication. Examination generally occurs within 3-4 months of filing of trademark application, but the request for the expedite examination of an application can also be made, which costs 5 times the govt. fee for filling the trademark application.
4. **PUBLICATION:** Trademark applications accepted by the Registrar are published in Trademark Journal. Any interested party may file a notice of opposition to the registration of the mark within 3 months from the date of last publication.
5. **OPPOSITION:** When the trademark is advertised in the trademark journal, then third party can oppose the registration of the trademark within the 3 months from the date of the trademark journal made available to the public. Normally the following person opposes the registration of trademark.
 - The owner of an earlier trademark application or registration covering a similar trademark for similar goods.
 - A person who has used the same or a similar trademark prior to the client, but who has sought registration of the trademark.

Procedure after filing of Notice of Opposition:

1. The Registrar shall within two months from the date of receipt of notice of opposition, serve a copy of the same pursuant to filing of opposition, the Registrar shall serve a copy of the notice of opposition on the applicant of the opposed mark;
 2. After receiving of the notice of application, within two months, the applicant of the opposed mark shall send to the Registrar counter statement in the prescribed manner specifying the grounds along with evidence on which he relies for his application;
 3. If the applicant fails to file counter statement within the stipulated time, then the applicant's mark shall be deemed to have been abandoned;
 4. After hearing the parties and considering the evidence, the Registrar shall decide whether the trademark is to be accepted or not. The decision of the Registrar made in the opposition proceedings can be challenged by an aggrieved person by filing an appeal before the Intellectual Property Appellate Board.
6. **REGISTRATION:** In the absence of opposition, a trademark is registered, and the relative certificate of registration is issued for 10 years from the date of filing of an application. Now it is taking 24-30 months from the filing of the trademark application to the final registration of the trademark.

❖ **POST REGISTRATION TIMELINE FOR MADRID PROTOCOL-BASED REGISTRATIONS:**



Step 1. Mark registers: After registration issues, to keep the registration “alive” or valid, the registration owner must file specific documents and pay fees at regular intervals. The deadlines for filing declarations of use and excusable nonuse are calculated from the registration date shown on the registration certificate. However, the deadlines for renewing the international registration with the International Bureau of the World Intellectual Property Organization are calculated from the international registration date. Failure to file both of these documents will result in the cancellation of your registration. Go to step 2 for required post registration documents and go to Step 2a for optional post registration documents.

Step 2. Required post registration documents: The following documents must be timely filed to maintain a registration. Go to Step 3.

Step 2a. Optional post registration documents: The following documents are not mandatory to maintain a registration. For optional documents that may be filed anytime go to Step 3a and for optional documents that may be filed every 5 years or more go to Step 4a.

Step 3. Owner files declaration of use or excusable nonuse: Between the 5th and 6th year after the registration, the registration owner must file directly with the patents and trademark office a declaration of use or excusable nonuse. This declaration requires a fee and specimens of use. The filing may also be made within a 6-month grace period after the expiration of the 6th year with the payment of an additional fee. Failure to file this declaration will result in the cancellation of the registration and invalidation of the extension of protection of the international registration. Go to Step 4.

Step 3a. Request for new registration certificate: The owner of a registered extension of protection to the India may only request a new registration certificate for the unexpired part of the registration period after filing the appropriate change request with the International Bureau of the World Intellectual Property Organization. Any change in ownership, such as by assignment, transfer, or change of name, must first be recorded at the International Bureau (IB). The IB will notify any changes of ownership that affect the extension of protection, including partial changes of ownership of less than all of the goods and/or services. The nation will update its electronic records to reflect the change. If the owner would like a new registration certificate, the owner must submit a separate request and pay the required fee. Go to Step 3b.

Step 3b. Voluntary surrender of registration: A registration owner may voluntarily surrender the registration, in its entirety or for a portion of the goods and/or services. No fee is required. Go to Step 3c.

Step 3c. Amendment and Correction of registration: A registration owner may file a request to amend or correct the registration at any time, but only in limited circumstances where the change will affect only the extension of protection. No amendments to the mark or to broaden the goods and/or services are allowed. A fee is required, except for corrections due to Indian patent and trademark office error.

Step 4. Owner files declaration of use or excusable nonuse: Between the 9th and 10th year after the registration date and every 10 years thereafter, the registration owner must file directly with the Indian patents and trademarks office a declaration of use or excusable nonuse. This declaration requires a fee and specimens of use. The filing may also be made within a 6-month grace period after the 10th year with the payment of an additional fee. Failure to file this declaration will result in the cancellation of the registration and invalidation of the extension of protection of the international registration to India. In addition, the international registration must be renewed with the International Bureau every 10 years from the date of international registration. Failure to file this renewal will result in the cancellation of the registration.

Step 4a. Declaration of incontestability: A declaration may be filed for a mark on the Principal Register that has been in continuous use in commerce for a period of 5 years after the date of the registration and there is no adverse decision(s) or pending proceeding(s) involving rights in the mark. “Incontestability” enhances the legal presumptions the registration receives. This declaration requires a fee.

❖ TRADEMARK MAINTENANCE:

After a trademark is registered it must be maintained to make certain that due dates are complied with. A maintenance affidavit has got to be filed between the 5th and 6th year after registration (6 month grace period available) to maintain the trademark registration active. If the maintenance affidavit is not filed, it will be cancelled. Further, a trademark registration will finish after 10 years. Regeneration must be filed prior to expiration if the owner would similar to keep the registration active for an additional 10 years.

A trademark is not granted in perpetuity. However, it may be used continuously as long as it is renewed according to the rules of the jurisdiction. This will absorb the submission of documents, statements of continuous use and payment of associated fees at specific times. Failure to do so may cause the regular expiration of your trademark or leave it open to challenge by others. Another form of maintenance is an prepared search of trademark use at regular intervals to rule out unauthorized use of your trademark. If you do not challenge such use in a timely way, you may lose the right to do so in a numeral of jurisdictions.

A well experienced team of trademark attorneys who are well versed with all types of TM issues help the companies in trade mark maintenance. The attorneys will get you with following TM services:

Trademark Watch: Where they guide you about the latest and all upcoming similar trademark that can affect your reputation and goodwill in the competitive market; so, that you can take necessary step and action against the same.

Trademark Infringement: Under this, they bring you with all the necessary legal formalities and documentaries that can serve you with how to process under trademark infringement.

Trademark Prosecution: Under the act of Trademark 1999 of India, they will serve you with the complete package of trademark prosecution where their attorneys will guide you how to revert back with any misuse or TM exploitation.

Trademark Renewal: They bring you with complete services in trademark renewal where we file application for the same on the behalf of your trademark.

Besides these, attorneys bring you with trademark registration, trademark search, trademark a name and many more trademark office services in India.

❖ TRANSFER OF TRADE MARK RIGHTS:

Just as in the case of physical property such as land, every owner of a Brand or Trademark has the right to sell, license, transfer, etc. its respective brand or trademark in accordance with legal procedures. A brand or Trademark owner can transfer his rights with respect to his trademark either by way of assignment or by licensing. In India, The Trade Marks Act, 1999 deals with assignment as well licensing of trademarks.

To put it summarily, in case of an assignment of a trademark, there is a change in the ownership of the registered brand and in case of licensing, the right in the trade mark continues to vest with the original owner but only few restricted rights to use the brand/mark are given to the third party.

ASSIGNMENT OF A TRADEMARK

Assignment of a trademark occurs when the ownership of such mark as such, is transferred from one party to another whether along with or without the goodwill of the business. In case of a registered Trademark, such assignment is required to be recorded in the Register of trade marks.

A mark may be assigned or transferred to another entity in any of the following manners:

- **Complete Assignment to another entity-** The owner transfers all its rights with respect to a mark to another entity, including the transfer of the rights such as right to further transfer, to earn royalties, etc. (E.g. X, the proprietor of a brand, sells his mark completely through an agreement to Y. After this X does not retain any rights with respect to the brand)
- **Assignment to another entity but with respect to only some of the goods/ services-** The transfer of ownership is restricted to specific products or services only. (E.g. P, the proprietor of a brand used for jams and jellies and dairy products. P assigns the rights in the brand with respect to only dairy products to Q and retains the rights in the brand with respect to jams and jellies.) This is called partial assignment.
- **Assignment with goodwill-** Such assignment is where the rights and value of a trademark as associated with the product is also transferred to another entity.(E.g. P, the proprietor of a brand "Shudh" relating to dairy products, sells his brand to Q such that Q will be able to use the brand "Shudh" with respect to dairy products as well as any other products it manufactures.)
- **Assignment without goodwill-** Such assignment also referred to as gross assignment, is where the owner of the brand restricts the right of the buyer and does not allow him to use such brand for the products being used by the original owner. Thus, the goodwill attached to such brand with respect to the product already being sold under such brand, is not transferred to the buyer. (E.g. P, the proprietor of a brand "Shudh" relating to dairy products, sells his brand to Q such that Q will **not** be able to use the mark "Shudh" with respect to dairy products but can use this brand for any other products being manufactured by it. In such case the goodwill which is associated with brand "Shudh" for dairy products is not transferred to Q and Q will be required to create distinct goodwill of brand "Shudh" for any other product or service like Restaurant wherein Q proposes to use this brand.). In many jurisdictions like United States, assignment of mark without goodwill is not allowed at all. India on the other hand allows assignment without goodwill.

Further, in case of registered Trademarks, the Trade Mark Act 1999 also puts certain restrictions on the assignment of a registered trade mark wherein there exist possibilities of creating confusion in the mind of public/users. Such restrictions are:

- Restriction on assignment that results in the creation of exclusive rights in more than one persons with respect to the same goods or services, or for same description of goods or services or such goods or services as associated with each other.
- Restriction on assignment that results in different people using the trademark in different parts of the country simultaneously.

TRADEMARK LICENSING

The licensing of a mark is to allow others to use the mark without assigning the ownership and the same may be done for all or some of the goods and services covered. The Trademarks Act does not mention the term 'License', the concept under the Act is mentioned as that of a 'Registered User'.

Trademark licensing is advantageous to both the parties. While the licensor enjoys its rights to the mark by getting the royalties for its use, the licensee is able to expand its market operations by using the brand and developing its reputation.

In case of Licensing, the licensor is open to license the rights over the trademark in manner it may like. The Licensor can restrict the rights of the licensee in a trademark or brand with respect to the products or services wherein the licensee can use such brand, with respect to time for which it can use such mark, with respect to area within which it can use such mark etc.

AGREEMENTS FOR TRANSMISSION

A trade mark is generally assigned by way of a properly executed Trademark Assignment Agreement which pertains to the transfer of the mark from one person or entity who is the owner to another. It is to be ensured when drafting such agreement that:

- the rights of the owner of the brand are not detrimentally affected due to the obligations contained.
- the requirement and decision regarding whether the assignment should be with or without the goodwill of the business is explicitly mentioned and negotiated
- the agreement should be drafted keeping in mind the purpose of the transaction in question

A mark is licensed by way of a License Agreement. As per the Trade Mark Act, 1999, contrary to the requirement in case of Assignment, the registration of license agreement with the Trademark Registrar of a mark is voluntary and not compulsory, but it is advisable. Further, like in an Assignment agreement, it is again very important that while drafting a License Agreement, the rights and duties of licensee are distinctively pre determined and defined. This is important not only to protect the rights of the Licensor in its own brand and to protect any misuse thereof, but also to secure licensee with his rights to use such brand.

TO SUM UP...: Assignment and Licensing of brands are considerable issues and proper strategizing may open vistas of opportunities for all, a licensor, a licensee, an assignor and an assignee. Both concepts involve a degree of planning for the future of the parties involved and the brand in question. The development of a brand, its propagation and its use, all lie in the hands of the proprietor of the brand and trademark and assignment and licensing are effective methods to manage the same.

❖ INTER PARTIES PROCEEDINGS IN TRADEMARK:

Inter Partes (literally, “between Parties”) Proceedings are those involving disputes between parties regarding rights, use, and ownership of marks. These actions are heard before the Trademark Trial and Appeal Board (Board). There are four types of inter partes proceedings:

1. Oppositions,
2. Cancellations,
3. Interferences, and
4. Concurrent use proceedings

1. Oppositions:

Indian Trademark Act, 1999 prescribes that any person can file notice of opposition against the trademark within a period of four months from the date on which the mark is advertised or re-advertised in the Trademark Journal. The notice of Opposition can be filed along with evidence in support of application.

An application can be opposed on relative and absolute grounds of refusal as provided under section 9 and 11 of the Act.

Procedure after filing of Notice of Opposition:

- The Registrar shall within two months from the date of receipt of notice of opposition, serve a copy of the same pursuant to filing of opposition, the Registrar shall serve a copy of the notice of opposition on the applicant of the opposed mark;
- After receiving of the notice of application, within two months, the applicant of the opposed mark shall send to the Registrar counter statement in the prescribed manner specifying the grounds along with evidence on which he relies for his application;
- If the applicant fails to file counter statement within the stipulated time, then the applicant’s mark shall be deemed to have been abandoned;
- After hearing the parties and considering the evidence, the Registrar shall decide whether the trademark is to be accepted or not. The decision of the Registrar made in the opposition proceedings can be challenged by an aggrieved person by filing an appeal before the Intellectual Property Appellate Board.

2. Cancellations:

Cancellation is a legal proceeding in which a party seeks to remove an existing registration of a mark from the trademark register. Generally, a party that believes it is being damaged by a registration may file a petition to cancel. Some jurisdictions refer to cancellation actions as invalidation, nullity, rectification or revocation actions.

Section 57 of the Indian Trade Marks Act, 1999 provides for the grounds for Rectification of the Register:

- A. Clauses (1) and (2) of Section 57 of the Act provides that when any person aggrieved of any entry in the Register of Trade Marks makes an application to the Appellate Board or to the Registrar, the Tribunal may take such steps for cancellation or variation of the registration of the trade mark on the ground of any contravention or failure to observe a condition. The right to file an application for

cancellation/rectification under Section 57 is a statutory right conferred upon a party who is aggrieved by an entry made in the Register.

- B. Clause (4) of Section 57 provides that the Tribunal i.e. the Registrar or the Appellate Board, after giving a notice as well as an opportunity of being heard to the concerned parties, may either cancel, vary, make or remove the entry in question.

Under Section 31(1) of the Act the original registration of the trade mark shall be prima facie evidence of the validity of the mark in all legal proceedings relating to a trade mark (including in an application under section 57),

3. Interferences:

An Interference Proceeding, also known as a priority contest, is an inter partes proceeding to determine the priority issue of multiple trademark applications.

If two pending application conflict or if a pending application conflicts with an existing registration (that is not yet incontestable), the Trademark Office may declare an Interference. Interferences are rare proceedings and occur only upon a showing of “extraordinary circumstances”. Typically, if marks conflict, the parties resolve their differences by way of an opposition (if the potentially conflicting mark is not yet registered) or cancellation (if registration has occurred). Generally, only when an opposition or cancellation proceeding is unavailable to a party or will not adequately protect a party may a party request an interference proceeding. The Trademark Trial and Appeal Board will then determine the rights of the parties if they cannot reach a voluntary settlement arrangement.

4. Concurrent use proceedings:

If parties use similar marks in different geographical areas, a concurrent use proceeding may be initiated. Generally, these parties have used their marks in their respective areas in good faith and without knowledge of the other’s existence. In a concurrent use application, a party requests that the registration that will ultimately issue be restricted geographically, so that on its face the registration will state that the owner has the right to use the mark in certain identified states, cities, or regions in the nation. Once the applicant files an application for concurrent use, the matter is referred to Trademark Trial and Appeal Board (TTAB).

In most instances, the concurrent use proceeding is initiated after an application for registration is refused on the basis the mark is confusingly similar to another. The applicant then often approaches the other party in an effort to reach an accord whereby they each agree to use the mark in certain designated geographic markets. The applicant will then amend its original application to seek concurrent use by stating, “The Applicant claims the exclusive right to use the mark in the area comprising (specifying the geographic area).” The TTAB will allow concurrent use only in confusion is not likely to result.

In brief, in a concurrent use proceeding, the parties “curve up” the nations and each agrees to use his or her mark only in a specific geographical area. Concurrent use proceedings are relatively rare.

❖ INFRINGEMENT:

Infringement of a Trademark in India:

Trademark is said to be infringed when a registered trademark is used by a person who is neither the registered proprietor nor the licensee of the said trademark in relation to the goods or services for which it is registered.

Trademark infringement in India means violation of the exclusive rights granted to the registered proprietor under the Trade Mark Act, 1999 to use the same in relation to the goods or services in respect of which the trade mark is registered. Section 29 and section 30 of the Trade Mark Act, 1999 lay down the provisions for protection of a registered trademark in case the same is fringed upon by a person not being a registered proprietor or licensee.

Passing of Trademark in India:

Passing of action arises when an unregistered trademark is used by a person who is not the proprietor of the said trademark in relation to the goods or services of the trademark owner.

Passing off in India is a tort actionable under common law and mainly used to protect the goodwill attached with the unregistered trademarks. Section 27 of the Trade Mark Act, 1999 provides that no infringement action will lie in respect of an unregistered trademark but recognizes the common law rights of the trademark owner to take action against any person for passing off their goods/services as the goods of another person or as services provided by another person.

Types of Common Trademark Infringement



Penalty for Different types of Trademark Infringement:

1. Penalty for Trademark Infringement – Applying Unauthorized Trademark:

For this type of Infringement, a person is punishable with imprisonment for a term which shall not be less than six months but which may extend to three years and with fine which shall not be less than fifty thousand rupees but which may extend to two lakh rupees.

2. Penalty for Trademark Infringement – Selling Goods or Services with Unauthorised Trademark:

Any person who sells, lets for hire or exposes for sale, or hires or has in his possession for sale, good or things, or provides or hires services, to which any unauthorized trademark or false trade description is applied is punishable with imprisonment for a term of not less than six months and up to three years. A fine can also be levied to an amount of not less than rupees fifty thousand to a maximum of rupees two lakhs. However, the person shall not be punishable if he/she proves:

- That, he/she has taken all reasonable precautions against committing an offence and at the time of committing of the offence had no reason to suspect the genuineness of the applied trademark.
- That, he/she on demand by or on behalf of the Prosecutor, gave all information in his power with respect to the person from whom he obtained such goods or things or services.
- That, he/she otherwise had acted innocently.

3. Penalty for falsely representing trademark as registered

If any person falsely represents to the effect that a registered trademark is registered in respect of any goods or services, which is not in fact registered, then he/she is punishable with imprisonment for a term which may extend to three years or with fine, or both.

❖ TRADEMARK DILUTION:

Trademark dilution is that facet of trademark infringement, wherein the owner of a well-known trademark has the power to prevent others from using the mark on the ground that such use is likely to lessen the reputation or uniqueness of the trademark.

In other words, unlike ordinary trademark infringements, dilution protection extends to trademark uses that do not confuse consumers regarding who has made a product. Instead, dilution protection law aims to protect sufficiently strong and well known trademarks from losing their singular association in the public mind with a particular product.

Types of Trademark Dilution

It is necessary here to define the two types of trademark dilution, namely, *blurring* and *tarnishment*.

In *Mead Data Central v. Toyota* the Court held that *blurring* includes, ‘the whittling away of an established trademark’s selling power through its unauthorized use by others upon dissimilar products’.

A mark is said to be *tarnished* when the impugned mark links such mark to products that are of poor quality or which portray such mark in an unwholesome or unsavoury context that is likely to reflect adversely upon the owner's product.

As per the ingredients of Section 29(4), trademark infringement in the form of dilution is said to have occurred if the person in the course of trade or business uses the mark which is:

1. Identical with or similar to the registered trademark having reputation in India; and
2. Such use is on different goods or services than those covered by the registration.

Such use of the mark would constitute infringement in the form of dilution if it is found that the use of offending mark produces the following results:

1. Without due cause takes unfair advantage of the distinctive character or reputation of registered trademark
2. Without due cause is detrimental to the distinctive character or repute of the registered trademark

The court emphasized that the following four essential elements need to be established in order for a dilution case to succeed:

1. The diluting mark is identical or similar to the injured mark;
2. The injured mark has a reputation in India;
3. The use of the impugned mark is without due cause;
4. The use of the impugned mark amounts to taking unfair advantage of, or is detrimental to, the distinctive character or reputation of the registered trade mark.

“The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

- A. Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with—
 - i. Advertising or promotion that permits consumers to compare goods or services; or
 - ii. Identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.
- B. All forms of news reporting and news commentary.
- C. Any non-commercial use of a mark.”

Judgments on trademark dilution:

In **Daimler Benz Aktiegessellschaft & Anr. v. Hybo Hindustan³**, which is the most celebrated case on trademark dilution prior to the 1999 Act, the issue was regarding the mark BENZ along with a “three pointed human being in a ring” which the defendant used for his undergarment line. Ignoring the defense of honest concurrent use by the defendant, the High Court of Delhi granted injunction to the plaintiff and

observed that imitation of mark such as of MERCEDES BENZ by anyone including the defendant would result in perversion of the trademark law in India. The Court held:

“Such a mark is not up for grabs—not available to any person to apply upon anything or goods. That name . . . is well known in India and worldwide, with respect to cars, as is its symbol a three pointed star.

This was the first case law in India which restrained the defendant from using the plaintiff’s well-known mark on the sole ground of free-riding, without bringing analysis of likelihood of confusion or deception into picture.

❖ **TRADEMARK INFRINGEMENT - THE LIKELIHOOD OF CONFUSION:**

Are you concerned that a competitor is unfairly using the same or a similar trademark as your business? In order to stop trademark infringement, the senior user—the first business to adopt and use a particular mark in connection with its goods or services—must prove likelihood of confusion. Issues of likelihood of confusion arise in three ways: registration; inter partes proceedings; and infringement litigation. In each case, the standard is the same -- is it probable, under all of the circumstances, that consumers of the relevant goods will be confused.

Likelihood of confusion exists between trademarks when the marks are so similar **and** the goods and/or services for which they are used are so related that consumers would mistakenly believe they come from the same source. Each application is decided on its own facts, and no strict mechanical test exists for determining likelihood of confusion.

In order to prove trademark infringement, the owner of the trademark must show that there is a “likelihood of confusion” between his or her trademark and the allegedly infringing mark. Following are the factors to consider in determining the likelihood confusion.

- 1. Strength of the Mark:** A mark is "weak" if it is descriptive and has not acquired sufficient secondary meaning. A mark is "strong" when it has acquired secondary meaning, or if it is arbitrary, fanciful or suggestive. The owner of a weak mark will have difficulty proving likelihood of confusion. For example, the mark, Maid in America for cleaning services was determined to be descriptive. The owner was unable to demonstrate a sufficient showing of advertising or sales to prove secondary meaning. Therefore, the trademark owner did not prevail in a claim of infringement against a similar mark. If descriptiveness is an issue in an infringement action, a survey may be conducted to prove secondary meaning.
- 2. Similarity of the Marks:** To determine whether a likelihood of confusion exists, the marks are first examined for their similarities and differences. Note that in order to find a likelihood of confusion, the marks do not have to be identical. When marks sound alike when spoken, are visually similar, and/or create the same general commercial impression in the consuming public’s mind, the marks may be considered confusingly similar. Similarity in sound, appearance, and/or meaning may be sufficient to support a finding of likelihood of confusion, depending on the relatedness of the goods and/or services. For example, a beverage manufacturer could not adopt the mark “*Koka Kola*,” because although this mark is spelled differently from the famous *Coca-Cola* mark, it is still pronounced the same.

3. **Relatedness of Goods and/or Services:** Even if two marks are found to be confusingly similar, a likelihood of confusion will exist only if the goods and/or services upon which or in conjunction with the marks are used are, in fact, related. Whether the goods and/or services are related is determined by considering the commercial relationship between the goods and/or services identified in the application with those identified in the registration or earlier-filed application. To find relatedness between goods and/or services, the goods and/or services do not have to be identical. It is sufficient that they are related in such a manner that consumers are likely to assume (mistakenly) that they come from a common source. The issue is not whether the actual goods and/or services are likely to be confused but, rather, whether a likelihood of confusion would exist as to the source of the goods and/or services.

Examples of this situation are very common. *Delta*, for instance, is a service mark for airline services, but also functions as a trademark for plumbing fixtures.

4. **Sophistication of the purchasers:** The last element to be discussed in this article is the sophistication of the purchasers of the products/services. Generally, the more sophisticated and knowledgeable the purchasers, the less likely it is that those purchasers will be confused by similar marks. For example, purchasers of jet engines for airplanes will most likely be professional purchasing agents with an intimate knowledge of competing products. Simply put, their purchasing decision is not primarily based on a comparison of the marks, per se, but is based on a deep understanding of the products and their manufacturers. On the other end of the scale, the ordinary, unsophisticated supermarket shopper is likely to be highly influenced by the marks used on products. He or she has neither the time nor the inclination to research competing products. The possibility for confusion of an unsophisticated purchaser is more acute, and thus, a similar mark may create a likelihood of confusion in the mind of an unsophisticated consumer where, in the same case, none would exist in the mind of a sophisticated purchaser.

5. **Degree of Care Exercised By the Consumer:** The degree of care exercised by the consumer varies according to the purchase. Generally, a buyer making a very expensive purchase is more likely to be discriminating and is less likely to be easily confused as to similar marks. The reason for this higher degree of care is because the consumer buys expensive items less frequently. Therefore the courts assume that such purchasers are likely to be more discriminating and source-conscious when purchasing real estate services, insurance or other "high ticket" items. Under these circumstances, the courts require a more substantial showing of similarity to justify a claim of likelihood of confusion. The same is true for items that are purchased by "professional buyers." A professional buyer is a person who arrives at the purchasing point already knowledgeable about the goods (e.g., a pharmacist, physician, architects, builders, etc.) A professional buyer is less likely to be confused because of their superior knowledge as to purchasing decisions.

An ordinary purchaser, particularly one that buys inexpensive items on impulse is the most likely to be confused by similar marks. This consumer, for example, may quickly scan the aisle of a supermarket and impulsively purchase a box of garbage bags without realizing that she has been confused as to the choice of brands. In this instance, a lesser degree of care has been exercised. Therefore, less similarity may be necessary to prove likelihood of confusion.

6. **Defendant's Intent:** Although the intent of the defendant is not essential in proving infringement, it is a relevant factor. According to the Restatement of Trademarks, it is appropriate to consider the defendant's intent because a party intending to cause confusion will generally be successful in doing so. Direct evidence of the defendant's intention to deceive is usually unavailable and the plaintiff must depend on

circumstantial evidence such as how the defendant's mark was chosen or whether the defendant continued use of the mark after plaintiff's warning.

7. **Actual Confusion:** Proof of actual confusion is not essential in determining trademark infringement. However, such evidence may be compelling in an infringement case. Sometimes companies conduct surveys to determine actual confusion. These surveys are expensive and if improperly performed, they may subvert the plaintiff's case.
8. **Marketing Channels Used:** If the products or services in question are marketed through the same means, perhaps being distributed by the same parties, then this would favor a finding of likelihood of confusion. Thus, it is said that convergent marketing channels increase the likelihood of confusion.
9. **Likelihood of Expansion:** The more extensively used and the more popular the mark, the more likely it is that consumers will expect an expansion of the product base. For example, would consumers confuse the McDonald's trademark for food establishments with Quality Inn's McSleep for motel services? Yes, according to a federal court. The reason is because the "Mc" prefix has been used so extensively by the McDonald's Corporation that its expansion into non-food categories is expected. In fact, the company already has expanded into children's clothing with its McKids clothing line. The same is true for the Coca Cola mark which has been licensed for clothing, glassware, puzzles, watches, bags and other non food items. The Coca-Cola mark has also been infringed on unlikely goods. (For example, the trademark has been used on "can wraps" which are labels intended to be wrapped around an alcoholic beverage to disguise its contents.)

Conclusion

As you can see, the focus of the inquiry is whether consumers will likely be confused. The goal is to protect consumers, not to protect trademarks. Therefore, even if the marks in question are quite similar but there is no real likelihood that consumers will be confused then there would be no harm.

❖ TRADEMARK CLAIMS AND LITIGATION:

Long use of a mark or its formal registration with the designated “trademark authority” of a country, confers the right of “ownership” of that mark, on a person. However, this right of ownership is of no use if you cannot prevent others from using it without your permission or punish them if they use it without your consent or approval. If you are the owner of a trademark and someone has copied it, what should you do?

The following “remedies” are available to you:

1. **Civil Remedies:** Under the civil law proceedings, the person making the complaint (plaintiff) seeking relief for himself. When instances of infringement and passing off occur, the court of competent jurisdiction (court not lower than the district court) can be moved from grant of interlocutory injunction, Mareva injunction, Perpetual injunction, Anton Pillar Orders, damages and account of profits.
 - i. **Interlocutory injunction:** interlocutory in law means not that which decides the cause, but that which only settles some intervening matter relating to the cause. Injunction is an order of court which prohibits a party from doing something. This form of injunction is the most commonly sought after and granted. It serves the purpose of preventing further infringement.
 - ii. **Mareva Injunction:** Under, the court has the power to freeze the defendant’s assets where there is a possibility that he may destroy goods or even dispose them off.
 - iii. **Perpetual injunction:** It is an order restraining the defendant totally, for all times to come, from doing any act which infringes the rights of the owner of the trademark. This form of injunction is usually granted at the end of the case and also in cases where no interim injunction was granted.
 - iv. **Anton Pillar Orders:** In English and English-derived legal systems, an Anton Pillar Order (frequently misspelled Anton Pillar Order) is a court order that provides the right to search premises and seize evidence without prior warning. This prevents destruction of relevant evidence, particularly in cases of alleged trademark, copyright or patent infringements.
 - v. **Damages:** These refer to the amount which you can claim due to loss of business, owing to the illegal act of the accused in copying or making use of your trademark. It is determined by the quantum of loss actually sustained by you due to the direct acts of infringer. Speculative and unproven damages are not considered in determining the quantum of charge.
 - vi. **Account Of Profit:** It refers to the actual profits the person copying your mark (defendant) has made out of the sale of the infringing goods. In calculating the account of profits, the damage suffered by the plaintiff is immaterial.
2. **Criminal Proceedings:** Under Criminal law proceeding, the complainant seeks award of punishment to the infringer. Section 103-109 of Chapter XII of the Trademarks Act, 1999 provide for penalties in the form of imprisonment and fine for offences committed under the Trade Marks Act, 1999. Depending upon the nature of violation, punishment under the act may range from a minimum imprisonment of 6 months extending to 3 years and a minimum fine of Rs 50000 or more.

It is pertinent to mention here that an offence under sections 103-105 is a cognizable offence viz. “ a criminal offence in which the police is empowered to register an FIR, investigate and arrest an accused without a court issued warrant.” A non- cognizable offence on other hand, is an offence in which police can neither register an FIR, investigate, nor effect arrest without the express permission or directions from the court.

3. **Administrative Remedies:** This action takes place before the Registrar of Trademarks. You can oppose the Registration of a Trademark which is deceptively similar to yours or if it has already been registered, you can also pray for its removal From the Trademarks Registry i.e. cancellation of the ownership.

The following steps are advisable in event of violation of your trademark rights:

1. Contact a lawyer, preferably one who is specializing in trademark litigation. www.indiankanoon.org is an excellent portal which gives you full text of case judgments. You can type the word trademark cases or trademark litigation and see the latest cases and judgments. The names of the lawyers are given in the cases and serve as a guide to the person who is handling such cases.
2. Place before him the facts which confirm your ownership of the trademark.
3. Summarize the bare facts of the case-how you know that your mark got violated? What is the proof you have? Click photographs of have specimens of the offending goods in your possession. If someone informed you in writing, take a copy of that letter/email communication with you.
4. Discuss with your lawyer without any hesitation, the sequence of steps likely to be involved during litigation, the time to be taken and the total budget toward his fee, expenses, court fee etc. involved.
5. Once you are clear on how to proceed and the financial implications involved for you, get a written estimate from the lawyer, duly elaborating the scope of work, the timelines and the inputs needed from you.
6. Authorize your lawyer and diligently follow up all the proceedings and be aware of the progress of your case. Try to be present on the date of hearing of your case in the court- it ensures that you are able take timely action in case something goes wrong or is not clear to the court.
7. Even when filing a police complaint, it is better to have a lawyer with you to ensure proper documentation and correct presentation of the facts in your complaint.

International Trademark Law – The Madrid System

Introduction

Registration of trademarks in multiple jurisdictions around the world is governed by two independent treaties – the Madrid Agreement (the Agreement) and the Madrid Protocol (the Protocol). Despite its name, the Protocol is a separate treaty and not a “protocol” to the Agreement. Together, the Agreement and the Protocol are known as the Madrid System for the International Registration of Marks (the Madrid System).

States party to the Agreement and/or the Protocol and organizations party to the Protocol are referred to collectively as Contracting Parties. Together, they constitute the Madrid Union, which is a Special Union under Article 19 of the Paris Convention. The Madrid System is a centrally administered system (by the International Bureau of the World Intellectual Property Organization, WIPO) for obtaining a bundle of trademark registrations in separate jurisdictions, creating in effect a basis for an "international registration" of marks.

The Madrid System is the one-stop solution for trademark holders to obtain and maintain protection in multiple markets.

The Madrid Agreement

The Agreement was established in 1891 for the purpose of providing a mechanism that would allow for a single and inexpensive international trademark registration and to eliminate the need for filing, prosecuting or maintaining separate registrations in multiple countries. Registration of a mark under the Agreement provides for the legal equivalent of registration in member countries designated by the mark owner.

Despite the advantages of registration through the Agreement the U.S. and several other major countries (*e.g.* Australia, Denmark, Finland, Greece, Iceland, Ireland, Japan, Netherlands, Republic of Korea, Sweden, and the United Kingdom) never joined the Agreement because of perceived defects in its structure. These perceived defects included issues such as:

- ✓ the requirement for registration in the home country before protection of the mark could be awarded,
- ✓ unlimited risk of “central attack” to the mark,
- ✓ a short examination period,
- ✓ fees that are lower than the corresponding fees in the home country’s trademark offices, and
- ✓ limitations on assignability.

The Madrid Protocol

The Protocol was adopted in 1989 to correct the perceived deficiencies in the Agreement. However, the Protocol maintains the initial intention of the Agreement, to create a system of simple and inexpensive international trademark registration. Therefore, while only 57 countries are presently part of the agreement, a total of 74 countries including the U.S. are party to either both the Agreement and the Protocol or to the Protocol by itself.

India has joined the Madrid protocol with effect from 8th July 2013. At present, there are 96 countries which are members of the Madrid protocol.

How the Madrid System Works:



The International Trademark Registration Process

Stage 1 – Application through your National or Regional IP Office (Office of origin)

Before you can file an international application, you need to have already registered, or have filed an application, in your “home” IP office.

The registration or application is known as the **basic mark**. You then need to submit your international application through this same IP Office, which will certify and forward it to WIPO.

Stage 2 – Formal examination by WIPO

WIPO only conducts a formal examination of your international application. Once approved, your mark is recorded in the International Register and published in the WIPO Gazette of International Marks. WIPO will then send you a certificate of your international registration and notify the IP Offices in all the territories where you wish to have your mark protected.

It is important to note that the scope of protection of an international registration is not known at this stage in the process. It is only determined after substantive examination and decision by the IP Offices in the territories in which you seek protection, as outlined in Stage 3.

Stage 3 – Substantive examination by National or Regional IP Offices (Office of the designated Contracting Party)

The IP Offices of the territories where you want to protect your mark will make a decision within the applicable time limit (12 or 18 months) in accordance with their legislation. WIPO will record the decisions of the IP Offices in the International Register and then notify you.

If an IP Office refuses to protect your mark, either totally or partially, this decision will not affect the decisions of other IP Offices. You can contest a refusal decision directly before the IP Office concerned in accordance with its legislation. If an IP Office accepts to protect your mark, it will issue a statement of grant of protection.

The international registration of your mark is valid for 10 years. You can renew the registration at the end of each 10-year period directly with WIPO with effect in the designated Contracting Parties concerned.

UNIT- V

TRADE SECRETS

Introduction to Trade Secrets – Maintaining Trade Secret – Physical Security – Employee Access Limitation – Employee Confidentiality Agreement – Trade Secret Law – Unfair Competition – Trade Secret Litigation – Breach of Contract – Applying State Law.

WHAT IS A TRADE SECRET, AND HOW IS IT RELATED TO CONFIDENTIAL INFORMATION?

A trade secret is information that is important to the business or company and is not known to the public. It is a term often used to cover information that has commercial value. A trade secret can include, for example, a method or technique that would give a business or company an edge over its competitors.

The law on the protection of confidential information protects ideas and information not in the public domain, including trade secrets. Thus, the law on trade secrets is really about the protection of confidential information.

Under the law, such information is protected as a secret from everyone except certain key individuals within the business or company. If someone reveals this secret information to others, especially if he is aware that it is a secret, legal action can be taken against him.

A **trade secret** is a formula, practice, process, design, instrument, pattern, commercial method, or compilation of information which is not generally known or reasonably ascertainable by others, and by which a business can obtain an economic advantage over competitors or customers.

North American Free Trade Agreement (NAFTA) defines a trade secret as “information having commercial value, which is not in the public domain, and for which reasonable steps have been taken to maintain its secrecy.”

TRUE STORY

In one well known case, inventors approached a large company about licensing technology before their patent had been issued. These smart inventors had the good sense to treat their as yet unpatented technology as a trade secret, and required the company to sign a nondisclosure agreement.

After learning about the technology the large company told the inventors it wasn't interested, but subsequently incorporated the technology into the company product line without telling or compensating the inventors. Once the patent had issued the inventors sued for both patent infringement and trade secret misappropriation.

Ultimately the courts found the inventors' patent to be invalid, but upheld the trade secret misappropriation claim. The result was that the inventors received a multimillion dollar judgment they would have otherwise not obtained had they failed to treat their invention as a trade secret when disclosing it to the large company.

Subject Matter of Trade Secrets

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.

Protection of trade secrets

Contrary to 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 SMEs. 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 Art. 39 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement):

- 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.
- It must have been subject to reasonable steps by the rightful holder of the information to keep it secret (e.g., through confidentiality agreements).

How to protect trade secrets

The following are some useful pointers for protecting the confidentiality of information:

- Limit the number of people who can access such confidential information;
- Have employees sign non-disclosure agreements, which provide that they have to maintain confidential specific information that is disclosed to them;
- Ensure that any individuals who come into contact with the business or company, such as consultants and vendors, sign non-disclosure agreements; and
- Keep a clear record of all business deals that may contain any confidential information.

The relationship between patents and confidential information

As a general rule, it is not possible to maintain a patent and ensure non-disclosure of confidential information for the same invention. This is because, in return for obtaining a 20-year monopoly to exclude others from making, using or selling the invention, the owner of the invention will have to make a full disclosure of the invention during the patent application process.

The relationship between copyright and confidential information

Confidential information with copyrightable material will be protected by both copyright law and the law regarding confidential information. For example, an individual who develops a computer software programme will be able to commercialise it but still keeping confidential the underlying architecture, algorithm and source code of the software programme.

MAINTAINING TRADE SECRET: Keeping Trade Secrets Safe

Employee turnover is a fact of life, especially during protracted economic slumps like the current one. Whatever their reason for leaving, departing employees often take valuable experience and company knowledge with them when they go. It's tough enough losing a well-trained engineer, but losing a closely guarded trade secret to the competition can be far worse.

Fortunately, you can take some steps to minimize your risk. Below are eight things you should know or steps you can take to help plug intellectual property leaks.

1. **Know the Law:** Federal and state laws protect trade secrets, and many states' laws conform to the standards of the Uniform Trade Secrets Act. But be sure to learn the laws that apply to your business and your state.

The federal government can impose criminal penalties on people who steal trade secrets for economic gain and knowingly harm the original secret owner. Most states allow a company to sue if it believes valuable secrets have been improperly disclosed, and winning parties may obtain significant civil payouts.

In addition to federal and state laws, courts may also consider other factors in deciding if a trade secret has been violated, including how well known the information is both within and outside your business, the value of the information, the degree of difficulty to duplicate the secret, and the steps you've taken to safeguard it.

2. **Classify Your Information:** Catalog your trade secrets and sensitive material in a central register or secure computer database. It may also be useful to consider classifying trade secrets based on their value and sensitivity. Specific classifications—"top-secret," "ultra-strict security," or "for internal eyes only" —make it clear who is and is not allowed access to certain information. At Krispy Kreme, for instance, only key employees may know the ingredients of the doughnut glaze while the ingredients of the doughnuts may be more commonly known among employees.
3. **Disclose Less Information:** Statistically speaking, the more people who know a trade secret, the more likely it is to be disclosed. Even high-level associates like business managers, senior officers, or board members may not always need to know every piece of intellectual property. Some companies compartmentalize different aspects of the trade secret so that only a few key employees know how all the pieces fit together.

4. **Get Signed Agreements:** Individual secrecy and non-compete agreements make key employees personally liable for unauthorized disclosures. Requiring such an agreement can remind employees of the continuing need to keep sensitive information secret. But when it comes to enforcement, many judges will weigh a claim against an employee's right to earn a living based on industry knowledge and experience. The most effective secrecy agreements take this into account.
5. **Keep Good House:** Companies must regularly review their trade secret portfolio to remove or reclassify outdated items. Keep key employees who signed secrecy agreements up to date on a trade secret's status and any recent legal action taken to protect it. It's a great way reinforce the seriousness of maintaining secrecy.
6. **Educate Your Employees:** If employees know the importance of maintaining secret information—and the consequences of leaking it—they'll be more likely to guard your trade secrets. Build a corporate culture of diligence through periodic educational programs on confidentiality.
7. **Conduct Exit Interviews:** Use the exit interview to remind departing employees of their ongoing obligation to keep company secrets. Remind employees of the possible consequences of violating secrecy agreements. Consider asking them to sign a written affirmation of your policies.
8. **Monitor Your Competitors:** Web sites, trade shows and white papers are good ways to keep an eye on your competitor's activities in a period of high turnover. If a competitor recruits several of your top engineers in a short time frame, you may have cause for alarm—especially if the competitor's new products bear more than a coincidental resemblance to your own recent releases.

Conclusion: When making the decision to keep certain information secret enterprises must build a strong protection system around such information. In addition, enterprises should establish strong psychological loyalty with its employees to stand a better chance of seeing its non-disclosure and non-compete agreements being effective and thus safeguarding its trade secrets. Enterprises are thus advised to include measures to improve psychological loyalty as part and parcel of its IP strategy and overall business strategy.

PHYSICAL SECURITY FOR TRADE SECRETS:

Here are some guidelines:

1. Identify potential trade-secret "leak points." Minimize exposure of trade secrets to them.
2. Password-protect confidential computer files and establish secure storage files for "hard copies" of confidential documents.
3. Establish general and restricted zones within the plant. Confine all trade-secrecy development and utilization, where possible, to the restricted zones.
4. Utilize warning signs on all entrances to the physical plant to advise non-employees to utilize only a secure, monitored "main entrance."

5. Utilize color-coded identification badges for external use by all employees during work hours. Have specific colors of the badges correlate with permission to be within restricted and general zones of the plant.
6. Post "Authorized Employees Only" signs at the entry to all restricted zones.
7. Use locked doors for all restricted zones. Make them openable only by scanning correctly colored ID badges or ID cards. Some companies scan fingerprints or eyeballs.
8. Utilize painted, directional floor lines for visitors and tours to ensure they do not stray into restricted zones.
9. Screen all visitors by having them sign a log book. Some companies make visitors produce a passport or a birth certificate.
10. Prohibit any photograph taking, videotaping or tape recording by visitors.

EMPLOYEE ACCESS LIMITATION: Protecting Trade Secrets from Employee Theft:

Employee trade secret theft is a serious problem, and getting worse. 85 percent of trade secret theft was committed by employees or business partners. With trade secret theft continually rising and causing serious concern that has caught the attention of federal lawmakers, here are some recommendations to keep your company from being victimized by an employee trade secret thief:

1. To protect trade secrets you need to know what they are. Everything is not a trade secret. Be sure you understand what a trade secret is and take inventory of what you have. Note also that the definition of a trade secret is state law specific.
2. Limit trade secret access to those who have a need to know. Have these employees sign a confidentiality agreement in which they:
 - Acknowledge receipt of confidential material
 - Agree to keep the material confidential
 - Agree to return the material when employment ends
 - Agree to advise you of the identity of their new employer and to make the new employer aware of the agreement
 - Agree to allow you to provide a copy of their agreement to a new employer
 - Acknowledge that forensic analysis may be done on their devices, such as computers and phones, when their employment ends
 - Acknowledge that irreparable harm would be done if they violate it

3. Enter into non-compete and non-solicitation agreements with those who are in a position to cause harm by taking trade secrets, customers or other employees with them when they leave. These should be customized to be reasonable given the employee's role with the company to enhance the prospects of enforcement. Do not use a "one-size-fits-all" form or reach and have employees signing such agreements when there is no legitimate business reason.
4. Regularly address the importance of keeping information confidential with all employees, or at least those who deal with confidential information. If you do not, they may not think you are serious about it and be more inclined to take valuable company information when they leave employment with the company.
5. Conduct exit interviews with employees who had access to trade secrets and:
 - Confirm in writing the obligations the employee has by contract, or otherwise by law (e.g. the Uniform Trade Secrets Act in your state), to keep confidential information confidential and, if applicable, not to compete or solicit
 - Confirm that all confidential material has been returned
 - Inquire on where the employee will be employed
6. Incorporate into any agreement which contemplates compensation being paid to the employee after their employment ends a provision that the compensation will be forfeited if they violate the other agreements, such as a confidentiality agreement like we recommend above. In some instances it may be appropriate to structure the payment of compensation over the period of non-competition and non-solicitation.
7. Perform forensic analysis on computers and other devices of departed employees who had access to trade secrets to determine whether any thievery of trade secrets or other prohibited conduct occurred.

EMPLOYEE CONFIDENTIALITY AGREEMENT

Confidentiality agreements have become pervasive. As a result of the "high-tech" revolution, the short life span of new technology and products, and the perceived inadequacies of patent and copyright protection, in recent years there has been an exponential increase in the use of trade secret principles to protect technology or confidential information.

As a result, virtually every employee of a technology-related company, and many consultants, independent contractors, licensees, partners, and joint ventures, have signed confidentiality agreements. Such agreements are also widely in use outside the high tech field to protect confidential business information, such as customer lists, marketing plans, and financial data.

Confidentiality agreements travel under a variety of names. They may be called "nondisclosure agreements," or "trade secret agreements," or "technology protection agreements." Confidentiality covenants may be tucked away in agreements which have a broader purpose, such as employment agreements, technology transfer or licensing agreements, and a variety of others.

The receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. **Company's Trade Secrets:** In the performance of Employee's job duties with Company, Employee will be exposed to Company's Confidential Information. "Confidential Information" means information or material that is commercially valuable to Company and not generally known or readily ascertainable in the industry.
2. **Nondisclosure of Trade Secrets:** Employee shall keep Company's Confidential Information, whether or not prepared or developed by Employee, in the strictest confidence. Employee will not disclose such information to anyone outside Company without Company's prior written consent. Nor will Employee make use of any Confidential Information for Employee's own purposes or the benefit of anyone other than Company.
3. **Confidential Information of Others:** Employee will not disclose to Company, use in Company's business, or cause Company to use, any trade secret of others.
4. **Return of Materials:** When Employee's employment with Company ends, for whatever reason, Employee will promptly deliver to Company all originals and copies of all documents, records, software programs, media and other materials containing any Confidential Information. Employee will also return to Company all equipment, files, software programs and other personal property belonging to Company.
5. **Confidentiality Obligation Survives Employment:** Employee's obligation to maintain the confidentiality and security of Confidential Information remains even after Employee's employment with Company ends and continues for so long as such Confidential Information remains a trade secret.
6. **Signatures:** Employee has carefully read all of this Agreement and agrees that all of the restrictions set forth are fair and reasonably required to protect Company's interests. Employee has received a copy of this Agreement was signed by the parties.

TRADE SECRET LAW: Legal Protection

Trade secret law, like other forms of IP, is governed by national legal systems. However, international standards for protecting secrets (called "undisclosed information") were established as part of the TRIPS Agreement in 1995. Article 39 of the agreement provides that member states shall protect "undisclosed information" against unauthorized use "in a manner contrary to honest commercial practices" (this includes breach of contract, breach of confidence and unfair competition). The information must not be generally known or readily accessible, must have value because it is secret, and must be the subject of "reasonable steps" to keep it secret. This general formula for trade secret laws has been adopted by well over 100 of the 159 members of the World Trade Organization.

Articles 42 to 49 of the TRIPS Agreement cover enforcement, requiring that civil judicial proceedings be available to enforce all IP rights and that "confidential information" be protected from disclosure. Nevertheless, because national judicial systems, including the methods for granting access to evidence, vary greatly, enforcement of trade secret rights around the world is generally viewed as uneven.

TRADE SECRETS AND UNFAIR COMPETITION LITIGATIONS:

Trade secret litigation always involves high stakes. A company's secrets, such as its customer lists, marketing plans, industrial processes, or formulas, are often among its most valuable assets.

1. Trade secret misappropriation is one type of unfair competition. When trade secret misappropriation is threatened, companies can rely on experienced attorneys to help them quickly seek judicial relief on an emergency basis.
2. Conversely, when companies are threatened with trade secret claims, they can turn to attorneys for assistance in formulating effective defensive strategies.
3. Vital to any assertion of trade secret misappropriation is the ability to prove that reasonable measures were taken to protect the confidentiality of the material. Attorneys have specialized knowledge in this area, and can provide valuable guidance as to the specific steps companies can take to protect their trade secrets.
4. Clients with new ideas or inventions often seek manufacturers, licensees, or buyers to help them reduce the inventions to practice. Attorneys aid clients in devising safeguards, agreements, and strategies for limited disclosures to these types of third parties, so that such communications do not result in the inadvertent loss of trade secret status.
5. While trade secret misappropriation is one type of "unfair competition," the law recognizes many other claims that can be asserted against bad acts that adversely affect business. For example, unfair competition claims can be asserted against parties that pass off their goods as those of another, make false or misleading advertising claims, use confusingly similar packaging, or wrongly interfere with existing or prospective business relationships.
6. These types of unfair competition claims typically arise ancillary to claims of trade secret misappropriation or intellectual property infringement. As such, Attorneys have a great deal of experience litigating unfair competition claims and can provide excellent representation.

BREACH OF CONTRACT:

No registration procedures are involved for protection of a trade secret, and there is no specified time limit within which the secret may be protected. When a trade secret is leaked out, this breach of confidence is an action that may be taken in court, as this leak of the secret is unfair to the business/company, and may have harmful consequences.

However, not all information can be considered a trade secret. The court will consider the following when determining whether there has been a breach of confidence:

- The information was confidential to the business/company;
- The information has been revealed in breach of a promise of confidence; and/or

- The information was used in an improper way that has resulted in financial damage to the business/company.

UNIT-VI

CYBER LAW

Introduction to Cyber Law – Information Technology Act - Cyber Crime and E-commerce – Data Security – Confidentiality – Privacy - International aspects of Computer and Online Crime.

What is Cyber Law?

Cyber Law is the area of law that deals with the Internet's relationship to technological and electronic elements, including computers, software, hardware and information systems (IS). Cyber law is also known as Cyber Law or Internet Law.

Or

Cyber law (also referred to as cyber law) is a term used to describe the legal issues related to use of communications technology, particularly "cyberspace", i.e. the Internet. In essence, cyber law is an attempt to integrate the challenges presented by human activity on the Internet with legacy system of laws applicable to the physical world.

CYBER CRIME

In Simple way we can say that *cyber crime is unlawful acts* wherein the computer is either a tool or a target or both.

Cyber crimes can involve criminal activities that are traditional in nature, such as theft, fraud, forgery, defamation and mischief, all of which are subject to the Indian Penal Code. The abuse of computers has also given birth to a gamut of new age crimes that are addressed by the Information Technology Act, 2000.

We can categorize Cyber crimes in two ways:

1. The Computer as a Target :-using a computer to attack other computers.
e.g. Hacking, Virus/Worm attacks, DOS attack etc.
2. The computer as a weapon :-using a computer to commit real world crimes.
e.g. Cyber Terrorism, IPR violations, Credit card frauds, EFT frauds, Pornography etc.

INFORMATION TECHNOLOGY ACT:

The **Information Technology Act, 2000** is an Act of the Indian Parliament notified on 17 October 2000. It is the primary law in India dealing with cybercrime and electronic commerce. It is based on the United Nations Model Law on Electronic Commerce 1996 (UNCITRAL Model) recommended by the general assembly of united nations by a resolution dated 30th January 1997.

Background:

The bill was passed in the budget session of 2000 and signed by President K. R. Narayanan on 9 May 2000. The bill was finalized by group of officials headed by then Minister of Information Technology Pramod Mahajan.

Summary:

The original Act contained 94 sections, divided in 19 chapters and 4 schedules. The laws apply to the whole of India. Persons of other nationalities can also be indicted under the law, if the crime involves a computer or network located in India.

The Act provides legal framework for electronic governance by giving recognition to electronic records and digital signatures. The formation of Controller of Certifying Authorities was directed by the Act, to regulation issuing of digital signatures. It also defined cyber crimes and prescribed penalties for them. It also established a Cyber Appellate Tribunal to resolve disputes rising from this new law.

Commission of cyber crime may be divided into three basic groups:

- Individual
- Organisation
- Society at Large

The following are the crimes which can be committed against the following groups:**Against Individual**

- Harassment via Emails
- Cyber Stalking
- dissemination of obscene material
- Defamation
- Hacking/Cracking
- Indecent Exposure

Individual Property

- Computer Vandalism
- Transmitting a Virus
- Network Trespassing
- Unauthorized Control over Computer System
- Hacking/Cracking

Against Organization

- Hacking & Cracking
- Possession of unauthorized Information
- Cyber- Terrorism against Government Organization
- Distribution of Pirated Software Etc

Against Society at Large

- Pornography
- Polluting the youth through indecent exposure
- Trafficking

The Act also amended various sections of Indian Penal Code, 1860, Indian Evidence Act, 1872, Banker's Book Evidence Act, 1891, and Reserve Bank of India Act, 1934 to make them compliant with new technologies.

Amendments

A major amendment was made in 2008. It introduced the Section 66A which penalised sending of "offensive messages". It also introduced the Section 69, which gave authorities the power of "interception or monitoring or decryption of any information through any computer resource". It also introduced penalties for child porn, cyber terrorism and voyeurism. It was passed on 22 December 2008 which any debate in Lok Sabha. The next day it was passed by the Rajya Sabha. It was signed by the President of 5 February 2009.

Offences:

List of important offences and the corresponding penalties:

Section	Offence	Description	Penalty
65	Tampering with computer source documents	If a person knowingly or intentionally conceals, destroys or alters or intentionally or knowingly causes another to conceal, destroy or alter any computer source code used for a computer, computer programme, computer system or computer network, when the computer source code is required to be kept or maintained by law for the time being in force.	Imprisonment up to three years, or/and with fine up to ₹200,000
66	Hacking with computer system	If a person with the intent to cause or knowing that he is likely to cause wrongful loss or damage to the public or any person destroys or deletes or alters any information residing in a computer resource or diminishes its value or utility or affects it injuriously by any means, commits hack.	Imprisonment up to three years, or/and with fine up to ₹500,000
66B	Receiving stolen computer or communication	A person receives or retains a computer resource or communication device which is known to be stolen or the person has reason	Imprisonment up to three years, or/and with fine up to ₹100,000

	device	to believe is stolen.	
66C	Using password of another person	A person fraudulently uses the password, digital signature or other unique identification of another person.	Imprisonment up to three years, or/and with fine up to ₹100,000
66D	Cheating using computer resource	If a person cheats someone using a computer resource or communication.	Imprisonment up to three years, or/and with fine up to ₹100,000
66E	Publishing private images of others	If a person capturee, transmits or publishes images of a person's private parts without his/her consent or knowledge.	Imprisonment up to three years, or/and with fine up to ₹200,000
67	Publishing information which is obscene in electronic form.	If a person publishes or transmits or causes to be published in the electronic form, any material which is lascivious or appeals to the prurient interest or if its effect is such as to tend to deprave and corrupt persons who are likely, having regard to all relevant circumstances, to read, see or hear the matter contained or embodied in it.	Imprisonment up to five years, or/and with fine up to ₹1,000,000
67A	Publishing images containing sexual acts	If a person publishes or transmits images containing a sexual explicit act or conduct.	Imprisonment up to seven years, or/and with fine up to ₹1,000,000
67B	Publishing child porn or predating children online	If a person captures, publishes or transmits images of a child in a sexually explicit act or conduct. If a person induces a child into a sexual act. A child is defined as anyone under 18.	Imprisonment up to five years, or/and with fine up to ₹1,000,000 on first conviction. Imprisonment up to seven years, or/and with fine up to ₹1,000,000 on second conviction.

67C	Failure to maintain records	Persons deemed as intermediary (such as an ISP) must maintain required records for stipulated time. Failure is an offence.	Imprisonment up to three years, or/and with fine.
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CYBER CRIME AND E-COMMERCE: Cyber Crime Effecting E-commerce Technology

INTRODUCTION:

Recent years have exponentially witnessed the growth of e-commerce. The growth of e-commerce as a business technology is the result of such Internet driven initiative, It has created a universal platform for buying and selling goods and services and driving important business process inside the organization. Ecommerce offers huge business opportunities from small scale industries to large scale industries. Many organizations now want to host their business on the web to reach the new market as they could not reach effectively with its sales force or advertising campaigns. Since ecommerce is not bounded with time, huge shop rentals, distance etc.

With respect to the benefits of modernization of the traditional concepts of shopping, business transactions which use to consume whole lot of time, money etc ecommerce is suffering with a security threat called cyber crime. The concept of crime has been very dynamic in the past century due to rapid changes in the information technology. Cybercrime has become a rapidly growing underground business built by savvy criminals, who buy and sell valuable stolen financial information from millions of unsuspecting internet users every year in an on online black market. Cyber criminals are so skilled at hacking into thousands of computers every day, the crime is potentially a billion-dollar business. Cyber attacks mostly come from malware, or malicious software, that handles control of your computer, and anything on it or entered into it, over to the cyber criminals without you even knowing it.

The future is likely to be more alarming in the sense that crimes will be committed without the knowledge and cooperation of the victim. Preventing cyber crime in the future will require strong esecurity rather than plain human prudence. The role, function and efficacy of Law in curbing cyber crimes have been questioned in the recent years due to various technological invasion of individual's privacy. Most of these technologies are legal and hence it is of utmost priority to analyse the necessary changes that have to be made in our legal system in order to avoid technological invasion of privacy.

Internet and Electronic Commerce might have become part and parcel of very individual's life in the world but it is also one of the most dangerous aspect of ones life as there is very rare scope for privacy protection and possibility of cyber crimes.

Conceptual understanding of Cyber Crimes

Cyber Crime is the threat caused by the criminal or irresponsible actions of computer users who are taking advantage of the widespread use of computer networks. It poses serious threats to the integrity, safety and quality of most business information systems, and thus makes the development of effective

security methods a top priority. In general cyber crime is the use of computer resources to engage in unauthorized or illegal acts.

At the onset, let us satisfactorily define “cyber crime” and differentiate it from “conventional Crime”. Many Computer crimes can involve criminal activities that are traditional in nature, such as theft, fraud, forgery, defamation and mischief, all of which are subject to the Indian Penal Code. The abuse of computers has also given birth to a gamut of new age crimes that are addressed by the Information Technology Act, 2000. “Cyber crime may be said to be those species, of which, genus is the conventional crime, and where either the computer is an object or subject of the conduct constituting crime”. Computer crimes encompass a broad range of potentially illegal activities. Generally, it may be divided into one of two types of categories:

1. Crimes that target computer networks or devices directly.
2. Crimes facilitated by computer networks or devices.

Examples of crimes that primarily target computer networks or devices would include:

- ✓ Malware and malicious code
- ✓ Denial-of-service attacks
- ✓ Computer viruses

Examples of crimes that merely use computer networks or devices would include:

- ✓ Cyber stalking
- ✓ Fraud and identity theft
- ✓ Phishing scams
- ✓ Information warfare.

Important Types of Cyber Crimes Unauthorized access to computer systems or networks

This kind of crime is normally referred as hacking. Hacking is a computer crime in which the criminal breaks into a computer system just for challenge of doing so. However the framers of the information technology act 2000 have nowhere used this term so to avoid any confusion we would not interchangeably use the word hacking for ‘unauthorized access’ as the latter has wide connotation.

1. Data Alteration or Theft
2. E-Mail Bombing
3. Data Diddling
4. Salami Attacks
5. Web Jacking
6. Spoofing and Phishing
7. Vishing
8. Steganography
9. Computer Vandalism
10. Cyber Stalking

1. **Data Alteration or Theft:** Most common type of cyber crime. The term Data Alteration or theft means making illegal changes or stealing data. There have been a growing number of cases of data alteration or theft over the past few years. Many measures are adopted in many organization with laws been set up.
2. **E-Mail Bombing:** In Internet usage, an e-mail bomb is a form of net abuse consisting of sending huge volumes of e-mail to an address in an attempt to overflow the mailbox or overwhelm the server where the email address is hosted in a denial-of-service attack. Mass mailing consists of sending numerous duplicate mails to the same email address. These types of mail bombs are simple to design but their extreme simplicity means they can be easily detected by spam filters. List linking means signing a particular email address up to several email list subscriptions. The victim then has to unsubscribe from these unwanted services manually.
3. **Data Diddling:** Data diddling is the performing unauthorized modifications to data stored within the computer system. Examples include forging or counterfeiting documents used for data entry and exchanging valid disks and tapes with modified replacements.
4. **Salami Attacks:** This kind of crime is normally prevalent in the financial institutions or for the purpose of committing financial crimes. An important feature of this type of offence is that the alteration is so small that it would normally go unnoticed. E.g. The Ziegler case wherein a logic bomb was introduced in the bank's system, which deducted 10 cents from every account and deposited it in a particular account.
5. **Web Jacking:** This term is derived from the term hi jacking. In these kinds of offences the hacker gains access and control over the web site of another. He may even mutilate or change the information on the site. This may be done for fulfilling political objectives or for money. E.g. recently the site of MIT (Ministry of Information Technology) was hacked by the Pakistani hackers and some obscene matter was placed therein.
6. **Spoofing and Phising:** In the context of network security, a spoofing attack is a situation in which one person or program successfully masquerades as another by falsifying data and thereby gaining an illegitimate advantage. Today lot of Email is sent to many people where the mail source identity is changed. E mail spoofing is very dangerous and it is a potential privacy infringer. Another kind of spoofing is "webpage spoofing," also known as phishing. In this attack, a legitimate web page such as a bank's site is reproduced in "look and feel" on another server under control of the attacker. The main intent is to fool the users into thinking that they are connected to a trusted site, for instance to harvest user names and passwords.

This attack is often performed with the aid of URL spoofing, which exploits web browser bugs in order to display incorrect URLs in the browsers location bar; or with DNS cache poisoning in order to direct the user away from the legitimate site and to the fake one. Once the user puts in their password, the attack-code reports a password error, and then redirects the user back to the legitimate site.

7. **Vishing:** Vishing is the criminal practice of using social engineering over the telephone system, most often using features facilitated by Voice over IP (VoIP), to gain access to private personal and financial

information from the public for the purpose of financial reward. The term is a combination of “voice” and phishing.

Vishing exploits the public’s trust in landline telephone services, which have traditionally terminated in physical locations which are known to the telephone company, and associated with a bill-payer. The victim is often unaware that VoIP makes formerly difficult-to-abuse tools/features of caller ID spoofing, complex automated systems (IVR), low cost, and anonymity for the bill-payer widely available. Vishing is typically used to steal credit card numbers or other information used in identity theft schemes from individuals.

8. **Steganography:** Steganography is the science of hiding information. Steganography is the art and science of writing hidden messages in such a way that no one, apart from the sender and intended recipient, suspects the existence of the message, a form of security through obscurity. The word steganography is of Greek origin and means “concealed writing”.
9. **Computer Vandalism:** Vandalism means deliberately destroying or damaging property of another. Thus computer vandalism may include within its purview any kind of physical harm done to the computer of any person. These acts may take the form of the theft of a computer, some part of a computer or a peripheral attached to the computer or by physically damaging a computer or its peripherals.
10. **Cyber Stalking:** Cyber stalking is the use of the Internet or other electronic means to stalk someone. It has been defined as the use of information and communications technology, particularly the Internet, by an individual or group of individuals, to harass another individual, group of individuals, or organization. The behavior includes false accusations, monitoring, the transmission of threats, identity theft, damage to data or equipment, the solicitation of minors for sexual purposes, and gathering information for harassment purposes.

CONCLUSION:

Cyber crimes have started to create a fear in the minds of many people linked to the networks mostly worried to ecommerce technology as its success lies in the internet. The various mechanisms used for securing internet based transactions or communication can be grouped into Authorization,

- ✓ Authentication and Integrity
- ✓ Privacy
- ✓ Availability by controlling access

In order to safe guard the present success of e-commerce The IT Act 2000 has to be reviewed in order to save India from Cyber criminals and privacy invaders. Cyber criminals should not take the advantages of browser ignorance, legislative delay, enforcement lapse, judicial inefficiency.

CYBER CRIME AND SECURITY

INTRODUCTION

- ❖ The internet in India is growing rapidly. It has given rise to new opportunities in every field we can think of be it entertainment, business, sports or education.
- ❖ There're two sides to a coin. Internet also has its own disadvantages is Cyber crime- illegal activity committed on the internet.

DEFINING CYBER CRIME

- Crime committed using a computer and the internet to steal data or information.
- Illegal imports.
- Malicious programs.
- *Cybercrime is nothing but where the computer used as an object or subject of crime.*

CATEGORIZATION OF CYBER CRIME

- The Computer as a Target
- The computer as a weapon

TYPES OF CYBER CRIME

- Hacking
- Denial of service attack
- Virus Dissemination
- Computer Vandalism
- Cyber Terrorism
- Software Piracy

HACKING

- Hacking in simple terms means an illegal intrusion into a computer system and/or network.

DENIAL OF SERVICE ATTACK

- Act by the criminal, who floods the bandwidth of the victims network.
- Is his e-mail box with spam mail depriving him of the services.

VIRUS DISSEMINATION

Malicious software that attaches itself to other software. (virus, worms, Trojan Horse, web jacking, e-mail bombing etc.)

COMPUTER VANDALISM

- Damaging or destroying data rather than stealing.
- Transmitting virus

CYBER TERRORISM

- Use of Internet based attacks in terrorist activities.
- Technology savvy terrorists are using 512-bit encryption, which is impossible to decrypt.

SOFTWARE PIRACY

- Theft of software through the illegal copying of genuine programs.
- Distribution of products intended to pass for the original.

Types Of Cyber Attack By Percentage

- | | |
|---|-----|
| • Financial fraud: | 11% |
| • Sabotage of data/networks: | 17% |
| • Theft of proprietary information: | 20% |
| • System penetration from the outside: | 25% |
| • Denial of service: | 27% |
| • Unauthorized access by insiders: | 71% |
| • Employee abuse of internet privileges | 79% |
| • Viruses | 85% |

Safety Tips For Cyber Crime

- Use antivirus software's.
- Insert firewalls.
- Uninstall unnecessary software
- Maintain backup.
- Check security settings.
- Stay anonymous - choose a genderless screen name.
- Never give your full name or address to strangers.
- Learn more about Internet privacy.

CYBER SECURITY

- Internet security is a branch of computer security specifically related to the Internet.
- It's objective is to establish rules and measure to use against attacks over the Internet.

Advantages Of Cyber Security

- Defend us from critical attacks.
- Browse the safe website.
- Internet security process all the incoming and outgoing data on our computer.

CONCLUSION

Technology is destructive only in the hands of people who do not realize that they are one and the same process as the universe.