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Intellectual Property Attorneys

INDIA

IP UPDATE

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LEGISLATIVE UPDATE

The Government of India enacted the Patents (Amendment Act) in April this year to ratify the ordinance of January 1, 2005. However, the Patent Rules 2003 that were amended on January 1, 2005 remained untouched. Now, in an attempt to update the Patent Rules with the amendments in the Act, the Government of India has published the Draft Patent Rules, 2005. The Draft Rules are now open to objections/suggestions from the public within 30 days from the date of their publication in the Official Gazette.

Salient features of the Draft Rules

- The period for filing a request for examination has been enhanced from 36 months to 48 months from the date of earliest priority or date of filing of the application, whichever is earlier. However, in the case of WTO or mailbox applications, the deadline to file a request expires 48 months from the date of earliest priority or date of filing in India or on December 31, 2005, whichever is later.

- The time to place the application in order for grant has been increased from the current six months to nine months which is further extendible for a maximum of three months. This benefit would be available only to cases that will be examined after the Rules come into force.

- The new Act provides for expedited prosecution of a patent application; under this provision, a patent may be granted within a period of six to nine months. To provide an opportunity for any third party to make any representation even in such cases, it is now provided that no patent shall be granted until the expiry of six months from the date of publication of the application. However, it is pertinent to mention here that pre-grant representation against an application can be filed till the grant of patent.

- We had earlier reported (Vol. III, Issue No. 4, 2005) that a representation was made before the concerned authorities to address the loopholes in the Rules as also the inconvenience caused on account of heavy fee for extra pages and claims. The government has now considered the same and the fees for extra pages and extra claims have been abolished. The official fee for filing is now Rs. 4000/- (approximately US$ 88). On the same lines, the fee for filing a request for examination, renewal fees, etc. have also been considerably reduced.

  The reduction in the official fee comes as a great relief to small and medium enterprises as well as for autonomous research institutions and individual inventors.

  In addition, the Draft Rules enable electronic transfer of official fee. The downside is that the facility of paying the official fee within one month has been withdrawn.

- The time for completion of formalities such as submission of assignment document and details of corresponding application, etc., has been enhanced from three months to six months, which may further be extended if required.

- Under the current law, there is no stipulated time period fixed for the Controllers to refer the application to the Examiner once the request for examination has been filed. Under the Draft Rules, once a request for examination has been filed, the Controller is bound to refer the application to the Examiner within 30 days from the date of such request. Further, the Controller now has to dispose off the report of the Examiner within 30 days from the date of the receipt of such report from the Examiner.

- The provision of payment of fee for voluntary withdrawal of an application has been omitted.

The Draft Rules may be notified shortly.

K&S believes that there is scope for improvement in the Rules at least in the following areas:

- Examiner's objections may be supported with reasons and detailed explanation.
- Copies of prior art documents cited in the examination report may be provided to the applicant.
- Copy of specification and claims as granted may be provided with the Letters Patent Document.
- Applicant may be notified as to when the application is likely to be published in the Gazette.

CASE LAW UPDATE

Use of well-known mark as part of corporate name injuncted

In Infosys Technologies Ltd. Vs. Access Infosys & Anr., the High Court of Delhi injuncted a defendant from using the mark 'Infosys' as a part of their corporate name, advertisements, websites or on goods or services. The plaintiff, Infosys Technologies Ltd, is the first Indian company to be listed on Nasdaq, the US stock exchange. The company is well known for having made its mark in the information technology industry in India with offices and markets for its products all over the world. The plaintiff owns a registration for the mark INFOSYS in India since 1987. Upon knowledge of the defendant's use of the term 'Access Infosys' as part of its corporate name, the plaintiff sent legal notices to the defendant, but these were not complied with by the defendant; instead, the defendant asserted that they would apply for registration of the trade name 'Access Infosys'. In the suit filed by the plaintiff against the defendant in the High Court of Delhi, although the defendant entered appearance, they did not file any written statement. Accordingly, the defendant was proceeded against ex-parte and the suit was decreed for perpetual injunction against the defendants from using the name 'Access Infosys' as part of their corporate name and use 'Infosys' in their advertisements, websites, on goods and services or in commercial operations in any manner.

Domain name registered in bad faith transferred to complainant

The State Bank of India (SBI) is an Indian bank in existence for the last 200 years. The complainant in this case, before the WIPO Arbitration and Mediation Center, SBI Cards and Payment Services Private Ltd., is a joint venture of SBI and GE Capital Services. The complainant, established in 1998, offers a wide range of credit cards having a large distribution network in India and has its own website under the name www.sbicard.com.

The respondent, Domain Active Pty. Ltd., apparently in the business of buying and selling domain names through its website www.domainactive.com, registered a website called www.sbicards.com.The complainant alleged that the respondent had violated the bad faith provision of the domain name policy because the disputed domain name was registered and used primarily for the purposes of confusing the public and diverting public attention from the complainant's website to the respondent's website for potential commercial gain. The respondent's website contained a list of websites related to various other credit cards and another list with links related to offers.

The complainant argued that the name 'SBI Card' is associated with quality and reliability and that the respondent's website is linked to various websites not necessarily of the same standards. The panel found that the respondent's website could have attracted potential attention from the public because of its affiliation with the complainant's products and services. Further, the panel accepted the argument of the complainant that the respondent appears to be in the business of buying and selling domain names through its website www.domainactive.com. On these findings, the panel ordered that the domain be transferred to the complainant.

Violation of famous Indian trade mark in foreign country prevented

NIRMA is a trademark consisting of the word NIRMA and the picture of a dancing girl, owned by Nirma Chemical Works Ltd. India ('Nirma') in respect of detergents. The Trademark was originally adopted in 1969 and has been used since then by the said Indian company both on its products and as part of its corporate name. The company also exports its NIRMA products to several countries worldwide.

Meanwhile, Camy Soap & Oil Mfg. Co. Ltd. ('Camy'), a company owned by a person of Indian origin, started trading in Malawi in the supply and marketing of the soap NIRMA in 1996. Camy obtained a registration for the NIRMA mark in Malawi in 1998. On the ground that the said registration interferes with Nirma's legitimate use of the mark in Malawi, Nirma sought expungement of the mark in Malawi.

Having considered the facts and circumstances of the case and the legal position, the Assistant Registrar of Trade Marks, Malawi, ordered that Camy's trademark be expunged from the Register of Trademarks. In reaching his decision, the Assistant Registrar gave credence to two factors. First, the trademark NIRMA was a word originally invented and conceived by Nirma in 1969 in India and that as a mark it indicated a direct connection with Nirma. An invented word is allowed to be registered as a trademark, not as a reward of merit, but because its registration deprives no member of the community of the rights which he possesses to use the existing vocabulary as he pleases. Camy, in this instance was unable to prove that the use of the mark NIRMA by its proprietor deprived them of a right to use the NIRMA mark. Camy was also unable to show why they chose to use this particular name NIRMA or why every Indian citizen is entitled to use the word.

Secondly, the Assistant Registrar looked at the aspect that Camy had full knowledge of the impugned trademark prior to its registration. NIRMA, besides being a heavily advertised mark, has also been a household name in India since 1969, and Camy's proprietor was of Indian origin who left India only in 1984. The Assistant Registrar also took judicial note of the fair amount of Asian population in Malawi and pointed out that since Malawi is not a member of many treaties on intellectual property, it becomes very difficult for foreign manufacturers to protect their trademarks. However, this should not promote infringement of trademarks belonging to third parties as reputation and goodwill in trademarks are not built in a day. Accordingly, it was ordered that the trademark NIRMA in the name of Camy be expunged from the Register of Trade Marks.

First use internationally is sufficient to establish prior rights

Can the first user of a mark internationally supersede the first user in India? This was the main issue that fell for consideration before the High Court of Delhi in Austin Nichols & Co. and Anr. Vs. Arvind Behl & Anr. *(unreported – decided on November 29, 2005).*

The mark involved in this case is 'Blender's Pride' owned and used by the plaintiffs in respect of whisky manufactured worldwide by them since 1973. The whisky manufactured by the plaintiffs' under the mark Blender's Pride has since been sold in over 50 countries and enjoys a tremendous reputation in India since the late 1980s and 1990s through foreign visitors, satellite channels and the internet. The plaintiffs were unable to sell their whisky under the said mark in India until 1995 due to the then prevailing policies of the Government of India. In 1995, they applied for registration of their mark in India.

The defendants, local manufacturers of alcoholic drinks, claimed that they have been selling their whisky under the trademark 'Blender's Pride' since 1993-94 but temporarily discontinued production thereafter until 2004-05. The Action was instituted by the plaintiffs in February 2005 on the allegation that the defendants are passing off their whisky as that of the plaintiffs.

The main defence raised by the defendants was that they adopted the mark in India in 1993-94, which is prior to its adoption by the plaintiffs in India. While deciding the case, the court raised two points: first, that by their own averments in the suit, the defendants are 'one of the largest, most reputed and well-established manufacturers and distributors of liquor ' ; this being so, how could they not have known of the presence or existence of the plaintiffs' mark 'Blender's Pride' in the international market. Secondly, the plaintiffs have stated in the pleadings that they have held as many as 20 promotional events for Blender's Pride (the defendants have not denied this statement) in India from January 2001 onwards; the defendants, being in the same business as that of the plaintiffs, should have been aware of this and should have taken appropriate steps to prevent the plaintiffs from exploiting the mark 'Blender's Pride'.

As regards the main defence raised by the defendants, the court went on to examine the effect of the plaintiffs being the first and perhaps the only manufacturers of 'Blender's Pride' whisky internationally and the second in India. Having analysed the various precedents including the **Milmet** case decided by the Supreme Court of India, the court held that the plaintiffs having come out with the Blender's Pride whisky first in the international market were first past the post even though the defendants were the first to do so in India. Further, a cost of Rs.18,850,000 (approximately US$38,000) was awarded to the plaintiffs as legal costs.

The judgment is a lesson to all those infringers who believe that foreign marks are up for grabs before the proprietor makes a physical entry into India.

K&S IN THE NEWS

Presentations and Conferences during October - December 2005

Vasundhara Naik made a presentation on October 17, 2005 on 'Economics of Protection of Geographical Indications' before the Indian Agricultural Research Institute (IARI).

Latha R. Nair made a presentation on October 21, 2005 at the London School of Economics on the 'Protection of Geographical Indications – Perspectives from a Developing Country'.

Calab Gabriel made a presentation on 'What an IP professional should know about enforcement options in India' at an AIPLA conference held in Washington, DC, on October 27-29, 2005.

Rajendra Kumar made a presentation on "Co-branding Issues" in Amsterdam on November 4, 2005 at the seminar on 'Auditing IP rights' organised by Association Internationale des Jeunes Avocats (AIJA).

Rajendra Kumar made presentations on 'Straegic Use of Trademarks to Promote Investment, Marketing and Economic Growth' and 'Strategic Use of Geographical Indications in Investment and Marketing for Industrial and Agricultural Development: National Experiences' at the Inter-Regional Symposium on the Strategic Use of Trademarks for Economic Development with Particular Reference to Rural Development organized by WIPO and the State Administration for Industry and Commerce (SAIC) of the Government of the People's Republic of China held in Beijing on November 8 – 10, 2005.

Latha R. Nair made a presentation on 'Extension of Article 23 type of Protection to all Geographical Indications' at the Indo-EU seminar on the Protection of Geographical Indications organized by the Ministry of Commerce in New Delhi on November 24, 2005.

Calab Gabriel made presentations on 'Indian Experience with PCT' and 'Patenting Pharma/Biotech Inventions in India; Recent Developments on the Indian Patent Landscape' at the national seminar on 'Enhancing Global Competitiveness of Indian Life Sciences Industry through the Strategic Use of Patent System' organised by WIPO in cooperation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry and FICCI in New Delhi on December 5, 2005.

Rajeshwari Hariharan made a presentation on 'Deciding Scope of Disclosure and Breadth of Claims in Patent Specification' at a workshop on 'Integrating IPR Culture with R&D' organised by the National Research Development Corporation in Bangalore on December 5, 2005.

Calab Gabriel made a presentation on 'Drafting of Patent Specifications in the Field of Life Sciences for Filing in India' at the national seminar on 'Enhancing Global Competitiveness of Indian Life Sciences Industry through the Strategic Use of Patent System' organised by WIPO in cooperation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry and FICCI in Mumbai on December 10, 2005.

Vivek Dhokalia made a presentation on 'Growing Importance of Alternate Dispute Resolution (ADR) to IP Disputes - The Indian Experience' at the national seminar on 'Enhancing Global Competitiveness of Indian Life Sciences Industry through the Strategic Use of Patent System' organized by WIPO in cooperation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry and in Mumbai on December 10, 2005.

INTA Subcommittee Membership

Rajendra Kumar and Vivek Dhokalia have been selected to serve in the International Trademark Association Subcommittees for 'Geographical Indications' and 'Emerging Issues' respectively.

INSIGHT

Bollywood's new trend of product placement: Need for worry?

Product placement has become quite fashionable and trendy in the Indian movie industry, popularly known as 'Bollywood'. Every new movie coming out of Bollywood these days is replete with brand promotion.

The history of product placement in movies can be traced back to **The African Queen** (1951) which has Katherine Hepburn's character, Rose Sayer, tossing cases of Gordon's Gin overboard. The trend has been on the increase ever since, especially in present times, where advertisers have to do more than just run an ad in the newspapers or on television. The march of technology has increasingly allowed viewers to avoid television commercials. With viewers easily screening out regular advertising, it has become incumbent on leading brands to seek alternative means to maintain their leadership image.

Never shy about product placement, James Bond movies have been pioneers of such placement and have featured a proliferation of leading brands including Aston Martin, BMW, Motorola, Microsoft, Omega and Bollinger.

Closer home and traditionally, product placement in movies was restricted to situations where the lead actor was known to endorse a product, and in terms of his contract with the product company, his movies would either have the product, name or logo in the foreground or background or he was shown using the product.

Stemming from the classic product placement scenario described above is the scenario where the actor is shown using the product or mentioning favourbale qualities of the same as part of the movie script (as per agreement between the producer and the brand owner) but has no independent relationship with the product company outside of the movie.

In such situations, if the producer as owner of copyright in the movie, licenses a footage from the movie where the actor is shown using/endorsing the product to the product company to run the same as an ad on various media, absent a contract between the actor and the brand owner, can the actor claim an invasion of his rights of publicity? Or would provisions of the Indian Copyright Act bar the actor from asserting such right?

Right of publicity is the right to control the commercial exploitation of one's name, image, likeness and persona, and this right is invaded when appropriated by another for his advantage, commercially or otherwise, for purposes of advertising or solicitation.

Sections 38(4) and 16 of the Copyright Act merit mention. Section 38(4) states that once a performer has consented to the incorporation of his performance in a cinematograph film, the performer shall cease, inter alia, to have performance rights in such performance. Whereas Section 16 states that no person shall be entitled to copyright or any similar right in any work otherwise than under and in accordance with the provisions of the Act subject to the caveat that the section shall not be construed as abrogating any right or jurisdiction to restrain a breach of trust or confidence.

While the question has not presented itself before Indian courts, guidance can be taken from the US case of Fleet vs. CBS, Inc. 58 CAL. Rptr. 2d 645. The said case draws a distinction between rights in the persona of a celebrity and copyright in the performance of a celebrity as recorded in an audio-visual media. To illustrate, a photograph taken of a sports person in a live event may vest the photographer with a copyright in the photograph. However, if the said photographer were to assign his copyright in the photograph in favour of a product company, such assignment cannot have the effect of enabling the product company to commercially exploit the photograph carrying the image of the sportsperson in conjunction with any of its products. In such a situation, the celebrity concerned would have a claim in equity against the commercial use of the photograph based on his/her rights of publicity.

In contrast to this situation, a celebrity actor is deemed under the Indian Copyright Act to have assigned all his/her rights in his/her performance if the performance is recorded in an audio-visual media such as a cinematograph film and, by virtue of such incorporation, such actor is deemed to have assigned all such rights.

Under the Indian Copyright Act, copyright in a cinematograph film is to include the right to make any photograph of any image forming a part thereof. As owner of the copyright in a cinematograph film, the producer is vested with all the rights therein including the right to communicate the film or a photograph of any image forming a part thereof. Such right may be exercised by way of licensing a product company to make use of a given photograph in a film which features a product of the company. In such a situation, the actor concerned may not be entitled in law to assert a violation of his/her rights of publicity because the product company concerned has obtained the licence from the film producer in respect of a copyright-protected photograph. In other words, such license would not involve any invasion of the actor's rights in his/her persona since the image used in the commercial context would necessarily be associated with the role essayed by the actor in the film rather than the actor in real life. To the extent that members of the buying public are able to distinguish between the actor and the character portrayed, it would appear that no issue of invasion of his/her rights of publicity would arise.

However, this is still a grey area not litigated upon so far. It would, therefore, be useful for all the concerned parties to be clear about their rights at the time of the production of a movie.

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