Intellectual Property Issues and Cyberspace - The Indian Perspective

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The person who does not make mistakes is unlikely to make anything.

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Contents

ONE

1. Introduction

Your home is filled with creations of human creativity & invention. From a carpet to a sofa, from the washing machine, the refrigerator and the telephone, to the music, the books, the paintings and family photographs, everything with which we live is a product of human creativity. These things are creations of the human mind and hence called intellectual property.

Industrial property deals with patents, trademarks, geographical indicators, designs and semiconductors. Copyright covers literary, dramatic, artistic and musical works, cinematographic films and sound recordings.

The concept of intellectual property can be traced back to the Byzantine Empire where monopolies were granted for creations of the human mind. For instance, in Greece a one year monopoly was given to cooks to exploit their recipes. A statutory legislation in the Senate of Venice provided exclusive privileges to people who invented any machine or process to speed up silk making.

For a simple understanding of industrial property, let's look at a refrigerator. The branded food products each carry a trademark assuring the consumer of a particular standard of quality. Their special packaging (canned, vacuum-packed, key-opened containers or pop tops) can be both patented inventions as well as examples of industrial designs.

The preservation processes can be patented and the mechanical elements of the refrigerator e.g. the parts & processes that keep food cold, are patented inventions.

The aesthetic elements, the design of the drawers, shelves, the style & appearance of the temperature controls can be protected as industrial designs. The refrigerator's operating manual as an original written text can be protected by copyright. Therefore, it can be said that even inside a refrigerator is a world of intellectual property!

International treaties[1]

The treaties that define internationally agreed basic standards of intellectual property protection in each country are:

1. Beijing Treaty on Audiovisual Performances
2. Berne Convention
3. Brussels Convention
4. Madrid Agreement (Indications of Source)
5. Marrakesh VIP Treaty
6. Nairobi Treaty
7. Paris Convention
8. Patent Law Treaty
9. Phonograms Convention
10. Rome Convention
11. Singapore Treaty on the Law of Trademarks
12. Trademark Law Treaty
13. Washington Treaty
14. WIPO Copyright Treaty
15. WIPO Performances and Phonograms Treaty

The treaties that ensure that one international registration or filing will have effect in any of the relevant signatory States

[1] Source: http://www.wipo.int/treaties/en/

are:

1. Budapest Treaty
2. Hague Agreement
3. Lisbon Agreement
4. Madrid Agreement (Marks)
5. Madrid Protocol
6. Patent Cooperation Treaty

The treaties which create classification systems that organize information concerning inventions, trademarks and industrial designs into indexed, manageable structures for easy retrieval are:

1. Locarno Agreement
2. Nice Agreement
3. Strasbourg Agreement
4. Vienna Agreement

The primary legislations regulating intellectual property in India are:

Copyright	• Copyright, Act 1957 • Copyright Rules, 2013 • International Copyright Order, 1999
Trademark	• Trade Marks Act, 1999 • Trade Marks Rules 2002
Patents	• Patents Act 1970 • Patents Rules 2003
Geographical Indications	• Geographical Indications of Goods (Registration & Protection) Act, 1999 • Geographical Indications of Goods (Registration & Protection) Rules, 2002
Designs	• Design Act, 2000 • Designs Rules, 2001
Semiconductor	• Semiconductor Integrated Circuits Layout Design Act 2000 • Semiconductor Integrated Circuits Layout Design Rules 2001
Plant variety	• Plant Varieties and Farmers' Rights Act, 2001 • Plant Varieties and Farmers' Rights Rules, 2003

TWO

2. Copyright

Copyright describes the rights given to creators for their literary, musical and artistic works, such as novels and poetry, songs and musical scores, paintings and sculpture. Other works protected by copyright include films, choreography, architecture, advertisements, maps and technical drawings as well as computer programmes & databases.

Rights related to copyright provide protection for performing artists (such as actors and musicians) in their performances, producers of sound recording (such as compact discs) in their recordings and broadcasting organizations in their radio & television programmes.

Copyright provides exclusive rights to creators to use or authorize others to use their works. The creator of a work can prohibit or authorize its reproduction in various forms, including printing, recording, broadcasting, public performance, translation or adaptation.
Copyright encourages human creativity.

It provides economic rights to creators which allow them or their heirs to benefit financially from their work usually for a period lasting 60 years after the creator's death. This provides not only recognition for their work but also incentives to create more. As they create, we all benefit through a greater access to a wider variety of culture, knowledge and entertainment.

2.1 Protected works

Literary works covered by copyright include novels, short stories, screenplays, poems, plays, non-fiction works such as histories & biographies, newspaper and magazine articles, reference works such as encyclopaedias and dictionaries, computer programs and databases.

> Peterson J. had said that literary work covers:
>
> *Work which is expressed in print or writing irrespective of the question whether the quality or style is high…As well as works embodying the fruits of considerable creative or intellectual endeavour.*

Therefore, it may be said that the term literary works is understood to include every original work of authorship, irrespective of its literary or artistic merit. The ideas in the work do not need to be original. But the form of expression must be an original creation of the author.

> **Illustration**
>
> Sameer has a brilliant idea for a movie. He invites Sanya over coffee and shares the idea with her. Sanya capitalizes on the idea and makes a movie called 'Ingenuity'. Sanya has copyright on the movie and Sameer cannot claim copyright for his idea.

Literary work also includes an adaptation, abridgement and translation of the work.

Adaptation of a literary work means the conversion of the work into a dramatic work by way of performance in public.

Illustration

Sanya has authored the book 'Enigma'. Tanya wants to produce a play based on the book. She will be required to take prior permission from Sanya before she produces the play. Tanya will have an independent copyright in her play which is an adaptation of Sanya's book Enigma.

Abridgement of a literary work means reproduction of an original work in a more precise and concise way.

Illustration

Pooja has authored the book 'Zodiac Killer'. It is a 2000 page book. Sameer, with Pooja's prior consent, selects scripts & passages from her book, puts in few of his own words to give it a new look and publishes another abridged version of the book. Sameer will have an independent copyright in the abridged book.

Translation of a literary work means its reproduction in another language.

Illustration

Sanya's book Enigma is in English. Tanya translates this book into Chinese. Tanya will have an independent copyright in her book written in Chinese.

Dramatic work includes any piece for recitation, choreographic work or entertainment in a mime, the scenic arrangement or acting form of which is fixed in writing.

Illustration

Tanya choreographs the title song in Sanya's movie 'Be Happy'. Tanya will have an independent copyright for choreographing the song.

Illustration

In Tanya's play 'What If' the stage is set to depict a hi-tech 2050 virtual world. She will have an independent copyright for the stage settings.

Musical work consists of music and includes any graphical notation of such work but does not include any words or any action intended to be sung, spoken or performed with music.

Illustration

Pooja composes a melody 'A Momentary Lapse'. She has written the lyrics, given the music to the song and recorded it in her studio. She will have a copyright in the song.

If any musical work is arranged or recorded by adding accompaniments, new harmonies & new rhythm, it is said to be adapted.

Illustration

Sameer is influenced by Pooja's song 'A Momentary Lapse'. With her prior permission he composes a remix version of the song by adding more percussion and beats. He will have a copyright in the remixed song.

Artistic work includes paintings, drawings, photographs, work of architecture and work of artistic craftsmanship.

Illustration

Sameer is a business tycoon. His company Noodle Ltd is working on an infrastructure project. The project scheme includes drawings of roads, highways, water pipelines and electricity hubs. Sameer has a copyright on each of the mechanical and engineering drawings.

Illustration

Sanya takes a photograph of the sun setting in the Antarctic. She has a copyright in the photograph.

Cinematographic film means any work of visual recording on any medium produced through a process from which a moving image is produced by any means and includes sound recording accompanying such visual recording.

Illustration

Tanya is a war journalist. She has covered the riots in Maharashtra, the bombings and curfew in Kolkata and the outbreaks in Gujarat. Based on her experiences, she made a documentary and television report on 'The Unwanted Outbreaks'.

She will have a copyright in the documentary and television report.

No specified level of originality is required except that a substantial part of the film must not infringe any other work. There is no copyright for the artists except a **performer's rights.** The producer of the film acquires a distinct copyright and the composer of lyrics or musical work retains the right of public performance.

Illustration

Sanya for her movie 'All that Counts' commissions Tanya to compose the title song for the movie. Tanya composes the lyrics and music for the song. Sameer is a renowned artist and does play back singing of the song.

Sanya as the producer of the film has a copyright in the movie. Tanya as the composer of lyrics and music has a copyright. Sameer, as the singer, has a performance right.

Sound recording means a recording of sounds regardless of the medium on which such recording is made or the method by which the sounds are produced.

Illustration

Pooja is a rock star. She records her album 'Money' at the Sony sound recording studio. Pooja as the composer of the album has a copyright. Sony as the sound recording company has a copyright.

Performers of a musical work such as musicians & singers are covered by related rights in their performances, as are producers of recordings & broadcasters.

Illustration
Pooja, a rock star, performs live on the opening night of the cricket world cup. Pooja as the composer of the album has a copyright. As a performer she has a performer's right.

2.2 Ownership of copyright

The author of the work is the first owner of the copyright in the work. As stated earlier, the originator of an idea is not the owner of a copyright, copyright belongs to the person who gives concrete form to the idea.

Illustration
Sameer and Pooja discuss the idea of painting the walls of nursing homes in bright colours. Based on Sameer's ideas, Pooja paints happy faces and baby faces and inscribes funny one liners on all the nursing home walls. Pooja is the owner of the copyright in the paintings.

The author of the work in relation to the various categories are:

1) Literary or dramatic work, the **author** of the work.

2) Musical work, the **composer** in relation to the musical work regardless of whether he records it in any form of graphical notation.

3) An artistic work other than a photograph, the **artist**.

4) Photograph, the person who **takes** the photograph.

5) Cinematograph film, the **producer**.

6) Sound recording, the **producers**.

7) Literary, dramatic, musical or artistic work which is computer generated the person who **causes** the work to be created.

The basic rule that the author of the work is the first owner of the copyright in the work is subject to certain exceptions.

> **Illustration 1:** While Tanya was interning at Lloyds, she drafted various insurance products like Super Annuity Scheme, Safe 35 Insurance and Future Child Plan.
>
> Although Tanya was the author of the work, the copyright belonged to Lloyds.
>
> This is because Tanya was training under Lloyds as an intern for the purpose of learning the trade. Lloyds was providing her with the required resources, expertise and training. Hence, any work created by Pooja during her internship belonged to them.

Illustration 2: Sanya and Tanya request Sameer to take a photograph for them along with Shah Rukh Khan's wax statue at Madame Tussaud's museum. They pay him Rs. 1000. Although Sameer was the author of the work, the first owners of the copyright are Sanya and Tanya because they requested for the photograph and paid Sameer a valuable consideration.

Illustration 3: Sanya dictates a book to her stenographer Sameer. Although Sameer is the author of the work the copyright owner of the work is Sanya.

Illustration 4: Sanya as a film producer commissions Sameer, the music composer to compose the music for her film 'The Wonder Kids'. Sanya does not become the owner of the copyright in the music but merely gets a licence to use the music in her film. All other copyright in the music is retained by Sameer.

Illustration 5: Pooja is a photographer and is working for Tanya, the proprietor of the Vogue magazine. During her employment she takes pictures of top models which are to feature in the Vogue magazine. The copyright in the pictures taken by Pooja belong to Tanya in so far as they are featuring in the Vogue magazine.

If Pooja as a photographer organizes a gallery exhibition of all her photographs, including the ones featuring in Vogue magazine, then she will be the copyright owner. This is because the gallery exhibition is in no manner related to the publishing of Vogue magazine or gives it any competition.

Therefore, the ground rule is that the author may either independently create a work or may create it under a contract of service or contract for service.

> **Illustration 1:** Where Sanya employs Sameer to maintain the employee logs under her control so that she can set the time lines to complete the work, give directions to improvise upon the work and measures to speed up the process, then Sameer is said to be under a contract of service. In a contract of service the first copyright owner will be the employer.
>
> **Illustration 2:** Where Sanya employs Sameer to design her company's brochures and leaves it to him to take all the calls and finalize the end product then Sameer is said to be under a contract for service. His status is that of an independent contractor.

In a contract for service the first copyright owner will be the independent contractor.

2.3 Rights conferred by copyright

Every copyright owner can use his protected work as he wishes. But he must have regard to the rights and interests of others and also exclude them from using it without his authorization. Therefore, the rights conferred to a copyright owner are often referred to as exclusive rights. The various rights conferred to a copyright owner are:

1) Statutory rights.
2) Economic rights.
3) Moral rights.
4) Negative rights.

Statutory rights state that the author or rights owner has the right to authorize or prevent certain acts in relation to a work. The rights owner of a work can prohibit or authorize:

a) Its **reproduction** in various forms, such as printed publications or sound recordings.

Illustration: Sanya has authored the book 'Enigma'. She has given Smart Books, the publisher, reproduction rights of the book in paper back and hard bound versions.

b) The **distribution** of copies.

Illustration: Sanya has authored the book 'Enigma'. She has sold over a million copies of the book. One of the buyers is Tanya. Tanya will not be required to obtain prior permission of Sanya before she gifts the book to someone else.

c) Its **public performance**.

Illustration: Sanya has authored the book 'Enigma'. Tanya wants to produce a play based on the book. She will be required to take prior permission from Sanya before she produces the play. Tanya will have an independent copyright in her play which is an adaptation of Sanya's book, Enigma.

d) Its **broadcasting** or other communication to the public.

Illustration: Sanya has produced a tele-serial 'Happy Gags'. Star World is required to obtain Sanya's prior consent before it broadcasts the tele-serial.

e) Its **translation** into other languages.

Illustration: Sanya's book Enigma is in English. Tanya translates her book into Chinese with Sanya's permission. Tanya will have an independent copyright in her book written in Chinese.

f) Its **adaptation**, such as a novel into a screenplay.

Illustration: Sanya has authored the book 'Enigma'. Tanya wants to produce a movie based on the book. She will be required to take prior permission from Sanya before she produces the movie. Tanya will have an independent copyright in her movie which is an adaptation of Sanya's book Enigma.

Economic rights allow the author to derive financial reward by exploiting his protected work. The author may exploit the work himself or license others to exploit any one or more of the rights for a consideration, which may be in the form of royalty or a lump-sum payment.

Illustration: Sanya has authored the book 'Enigma'. She has sold over one million copies of the book. The book is priced at Rs. 550. Accordingly, she derives financial rewards from the sale of the book. She has licensed to Smart Books, the publisher, reproduction and distribution rights of the book in paperback and hard bound versions on payment of an annual royalty of Rs. 25 lakh.

Moral rights allow the author to take certain actions to preserve the personal link between himself and the work.

Moral rights include the right to claim authorship of the work (right of paternity) and the right to object to any distortion or modification of the work or other derogatory action in

relation to the work, which would be prejudicial to the author's honour or reputation (right of integrity).

These rights are independent of the author's economic rights and remain with the author even after he has transferred his economic rights.

> **Illustration:** Sanya has authored the book 'Enigma'. She has sold over 20 million copies of the book. Thereafter, on 23rd September 2007 she assigned her copyright to Smart Books, the publisher. On 25th December 2007, she discovered that based on her book Smart Books was distributing pornographic CDs which diminished the value of her book. Sanya has a moral right to bring an action against Smart Books.

Copyright is a **negative right** in the sense that it stops others from exploiting the work of the author for their own benefit without the consent or license of the author.

> **Illustration:** Sanya has authored the book 'Enigma'. She has sold over 20 million copies of the book and has retained the reproduction and distribution rights. On 25th December 2007, she discovered that Modern Publishers was selling and distributing copies of her book without any authorization or license. Sanya has a negative right to stop Modern Publishers from selling her book.

2.4 Limitation on rights of copyright owners

The limitations on the rights of copyright owners are:

1) Temporal.
2) Geographic.
3) Permitted use.
4) Non-material works.

2.4.1 Temporal

Copyright does not continue indefinitely. The period or duration of copyright protection begins with the creation of the work and continues until sometime after the death of the author. For instance, in case of literary works, the duration of copyright protection is the lifetime of the author and until 60 years after the death of the author.

> **Illustration:** Pooja has authored the book 'Insignia'. The book was published on 6th November 2007. Pooja's copyright will continue during her lifetime and until 60 years after her death.

2.4.2 Geographic

The second limitation is a geographical limitation. Copyright protection is territorial. If both countries are members of one of the international conventions on copyright, the practical problems arising from this geographical limitation are eased.

> **Illustration:** Pooja's book 'Insignia' is for sale only in India. Therefore, her copyright in the work is protected only in India. To avail of protection in any other country India and the other country must be a party to an international convention.

2.4.3 Permitted use

Certain acts normally restricted by copyright, may in circumstances specified in the law, be done without the authorization of the copyright owner. Such acts will not amount to infringement of copyright.

The purpose of recognizing these exceptions is to enable the

reproduction of the work for certain public purposes for encouragement of private study, research and promotion of education.

Set out below for your reference are a few of such acts:

1) **Free use or fair use** of literary, dramatic, musical or artistic work for the purpose of private use including research, criticism or review. Such use carries no obligation to compensate the author or rights owner for the use of work without authorization.
2)

   Illustration: Sanya and Tanya, as part of Diwali celebrations at their apartment complex, stage a dance on the song 'Hare Rama Hare Krishna' from the movie "Bhool Bhulaiya". They do not take prior permission from the producer of the movie. This does not amount to an infringement of copyright as it is protected under the fair use clause.

3) Reproduction of judicial proceedings and reports for the use of members of the legislature.

4) Reading and recitation in public of extracts of literary or dramatic work.

   Illustration: On Children's Day, Pooja organized a reading session of extracts of Harry Potter stories at the club. Pooja is not required to take prior permission of the author of the book, J.K. Rowling or compensate her before organizing the reading session.

5) Public performances in the course of the activities of educational institutions in certain circumstances.

6) Reproduction of extracts in a newspaper or magazine of

an article on current, economic, political, social or religious topics.

7) Publication in a newspaper or magazine a report of a lecture delivered in public.

8) Compulsory licenses which require that compensation be paid to the rights owner for non-authorised exploitation.

Illustration: Sanya files a complaint with the Copyright Board that Pooja has refused to re-publish or allow re-publication of her book 'Insignia'. Consequently, her book is not available to the public. The Copyright Board gave Pooja a reasonable opportunity of being heard and after holding a detailed inquiry directed the Registrar of Copyright to grant Sanya a license to re-publish the book on payment of compensation to Pooja.

2.4.4 Non-material works

In India, works are excluded from protection if they are not fixed in some material form. Also, certain categories of works like pocket diaries, calendars, reports of judicial proceedings are not protected by copyright.

2.5 Assignment of copyright

Copyright is a bundle of rights. For instance, a novel can be published as a volume, serialized in a newspaper or magazine or may be licensed for being made into a film.

Each of these rights can be assigned or licensed for a limited term. While assignment is a transfer of ownership in rights to the assignee, a license is a permission to do something in respect of a work.

Illustration: Sanya may assign all her rights in her book 'Insignia' to Tanya. Thereafter, Tanya may reproduce, sell, distribute, adapt or translate the book without taking any prior permission from Sanya. She will not be said to have infringed Sanya's copyright.

Assignment of copyright can be for the whole of the rights or a part of the rights. It may be general or subject to certain restrictions. It may be for the entire term of the copyright or for a limited term of the copyright. It may be done on a territorial basis.

Illustration: Sanya assigns the right to serialize the work into a television serial to Sameer, the producer for a period of 20 years. She assigns her right subject to the limitation that it can be broadcast only within the territory of India. It may be said that Sanya has made a limited assignment for a limited period of time placing territorial restrictions on the assignment.

An assignment is said to be valid if it is in writing and duly signed by the assignor. The assignment instrument must specify the rights assigned to the assignee and the royalty terms agreed upon between the parties.

If the assignee fails to exercise the rights within one year from the date of assignment, the assignment will be deemed to have lapsed.

THREE

3. Understanding Computer Software

Computer **software** is a general term that describes a collection of:

1. computer programs,
2. procedures, and
3. documentation.

Computer **hardware**, on the other hand, consists of the physical devices that can store and execute computer software.

Illustration

Sanya downloads the OpenOffice software from the Internet. In effect what she downloads is an executable file. She double-clicks on the executable file and begins to install the software on her computer.

During the installation she specifies the part (drive and folder name, etc.) of the hard disk where the software files must be saved. During the installation the software also makes entries in system files (e.g. registry) maintained by the operating system (e.g. Windows XP).

Once the installation is complete, Sanya can **run the software**. When she runs the software, relevant software files get loaded into **RAM** and are subsequently executed in the **CPU** (central processing unit).

When a computer programmer creates a software program, he usually follows the procedure outlined below:

1. Writes the **source code** using a high level programming language such as C, C++, Java etc.

2. Uses a **compiler** to **compile** the source code into the **object code**.

3. Links the object code with the relevant library files and creates an **executable** file. This is done using a **linker**.

4. This executable file can now be distributed to the end users.

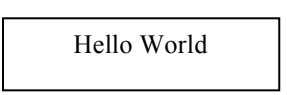
Now let us discuss some of the important terms mentioned above:

Source code, simply put, is the listing of programmes, computer commands, design and layout etc.

Let us understand this using some illustrations.

Illustration 1

Sanya has created a simple computer program. When a user double-clicks on the hello.exe file created by Sanya, the following small screen opens up:



The hello.exe file created by Sanya is the executable file that she can give to others. The small screen that opens up is the output of the software program written by Sanya.

Sanya has created the executable file using the programming language called "C". Using this programming language, she created the following lines of code:

```
void main()
{
printf("\n Hello World");
}
```

These lines of code are referred to as the source code.

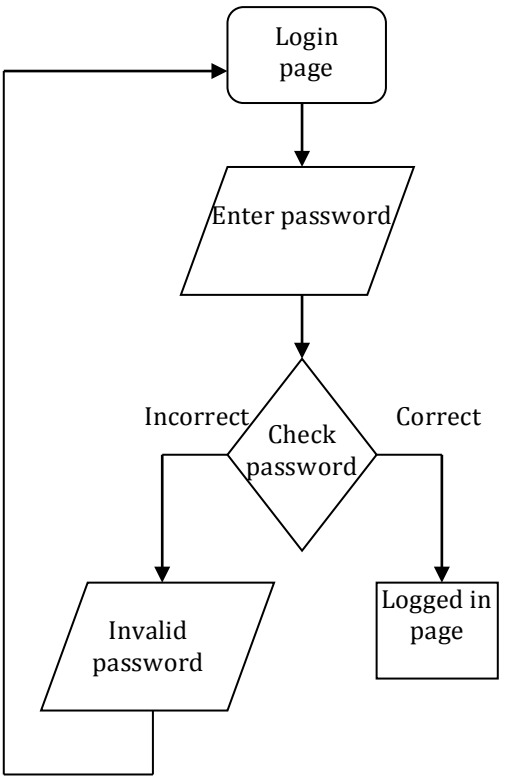
Illustration 2

Noodle Ltd has created software for viewing and creating image files. The programmers who developed this program used the computer-programming language called Visual C++. Using the syntax of these languages, they wrote thousands of lines of code.

This code is then compiled into an executable file and given to end-users. All that the end user has to do is double-click on a file (called setup.exe) and the program gets installed on his computer. The lines of code are known as computer source code.

Illustration 3

Pooja is creating a simple website. A registered user of the website would have to enter the correct password to access the content of the website. She creates the following flowchart outlining the functioning of the authentication process of the website. This flowchart is source code.



A **compiler** processes a source code and produces **object code**. The object code contains code that can be directly executed by the CPU of a computer. A **decompiler** does the reverse of a compiler.

A **library** is a collection of programs used to develop software. Most software programs use the libraries provided by the operating system.

Simply put, a **linker** links object code files (and libraries) to generate an executable file.

Computer software can be divided into two fundamental categories – **system software** and **application software**.

Application software uses the computer directly for performing user tasks. System software enables the application software to use the computer's capabilities.

Analogy

An oil company drills for oil on the sea bed. This oil is then processed and provided to the customer in the form of petrol for his car.

Here the petrol is like the application software – it helps the user to run his car. The oil company is like the system software – it enables the petrol to be taken to the user.

System software can be of various types such as:

1. **operating systems** which form the platform for all other software on a computer,

2. **device drivers** which allow computer programs to interact with hardware devices such as printers, scanners, etc.,

3. **programming tools** which help programmers to develop and test other programs,

4. **compilers** which compile the source code into the object code,

5. **linkers** which link object code files (and libraries) to generate an executable file,

6. **utility software** that helps manage and tune the computer hardware, operating system or application software.

Application software include

1. word processors (e.g. Microsoft Word),

2. spreadsheets (e.g. Microsoft Excel)

3. presentation software (e.g. Microsoft Powerpoint)

4. media players (e.g Microsoft Windows Media Player)

5. games (e.g. Need for Speed, Age of Empires)

6. forensic software (e.g. Winhex, X-Ways Forensics)

7. encryption software (e.g. PGP)

8. Internet browsers (e.g. Mozilla Firefox)

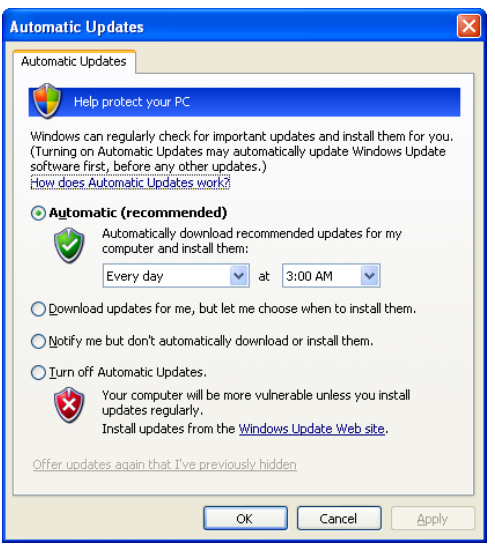
9. FTP clients (e.g. FireFTP)

All computer software (whether system software or application software) is prone to bugs and vulnerabilities which are usually "fixed" through updates. **Updates** can be in various forms including bug-fixes, patches, plug-ins and new versions.

Updates can be **automatic** wherein the installed software regularly connects to a particular website and downloads the new updates. The user is usually asked for permission before

the updates are installed. Updates can also be **manual**, where the user must manually start the procedure for searching for, obtaining and installing the updates.

The figure below illustrates the various options for obtaining updates for the Microsoft Windows XP operating system.



Some of the important terms used earlier are explained below using some simple illustrations.

Illustration 1

Sanya has developed the easyAV anti-virus software. Users can freely download the software from Sanya's website and install it on their computers.

As new computer viruses and other malicious code are

discovered all the time it is essential that the anti-virus software is constantly updated with the information about the latest viruses and the "cures" for them.

Once easyAV is installed on a computer, it regularly connects to Sanya's website to check for updates. New updates are automatically downloaded by the software and integrated with the existing software installation.

Illustration 2

Sameer has developed a new computer game called Rage of Vampires (ROV). Thousands of users around the world have downloaded the game and are regularly using it. Some users give a feedback to Sameer that they cannot open up the Mozilla Firefox browser if ROV is running on their computer.
Sameer researches on this and realizes that there is a bug in the ROV software that interferes with the Mozilla Firefox browser. He develops a "bug-fix" that users can download from his website. Once the "bug-fix" is downloaded it integrates with the ROV software and stops the interference with Firefox.

Illustration 3

Sameer has developed a new computer game called Rage of Vampires (ROV). Thousands of users around the world have downloaded the game and are regularly using it. During regular post release testing, Sameer realizes that the ROV software has a security vulnerability that can be exploited by malicious hackers. Sameer develops a "patch" software that users can download from his website. Once the "patch" is downloaded it integrates with the ROV software. The "patched" ROV software does not have the security vulnerability.

Illustration 4

Sameer has developed a new computer game called Rage of Vampires (ROV). At the time of release of ROV, the most popular operating system was FreeOS version 1. The ROV software was created to run smoothly on FreeOS version 1. However, a year later FreeOS version 2 has been released and the ROV software does not run smoothly on this.

Sameer studies the FreeOS version 2 operating system and develops a "patch" software that users can download from his website. Once the "patch" is downloaded it integrates with the ROV software. The "patched" ROV software runs smoothly on both versions of FreeOS.

Illustration 5

Sameer has developed a new computer game called Rage of Vampires (ROV). Some users (who use the SRTS speakers on their computer) give him a feedback that the audio quality of the game is not very good.

Sameer studies the device drivers of the SRTS speakers and develops a "plug-in" software that users can download from his website. Once the "plug-in" is downloaded it integrates with the ROV software and this improves the audio quality if the user is using the SRTS speakers. Users who do not have the SRTS speakers do not have to download this plug-in.

Illustration 6

Sanya uses Mozilla Firefox Internet browser to connect to her online share trading account. She is worried that someone may install a keylogger on her computer steal

her password. She downloads the "key scrambler" anti-keylogger plug-in for Mozilla. Now even if a keylogger is installed on her computer, it cannot steal her password.

Illustration 7

Sameer has developed a new computer game called Rage of Vampires version 1 (ROV v1). Over a period of time he has issued many bug-fixes, updates and patches for the software. He now incorporates all the changes and releases a new version ROV version 2.

Software can be of various types including:

1. **Freeware**

   Freeware is computer software that is copyrighted, available for use free of charge for an unlimited time. Freeware is created and distributed by software developers who want to contribute something to the society but at the same time they want to control the future development of their software. They usually retain their rights over the source code.

   Some types of freeware include:

   Careware or **Donateware** in which the author requests the users to do something good for someone or to donate to a charity.

   Cardware where the creator requests for a post card from every user. The Linux operating system started off as cardware.

Donationware in which the author requests for a donation e.g. Spybot – malicious code removal software.

2. **Shareware**

   This is also known as "try before you buy" software. These software usually come with full functionality for a limited period. After this trial period users must either buy the software or uninstall it from their computers.

   This trial period could be in terms of number of days (e.g. 30 days after installation), number of times the programs is started up (e.g. 20 times).

3. **Demoware**

   Demoware is meant only for demonstrations. The demoware does not have any functional features, it only serves to demonstrate the features to potential users.

4. **Crippleware**

   Crippleware is software whose functions have been limited or "crippled" by the creator. This “crippling” is done so that the creator can charge a licence fee for the full functional version.

   Crippleware can be used by potential users only for evaluation purposes. Because many features have been disabled in it, crippleware cannot be used in place of the fully functional version of the software.

Illustration

Sameer creates easyWord, a word processor software having most of the functions of Microsoft Word. easyWord is available for sale from Sameer's website.

In order to allow potential users to evaluate the software, Sameer also provides a "crippled" version of the software. In the crippled version, the "Save" button does not work.

This means that the user can create, edit, format a document but cannot save his work.

FOUR

4. Computer Software & Copyright Law

According to section 2(ffc) of the Copyright Act, 1957 ('Copyright Act') a **computer program** is a "set of instructions expressed in words, codes, schemes or in any other form, including a machine readable medium, capable of causing a computer to perform a particular task or achieve a particular result".

The essential elements of a computer program are:

1. It is a set of instructions expressed in:
    a. words,
    b. codes,
    c. schemes or
    d. in any other form, including a machine readable medium.

2. capable of causing a computer to:
    a. perform a particular task or
    b. achieve a particular results.

Computer **software** is "computer program" within the meaning of the Copyright Act. Computer programs are included in the definition of **literary work** under the Copyright Act.

4.1 Meaning of copyright

[This concept is explained using simple fictional illustrations involving Sanya, who has created easyPDF, a computer program for converting documents into PDF (Portable Document Format)]

According to section 14 of the Copyright Act, "copyright" means the exclusive right to do (or authorize the doing of) any of the following:

1. To **reproduce** a computer programme in any material form including the **storing** of it in any medium by electronic means,

   Illustration: Sanya has the exclusive right to reproduce the easyPDF program on CD, DVD and other storage media.

   Illustration: Sanya has the exclusive right to upload the easyPDF program onto her website.

2. To **issue copies** of the computer programme to the public

   Illustration: Sanya has the exclusive right to provide the easyPDF program along with computer magazines so that the general public can use the software.

   Illustration: Sanya has the exclusive right to upload the easyPDF program onto her website so that people around the world can download it.

3. To **perform** the computer programme in public, or **communicate** it to the public,

Illustration: Sanya has the exclusive right to give a public demonstration of the workings of the easyPDF program.

4. To make any cinematograph **film** or sound **recording** in respect of the computer programme,

   Illustration: Sanya has the exclusive right to make a promotional film depicting the working of the easyPDF program.

   Illustration: Sanya has the exclusive right to make a promotional sound recording depicting the working of the easyPDF program.

5. To make any **translation** of the computer programme

   Illustration: Currently the easyPDF program has all the menu commands and help files in English. Sanya has the exclusive right to make a version of the easyPDF program that has the menu commands and help files in Hindi.

6. To make any **adaptation** of the work

7. To do, in relation to a translation or an adaptation of the computer programme, any of the acts specified above

8. To sell, give on hire, offer for sale, or offer for hire, any copy of the computer programme.

   Illustration: Sanya has the exclusive right to offer the easyPDF program for sale.

   Illustration: Sanya has the exclusive right to act as an

Application Service Provider for the easyPDF program e.g. a user will be charged a small fee for every document that he converts to PDF using the easyPDF program.

4.2 First owner of copyright

Section 17 of the Copyright Act is the relevant provision. To understand who the first owner of copyright is, let us take some simple illustrations:

Illustration: Sanya, a college student, has created easyPDF, a computer program for converting documents into PDF (Portable Document Format). Sanya will be the first owner of copyright in the easyPDF program.

Illustration: Pooja is a computer programmer employed with Noodle Software Ltd. Under her contract of employment with Noodle, the intellectual property in all computer programs created by her vests with Noodle. During the course of her employment, Pooja creates "Rage of Vampires", a computer game. The first owner of copyright in "Rage of Vampires" will be Noodle Software Ltd.

Illustration: Tanya is a freelance software consultant who advises several software companies. In her free time she creates easyNote, a personal accounting and finance software. Tanya will be the first owner of the copyright in easyNote.

Illustration: Sameer is a lawyer who is also proficient in computer programming. He is employed with N&P Law Firm. Under the terms of his employment with N&P Law Firm, the intellectual property of all legal opinions and drafting created by Sameer vests with the law firm.

Considering Sameer's proficiency in computer programming, his senior at N&P Law Firm requests him to make a "law firm management" software. Sameer creates this software on his holidays. Sameer will be the first owner of the copyright in the law firm management software.

4.3 Term of copyright

According to section 22 of the Copyright Act, copyright subsists in a computer program for 60 years from the beginning of the calendar year next following year in which the author dies.

Illustration: Ketaki creates a computer program in 2011. She dies on 12th March, 2012. The copyright in the computer program will subsist for 60 years from 1st January 2013.

Illustration: Ketaki and Rajan together create a computer program in 2008. Ketaki dies on 12th March, 2010 while Rajan dies on 13th July, 2014. The copyright in the computer program will subsist till 60 years from 1st January 2015.

4.4 Licences

According to section 30 of the Copyright Act, the following can grant interest in a copyright by way of licences:

a. the owner of the copyright in any existing work; or
b. the prospective owner of the copyright in any future work.

The licence must be given in writing and signed by the above or their authorised agents.

Let us consider some illustrations to understand this concept.

Illustration: Sanya has created a computer program. She can grant Sameer a licence to sell the program from his website.

Illustration: Sanya is working to create a computer program. She is currently testing the "beta" version of the program. She can grant Sameer a licence to sell the final program from his website once it is ready. This licence will take effect only when the final program comes into existence.

Illustration: Sanya is working to create a computer program. She is currently testing the "beta" version of the program. She grants Rajan a licence to sell the final program from his website once it is ready. The final program is ready on 12th March, 2012. But by then Rajan has passed away. In this case Rajan's legal representatives are entitled to the benefit of the licence.

4.5 Infringement of Copyright

The copyright in a computer program is deemed to be infringed when any person without a licence or in contravention of the conditions of a licence:

1. does anything, the exclusive right of which is conferred upon the owner of the copyright by the Copyright Act, or
2. commercially permits any place to be used for the communication of infringing work to the public.

The following are also deemed to be infringement:

1. distributing, selling or hiring out infringing copies,
2. exhibiting infringing copies in public,

3. importing infringing copies into India.

There are several acts that are **not deemed to be infringement** of copyright.

These are explained using the following simple illustrations. In these illustrations, we use the fictional illustration of Sanya who has created the easyPDF software. Sameer has purchased a CD containing the easyPDF software.

Illustration: Sameer can make a backup copy of the easyPDF software on another CD so that in case the original CD gets damaged, he can reinstall from the CD.

Illustration: The CD purchased by Sameer contains the easyPDF software in a compressed format. Sameer can decompress the software so that it can be installed on his computer.

Illustration: The easyPDF software is giving some errors when Sameer installs it on a computer running the proWord software. Sanya is unable to provide any information on why this is happening. Sameer can decompile the easyPDF software to study its code and fix the error.

Illustration: Sameer can test the easyPDF software for security vulnerabilities.

Illustration: Sameer is using the easyPDF program on his personal laptop. He can also use a copy of the program on his personal desktop computer for non-commercial purposes.

Punishment for copyright infringement

Knowingly using the infringing copy of a computer program on a computer is punishable with imprisonment for a term between **7 days** and **3 years** and fine between **Rs. 1 lakh** and **Rs. 2 lakh**.

In case the infringement has not been made for commercial gain, the Court may impose **no imprisonment** and may impose a fine upto **Rs 50,000**. The offence can be tried by a **magistrate** not below the rank of a Metropolitan Magistrate or a Judicial Magistrate First Class.

In case of offences by companies, persons in charge of the company are also liable unless they prove that the offence was committed:

1. without their **knowledge** or
2. despite their **due diligence** to prevent it.

Microsoft Corporation vs. Mr. Kiran & Another

C.S. (OS) 111/2003

Microsoft Corporation instituted a suit for permanent injunction restraining the infringement of copyrights etc. against Mr. Kiran.

Mr. Kiran was illegally loading Microsoft software on computers that his company was assembling and selling. The software loaded onto the machine was not accompanied by the original Media i.e.:

1. Compact Discs,
2. Certificate of Authenticity (COA),
3. End User License Agreements (EULAs),

4. User Instruction Manuals,
5. Registration Cards, etc.

that accompany the plaintiff's genuine software.

Points put forth by Microsoft

1. Microsoft Corporation's computer programs are "works" that were first published in the USA and are also registered in the USA. These programs have been created by Microsoft Corporation's employees for Microsoft.
2. Under the US Copyright Law, US Code Title 17, Section 201(b), the copyright in a work created by an employee belongs to the employer under the "Work made for Hire" doctrine.
3. The computer program, as well as the supplementary User Instructions and Manuals, are "original literary works" as contemplated under Section 2(o) and Section 13(1)(a) of the Copyright Act. Microsoft Corporation is the owner of the said copyrights.
4. The rights of authors of member countries of the Berne and Universal Copyright Conventions are protected under Indian Copyright law. India and the USA are signatories to both the Universal Copyright Convention as well as the Berne Convention.
5. Microsoft's works are created by authors of member countries and originate from and are first published in the said member countries. These works are, thus, protected in India under Section 40 of the Copyright Act read with the International Copyright Order, 1999.
6. Microsoft suffers incalculable damage to its intellectual property rights and business on account of various forms of copyright piracy.

7. A brief description of common methods of copyright infringement employed in relation to computer software is:
    a. reproducing the software and its packaging so that purchasers are deliberately misled into believing that the product they are buying is genuine software.
    b. reproducing or "burning" the software onto a blank CD, where no attempt is made to represent that the copy is not genuine.
    c. reproducing a number of the programs on a single CD-ROM, known as a "compilation" CD.
8. Another form of piracy that is assuming great significance in the information age is that of Internet piracy. Internet piracy occurs when software is downloaded from the Internet or distributed via the Internet without the permission of the copyright owner. Common Internet sites used for this infringing activity include online classified advertisements, Auction Houses, newsgroups, personal web sites and Bulletin Board Service (BBS) sites.
9. Mr. Kiran is indulging in the illegal activity of counterfeiting and piracy. Microsoft had earlier called Mr. Kiran for a settlement meeting which he ignored.
10. Microsoft had earlier obtained ex parte ad interim injunction restraining Mr. Kiran from manufacturing, selling, offering for sale, distributing, issuing to public, counterfeit / unlicensed versions of Microsoft software.
11. Microsoft has suffered damages under the following heads:

    a. **Actual Damages** – Microsoft has suffered a heavy loss of revenue due to the unauthorized loading of pirated versions of the software free

of cost, onto the computers of Mr. Kiran's consumers.

b. **Damages to Goodwill and Reputation** – The unauthorized loading of Microsoft software from pirated CDs has undermined Microsoft's reputation and goodwill.

c. **Exemplary Damages** - Such damages are awarded if there is a flagrant violation by the defendants of the plaintiff's rights, to set a deterrent example for others. Such violation can be inferred from, inter alia, nature of the infringing act, reasonable knowledge of a person skilled in the concerned trade and continuance of violation despite knowledge. Mr. Kiran's act leaves no doubt as to the flagrant violation of Microsoft, the plaintiff's, intellectual property rights.

Findings of the Court

1. The computer industry is a high investment industry not only in terms of money but also in terms of the valuable time, skill and effort which goes into the development of new and advanced computer programs and software, therefore, it becomes imperative that the illegal trade activities of traders like the defendants are restrained and the dangerous growth of the computer software piracy be stemmed. And since Microsoft is the world leader in this field, it tends to be the main target of such counterfeiting and piracy.

2. Various averments made by Microsoft have gone unrebutted as Mr. Kiran has not come forward with any defence.

3. Microsoft has been able to prove that Mr. Kiran has been infringing its copyright, as there is no licence granted by Microsoft to Mr. Kiran for this purpose.

4. Mr. Kiran has wilfully, intentionally and flagrantly violated the copyrights and trade mark of Microsoft and has disregarded Microsoft's rights and caused "deliberate and calculated" infringement of copyrights and trademark.

5. Software piracy is a menace and needs to be put down with a heavy hand.

Conclusion

A decree for permanent injunction was passed in favour of Microsoft against Mr. Kiran restraining him from using or otherwise copying, selling, offering for sale, distributing, issuing to the public, counterfeit/unlicensed versions of Microsoft software, in any manner, amounting to infringement of Microsoft's copyrights in the said computer programs and related manuals.

A decree of damages was also passed in favour of Microsoft for Rs. 5 lakh.

4.6 Can software be patented?

This concept is unique to United States of America. Until the year 2010, the courts in USA were very liberal in granting patents as a result of which the lower courts ended up granting patents to software programs in over two lakh cases.

It was only after the decision passed by the Supreme Court in ***Bilski vs. Kappos*** [561 U.S. 593 (2010)], the Supreme court laid down few principles which the lower courts were required to keep in mind while granting patents, hence the Supreme Court narrowed down the criteria of granting patents.

Over the years, especially the 1990s saw a major rise where patents were easily granted. In ***State Street Bank & Trust Co. vs. Signature Financial Group, Inc.*** [149 F3d 1368], the Federal Circuit granted a patent to a data processing system (which was practically a maths equation that helped structuring of mutual funds in a certain manner to help them get a tax break) on the ground that it produced "useful, concrete and tangible result". This judgment was then overruled in 2010 by the U.S. Supreme Court in the case of ***Bilski v. Kappos*** wherein the Court took notice of the rampant granting of patenting rights and held the following –

- that the 'machine-or-transformation test' i.e. a 'process' must be tied to a particular machine or apparatus, or transform a particular article into a different state or thing, is not the sole or exclusive test for patent eligibility. In this case application was made to patent methods for hedging risks for commodities trading and the said patent was rejected.

- laws of nature, natural phenomena, and abstract ideas are not eligible for patents.

4.7 John Doe Order

When an order is passed against unknown defendants i.e. whose identity it not known, such orders are known as 'John Doe' orders. A John Doe order is passed against infringers who

have allegedly infringed upon the rights of the plaintiff but cannot be identified. In India, 'John Doe' order is known as an 'Ashok Kumar' order. In India, the Delhi High Court passed its first 'John Doe' order in the case of Taj Television Ltd. & Anr. vs. Rajan Mandal & Ors. [(2003) F.S.R. 22].

In this case the plaintiff, Taj Television Ltd. had been granted exclusive rights to broadcast the World Cup Football 2002. The plaintiff channel ("Ten Sports") carried a variety of programmes including cricket highlights, WWF matches, interviews with sports celebrities, etc. and was the sole and exclusive owner of the "broadcast" reproduction rights with respect to these programmes in India. The plaintiff was therefore, the owner of the broadcast reproduction right as provided under s.37 of the Copyright Act 1957.

The World Cup Football matches had begun and some of the defendants were already unauthorizedly transmitting the Ten Sports channel in India. The plaintiffs were concerned about the potential losses that would accrue to them as a result of these unauthorised transmissions.

The Court took into consideration the unique nature of cable piracy, the unstructured nature of the cable industry and the speed with which any trace of infringement which could be erased by the cable operators and passed a John Doe order under which a Court Commissioner was appointed. The Court Commissioner was authorised to enter the premises of cable operators and collect necessary evidence by taking photographs and video films who are responsible for broadcasting of the plaintiffs' channel in a clandestine manner and submit a report to the court. The court on the basis of the report of the Court Commissioner would then consider taking appropriate actions both civil and criminal against them.

FIVE

5. Software Licenses

Licenses are far more prevalent in the "intangible" world as compared to the "real" world. Suppose you buy a car. Once you pay the price of the car to the dealer, you can do almost anything with the car. You can sell it, rent it, make modifications to it and even destroy it!

The situation is not the same when you "buy" software. In fact you hardly ever "buy" software. You buy a "license" to the software. This license sets the terms and conditions subject to which you can use (and sometimes distribute and modify) the software.

A software license usually consists of

1. **permissions** granted by the creator to the user,
2. **rights** granted by the creator to the user, and
3. **restrictions** placed by the creator,
4. limitations on the creator's **liability**,
5. **warranties** and warranty disclaimers,
6. **indemnity**, and
7. **term** / duration of the license.

Violating the terms of the license infringes the legal rights of the creator of the software and can lead to **legal action**.

When a software is **mass produced** and sold, the license is usually of a "**take-it-or-leave-it**" type. The software vendor does not give the purchaser an opportunity to negotiate the terms of the license. The purchaser can either accept the license in total and purchase it or reject the license and not purchase it. In **customized software** that is usually specially developed for a particular customer, the terms of the license are negotiated between the creator and the user.

Software licenses can be of various types such as:

1. **Time-based licenses** where the license expires after a particular time period (e.g. 1 year). The license has to be renewed after that (usually on payment of additional fees).

   Illustration 1: AVG is a popular anti-virus software. Licenses can be purchased for 2 years at a time. During these two years all updates will be available to the user. On expiry of the 2 year period, the license expires and the user must uninstall the software. If the user wants to continue using the software, he must again pay fees and buy a license for a further 2 years.

   Illustration 2: Winhex is a popular cyber forensics software. It can be purchased with a 1 year upgrade license. Suppose Sameer purchases this license on 1st January 2008. Till 31st December 2008, he will be eligible to get all upgrades and new versions of Winhex for free. After 1 year this upgrade license will expire. Although Sameer can continue using Winhex, he will not get any further updates for free.

2. **User-based licenses** where the license fee depends upon the number of computers on which the software will be installed (e.g. in case of application software like a word processor). It could also depend upon the number of users who will connect simultaneously to a computer on which the software is installed (e.g. in case of database software or server operating systems)

3. **Feature-based licenses** where the license fee depends upon the features that are required by the user.

   Illustration: Winhex is a popular cyber forensics software. Depending on the features that are required, users can purchase the personal license, professional license, specialist license, or forensic license.

Most software licenses also contain clauses relating to disclaimer of warranties, limitation of liability, privacy policy etc. In this book we will focus on software licenses from an intellectual property rights perspective only.

5.1 Freeware Licenses

Freeware is computer software that is:

1. copyrighted,
2. available for use free of charge,
3. available for an unlimited time.

Freeware is created and distributed by software developers who want to contribute something to the society but at the same time they want to control the future development of

their software. They usually retain their rights over the source code.

Features of a freeware license

A freeware license is basically:

i. personal,
ii. non-exclusive,
iii. non-transferable,
iv. limited

Many freeware licenses restrict the use of the software for commercial or "non-personal" purposes. The license is non-exclusive as it does not confer any exclusive rights on a particular user. The license is non-transferable and does not permit the licensee to transfer any rights to a third person.

The license is limited in the sense that it does not permit any alterations to the software (this is anyway not legally possible without the source code). The license may be further limited in terms of the purposes for which it is permitted. This may be defined by the creator in a positive or negative fashion.

> **Illustration:** Sanya has created easyPDF software and released it with a freeware license. The license states that the software cannot be used for commercial or military purposes. This is a limitation described in a negative fashion as it defines what cannot be done.

Terms of a freeware license usually include:

There are no prescribed standards for freeware licenses and software developers are free to choose and modify licenses as per their needs. This section discusses some of the clauses most commonly found in freeware licenses. Although most of

the clauses would also apply to web based code (such as Active Server Pages, etc.), this discussion primarily relates to non-web-based application or system software.

1. **Describing what all is covered by the license**
   The freeware license usually covers and extends to the "content" of the software which includes all
   a. text,
   b. graphics,
   c. user interfaces,
   d. visual interfaces,
   e. trademarks,
   f. logos, and
   g. computer code

   The license covers all aspects of the content including:
   i. design,
   ii. structure,
   iii. selection,
   iv. coordination,
   v. "look and feel", and
   vi. arrangement

   The freeware license itself is also covered by the license. The user does not have the right to change or modify the license in any way.

   The license also extends to
   i. suggestions,
   ii. ideas,
   iii. enhancements,
   iv. requests,
   v. feedback
   vi. recommendations, and
   vii. other information

relating to the software and provided by anyone.

2. Take-it-or-leave-it clause

The freeware license would contain a take-it-or-leave-it clause or statement. The usual wordings are:

> *By clicking the "**I accept**" button and/or using the software, you agree to these Terms of Use either for yourself or on behalf of your employer or another entity.*
>
> *If you do not agree with the Terms of Use, you must press the "**I do not accept**" button below and you may not use the software.*

3. Restrictions and Prohibitions

This is one of the most important parts of the licence. It lays down what is restricted and / or prohibited.

In many cases the creators of the software restrict its use for commercial purposes. The most common reason for this restriction is that the author has created two versions of the software –

a. one for personal use (released as freeware)
b. one for commercial use (released commercially)

Commercial users may be given a limited license to test the freeware version for a limited period. After this they may be required to purchase the commercial license for continued usage. This concept is also discussed later under the section on shareware.

The meaning of commercial use can be interpreted differently and must be clarified in the license. Commercial use can mean either of the following:

i. use by a **commercial organization** such as a company. Under this interpretation, any usage by not-for-profit organizations (like Universities) would be permitted (even if the University was charging a fee for teaching the usage of the software)

ii. use for **commercial purposes** or endeavors. This would cover any commercial usage irrespective of the status of the user (whether an individual, a University, a company, etc.)

<u>The license usually prohibits the following acts:</u>

i. Modification of the software

ii. Adaptation of the software

iii. Translation of the software

iv. Preparing derivative works from the software

v. Decompiling the software

vi. Reverse engineering the software

vii. Disassembling the software

Prohibitions in case of web based code include:

i. Copying

ii. Reproducing

iii. Republishing

iv. Uploading

v. Posting

vi. Public display

vii. Encoding

viii. Translating

ix. Distributing

x. Linking

xi. Mirroring

xii. Framing

4. Intellectual Property Ownership

The license must specify that the term "Intellectual Property Rights" covers all proprietary rights including but not restricted to rights existing globally under:

i. copyright law

ii. patent law

iii. trade secret law

iv. trademark law

v. unfair competition law

5. **Trademarks**

   This clause lists the various trademarks owned by the software creator. In many countries the graphics, logos, designs, page headers, button icons, scripts and service names are also registered as trademarks, or trade dress.

   This clause prohibits the unauthorized use of these trademarks and / or trade dress as part of domain names or in connection with any product or service.

6. **Jurisdiction**

   This clause specifies the city / country whose courts have exclusive jurisdiction over disputes involving the license.

5.2 Windows License

Considering the huge number of users worldwide who use the Microsoft Windows operating system, the Windows End-User License Agreement ("EULA") is discussed here.

This section discusses some of the terms of the EULA for **Microsoft Windows XP Professional Edition**. It may be noted that the EULA for most Microsoft products is similar.

1. Basic information

The End-User License Agreement ("EULA") is a legal agreement between Microsoft Corporation and the end user. It extends to the Microsoft software accompanying the EULA as well as associated media, printed materials, "online" or electronic documentation, and Internet-based services (collectively known as "Software").
A user is bound by the terms of the EULA by installing, copying or otherwise using the Software. If a user does not agree to be bound by the EULA, he must not install copy or use the software.

The EULA applies to updates, supplements, add-on components, product support services, or Internet-based services components, of the Software obtained from Microsoft after the date of obtaining the initial copy of the Software.

To use Software identified as an upgrade, the user must first be licensed for the software identified by Microsoft as eligible for the upgrade. After upgrading, the user may no longer use the software that formed the basis for the upgrade eligibility.

2. Grant of licence

Rights granted by the EULA are:

1. **Installation and use**
   The user can install, use, access, display and run one copy of the Software on a single computer, such as a workstation, terminal or other device ("Workstation Computer"). The Software cannot be used by more than two (2) processors at any one time on any single Workstation Computer.

2. **Mandatory Activation**
   The license rights granted under this EULA are limited to the first thirty (30) days after first installation of the Software unless the user activates the licensed copy through the Internet or telephone. Reactivation is needed if the computer hardware is altered.

3. **Device Connections**
   The EULA permits a maximum of 10 computers or other electronic devices (each a "Device") to connect to the Workstation Computer to utilize one or more of the following services of the Software: File Services, Print Services, Internet Information Services, Internet Connection Sharing and telephony services.

4. **Remote Desktop / Remote Assistance / NetMeeting**
   Remote Desktop access requires a separate Software license. As an exception, the single primary user of the Workstation Computer may access a Workstation Computer Session from any Device without acquiring an additional Software license for that Device.

5. **Storage / Network Use**
   The EULA permits storage or installation of a copy of the Software on a storage device, such as a network server, used only to install or run the Software on other Workstation Computers over an internal network. An additional license is required for each separate Workstation Computer on or from which the Software is installed, used, accessed, displayed or run. A license for the Software may not be shared or used concurrently on different Workstation Computers.

6. **Reservations of rights and ownership**
   Microsoft reserves all rights not expressly granted in the EULA. The EULA stresses that the Software is protected by copyright and other intellectual property laws and treaties and that Microsoft or its suppliers own the title, copyright, and other intellectual property rights in the Software. The EULA also expressly states that **the Software is licensed, not sold.**

7. **Reverse Engineering**
   The EULA prohibits reverse engineering, decompilation and disassembly of the software unless such activities are permitted by the law.

   Exception
   Section 52(ab) of the Copyright Act permits this for specific purposes.

8. **Rental / Commercial hosting**
   The EULA prohibits renting, leasing, lending or providing commercial hosting services with the Software.

9. **End user proof of license**
   A genuine Microsoft "Proof of License" label with a genuine copy of the software identifies a licensed copy of the Software. To be valid, the label must appear on Microsoft software packaging. If the label is received separately, it is invalid. The packaging should be kept as it has the label on it to prove that the user is licensed to use the Software.

10. **Software Transfer**

The Software can be transferred to a different Workstation Computer. After the transfer, the Software must be completely removed from the former Workstation Computer.

The initial user of the Software may make a one-time permanent transfer of this EULA and Software to another end user, provided the initial user retains no copies of the Software.

This transfer must include the Software and the Proof of License label. The transfer may not be an indirect transfer, such as a consignment. Prior to the transfer, the end user receiving the Software must agree to all the EULA terms.

11. **Termination**

Microsoft can terminate the EULA if the user fails to comply with the terms and conditions of the EULA. In such event, the user must destroy all copies of the Software and all of its component parts.

12. **Applicable Law**

If the Software has been acquired in USA, the EULA is governed by the laws of the State of Washington. If the Software has been acquired in Canada, the EULA is governed by the laws of the Province of Ontario, Canada.

If the Software has been acquired in the European Union, Iceland, Norway, or Switzerland, then local law applies.

If the Software has been acquired in any other country, then local law may apply.

5.3 Open Source Licenses

The Open Source Initiative (OSI) is a California (USA) based not for profit organization that spearheads the open source movement around the world.

"Open Source" software is software that can be freely accessed, used, changed, and shared (in modified or unmodified form) by anyone.[2] To qualify as "open source", a particular software must comply with several conditions. In order to understand these conditions, let us take a fictional illustration. Sanya has developed easyPDF - a software for converting documents into PDF (portable document format). Sanya wants to release easyPDF as open source software. easyPDF must comply with the following conditions:

1. Free Redistribution

The easyPDF license **cannot restrict** anyone from **selling** or **giving away** the easyPDF software as a component of an aggregate software distribution.

> **Illustration:** Sameer advises small companies on using technology to streamline their business processes. He also sells software (including easyPDF) to such companies. Sanya cannot stop Sameer from selling easyPDF.
>
> **Illustration:** Siddharth uses easyPDF along with some code developed by him to create easyWord, a word processing software. Sanya cannot stop Sameer from using the easyPDF software as part of easyWord.

[2] https://opensource.org/faq#commercial

The easyPDF license **cannot provide for royalty** or other fee for such sale or distribution.

> **Illustration:** In the previous illustrations, Sanya cannot charge Sameer or Siddharth any royalty or fee for selling or using easyPDF.

2. Source Code

The easyPDF software program must

1. include source code, and

2. allow distribution in source code as well as compiled form.

   Illustration: easyPDF is not distributed with the source code. However, when easyPDF is started up by a user, a message is flashed on the user's screen. This message contains details of the website from where the easyPDF source code can be downloaded for free. This is acceptable.

   Illustration: easyPDF is not distributed with the source code. However, a CD containing the easyPDF source code can be obtained by sending the cost of postage and the cost of a blank CD to Sanya. This is acceptable.

The easyPDF source code must not be deliberately obfuscated. Obfuscated code (also called shrouded code) is source code that is very difficult to read and understand. Programs known as obfuscators can make source code very difficult to read and understand.

Let us take a **simple illustration of obfuscated code**. The following basic code can be put in a webpage:

```
<a href="http://www.sanyanagpal.com">Click here to visit Sanya Nagpal's website</a>
```

The webpage will display a link to sanyanagpal.com and will look something like this:

Click here to visit Sanya Nagpal's website

The obfuscated code will look like the illustration below:

```
<script language=JavaScript>m='%3Ca%20href%3D%22http%3A//www.sanyanagpal.com%22%3EClick%20here%20to%20visit%20Sanya%20Nagpal%27s%20website%3C/a%3E';d=unescape(m);document.write(d);</script>
```

3. Derived works

The easyPDF license must allow modifications and derived works. The license must also allow the modified or derived works to be distributed under the same terms as the easyPDF license.

4. Integrity of the author's source code

The easyPDF license can restrict the source-code from being distributed in modified form under some conditions that are illustrated below.

Illustration: The easyPDF license allows others to include "patch files" along with the original easyPDF source code. The "patch files" can modify the easyPDF program at the time when it is compiled.

Illustration: The easyPDF license can state that the derived works must have a different name.

Illustration: Sanya has release easyPDF version 1. The license can state that the derived software must have a different version number.

5. No Discrimination against Persons or Groups
The license must not discriminate against any person or group of persons.

Illustration: The easyPDF license cannot state that Pakistani citizens cannot use the program.

6. No Discrimination against Fields of Endeavor
The license must not restrict anyone from making use of the program in a specific field of endeavor. For example, it may not restrict the program from being used in a business, or from being used for genetic research.

Illustration: The easyPDF license cannot state that it cannot be used in commercial organisations or banks etc.

7. Distribution of License
The rights attached to the program must apply to all to whom the program is redistributed without the need for execution of an additional license by those parties.

Illustration: Sanya is distributing the easyPDF software from her website. Sameer copies the easyPDF source code and program and distributes it from his website.

Pooja downloads easyPDF from Sameer's website. The rights attached to easyPDF now automatically lie with Pooja also.

8. License Must Not Be Specific to a Product

The rights attached to the program must not depend on the program being part of a particular software distribution.

Illustration: Sanya is distributing the easyPDF software along with a group of other software that she has developed. Collectively this group is called the easySuite and distributed by Sanya as open source. Sameer extracts the easyPDF program from easySuite. He then distributes easyPDF to Pooja. Pooja will have the same rights as those granted by easySuite.

9. License Must Not Restrict Other Software

The easyPDF license must not place restrictions on other software that are distributed along with it.

Illustration: The easyPDF license cannot state that all programs distributed on the same CD must be open source software.

10. License Must Be Technology-Neutral

No provision of the license may be predicated on any individual technology or style of interface.

Illustration: The easyPDF license cannot be a click-wrap licence i.e. it cannot ask users to click on an "I Accept" button. This is because "click-wrap" agreements are not possible in many cases such as FTP download or where the source code is run in a command line / non-GUI (Graphical User Interface) based environment.

Open Source Software vs. Proprietary Software
The features of open source that we have seen above, enables software coders and developers across the world to keep contributing to the code of the open software. Proprietary software on the other hand safeguards its source code i.e. the source code is not shared with the public and hence it cannot be modified, copied or redistributed. It is protected as an intellectual property. E.g. Apple's iOS source code is proprietary and not open source. Under proprietary software, companies aim at maintaining control over the brand, user experience, etc.

5.4 GNU General Public License

Many popular software programs come with a licence similar to the one illustrated below:

> *This file is part of the easyPDF Software Suite.*
>
> *easyPDF Software Suite is free software: you can redistribute it and/or modify it under the terms of the GNU General Public License version 3 or any later version as published by the Free Software Foundation.*
>
> *easyPDF Software Suite is distributed in the hope that it will be useful, but WITHOUT ANY WARRANTY; without even the implied warranty of MERCHANTABILITY or FITNESS FOR A PARTICULAR PURPOSE. See the GNU General Public License for more details.*

You should have received a copy of the GNU General Public License along with easyPDF Software Suite.

If not, see <http://www.gnu.org/licenses/>.

GNU General Public License (GNU GPL) is one of the most popular licenses in contemporary software.

Essential features of GNU GPL version 3 are:

1. It is a **copyleft** license for software and other kinds of works.

   Copyleft is a general method for making a program or other work free, and requiring all modified and extended versions of the program to be free as well.

   Copyleft mandates that anyone who redistributes the software, with or without changes, must pass along the freedom to further copy and change it.
   Usually, to copyleft a program, the programmer first states that the software is copyrighted. Then he adds distribution terms and conditions which are a legal instrument. These terms give everyone the rights to use, modify, and redistribute the program's code or derivatives only if the distribution terms are unchanged.

   Copyleft is thus the opposite of copyright. Copyright takes away the user's freedom while copyleft guarantees the freedom.

2. GNU GPL guarantees the **freedom to share and change** all versions of a program. This ensures that the software remains free software for all its users.

   GNU GPL covers **free software**. This does not imply that there can be no money charged for the software. It refers to **freedom to do the following:**

   a. to distribute copies of the software
   b. to run the software for any purpose
   c. to sell copies of the software
   d. to access the source code
   e. to modify the source code
   f. to study how the software runs
   g. to change and adapt the software
   h. to use parts of the software for new free programs

3. The GNU GPL prohibits the registration of **patents** that can make the software "non-free".

The following illustrations will clarify some of the conditions of the GNU GPL. The illustrations are based on a fictional situation where Sanya has developed easyPDF - a software for converting documents into PDF (portable document format). The easyPDF software and its source code have been released under GNU GPL. Sanya holds the copyright over the source code as well as the software.

Illustration: Sanya can sell the easyPDF software and / or source code for any price that she deems suitable.

Illustration: Sanya can charge a fee for downloading the easyPDF software and / or source code from her website.

Illustration: Sameer pays a fee and downloads the

easyPDF software from Sanya's website. Sameer can now distribute the software for free from his website, on CDs etc. Pooja gets the software free from Sameer's website. Pooja is not required to inform Sanya about receiving the software. She is also not required to pay Sanya any fees.

Illustration: Sanya cannot ask Sameer to enter into a non-disclosure agreement in respect of the easyPDF software / source code.

Illustration: Sameer modifies the easyPDF source code. Sameer cannot ask Pooja to enter into a non-disclosure agreement in respect of the modified easyPDF software / source code.

Illustration: Noodle Ltd has requested Sanya to make some modifications to the easyPDF source code. Noodle Ltd and Sanya can enter into a non-disclosure agreement whereby Sanya cannot disclose these modifications till Noodle approves them. Noodle can insist that Sanya cannot release the modified software / source code to anyone else without their permission. Noodle has the right to distribute the software / source code to others without Sanya's permission.

Illustration: Sanya can write a copyright notice in her own name in the license. E.g. the easyPDF source code files can have the following notice: *Copyright © 2016 Sanya Nagpal.*

Illustration: Sanya can simultaneously release the easyPDF source code / software under the GNU GPL as well as under a commercial licence.

Illustration: Sameer wants to use the easyPDF source code along with the easyBook source code (created by

Pooja) and combine them to create a new software program. If the licences of easyPDF and easyBook allow the source codes to be combined then the two licences are said to be compatible. If not, the licences are incompatible.

Some licences may allow linking of the codes but not merging their code into one module. The licences of two programs need not be compatible in case the programs are simply required to be installed in the same computer.

Illustration: Sanya cannot licence the easyPDF software / source code to Sameer for exclusive use. The GNU GPL license cannot be revoked.

Illustration:
Sanya cannot force users of easyPDF software / source code to make their PDF documents open source. She has no rights over the documents created by others using easyPDF.

However, if the easyPDF program copies part of itself onto the output, then the output would also come under GNU GPL.

5.5 Creative Commons License

We have seen in the second chapter of this book how various rights are attached to copyright. To reiterate – copyright is a bundle of rights which are in the form of statutory rights, moral rights, economic rights and negative rights. Creative Commons is one such platform which enables the owner to make his work available while having an option to reserve some rights with himself i.e. that is Creative Commons allows the creator to customize copyright. Creative Commons is an American non-profit organisation that enables sharing and

reuse of creativity and knowledge and helps those who want to encourage reuse of their works by offering them for use under standardized terms.[3] Creative Commons licenses offer the creators a spectrum of choices between retaining all rights and relinquishing all rights (public domain), an approach they refer to as "Some Rights Reserved."[4]

[3] https://creativecommons.org/faq/#what-is-creative-commons-and-what-do-you-do

[4] https://creativecommons.org/faq/#what-is-creative-commons-and-what-do-you-do

SIX

6. Computer Databases & the Law

According to section 43 of the Information Technology Act (IT Act), a "computer data base" means

> *a representation of information, knowledge, facts, concepts or instructions in text, image, audio, video that are being prepared or have been prepared in a formalised manner or have been produced by a computer, computer system or computer network and are intended for use in a computer, computer system or computer network.*

6.1 Essential elements of "computer database"

A. Computer database is **a representation of**

1. information,
2. knowledge,
3. facts,
4. concepts, or
5. instructions.

B. This representation **can be in**

1. text,
2. image,
3. audio, or
4. video.

C. This representation must be such as

1. being prepared in a formalized manner or
2. has been prepared in a formalized manner or
3. has been produced by a computer, computer system or computer network

D. Computer database is **intended for use** in a computer, computer system or computer network.

Illustration 1: Sameer has prepared an online database of all Hindi movies. This database is searchable by movie name, director name, lead actor etc.

Illustration 2: The Noodle Ltd website contains several password protected web-pages. The usernames and passwords of all authorized users are contained in a Microsoft Access database.

Illustration 3: Noodle Telecom Services Ltd creates a CD ROM containing the names and phone numbers of all their subscribers.

Illustration 4: Noodle School has an automated system for student administration. This system is powered by a database that contains detailed student information. One table of this database is titled "basic_info" and contains the following categories of information:

Roll no.	Name	Address	Phone	Email

Another table is titled "student_marks" and contains the following categories of information:

Roll no.	Test 1	Test 2	Test 3	Final

When a student's report card is to be prepared, the system automatically takes the marks from the "student_marks" table and the name and contact information from the "basic_details" table. It then collates the information and prepares the final report card.

Illustration 5: Noodle Law Firm has prepared a computerized database of all their client companies along with the relevant contact persons.

An interesting element of computer databases is that copyright can exist in **two levels**.

Firstly, the information contained in the database may be the subject of copyright e.g. a list of computer vulnerabilities and the relevant security measures.

Secondly, the actual representation of this information may be the subject of copyright protection e.g. the above mentioned information in a searchable online database.

Let us take a simple illustration to see this protection at "two levels".

Illustration

Sanya is a computer security professional. Based upon years of experience in this field, she prepares three large lists:

i. A list of vulnerabilities in major operating systems.

ii. A list outlining the ways in which these vulnerabilities can be exploited.

iii. A list outlining the security measures to plug these vulnerabilities.

She then enters this information into a Microsoft Access database. This database is searchable using Sanya's website. Registered users of her website can enter the name of their operating system. The website then displays the list of vulnerabilities, relevant exploits and security measures.

> The three lists that Sanya has prepared can be the subject of copyright protection. The online database containing the information in the lists can also be the subject of copyright protection.

6.2 Diljeet Titus case

130(2006)DLT330, 2006(32)PTC609(Del)

This case involved two counter suits filed by a group of legal professionals. **Diljeet Titus** (the plaintiff) is the proprietor of Titus and Co. His colleagues Alfred Adebare, Seema Jhingan, Alishan Naqvee and Dimpy Mohanty (hereinafter referred to as **defendants**) had left Titus and Co.

While leaving Titus and Co, the defendants had taken with them **computer data** (from the computers of Titus and Co) relating to:

1. proprietary drafts of precedents, agreements, forms, presentation, petitions, confidential documents, legal opinions, legal action plans, and

2. computerized database containing client information, proprietary client list, proprietary potential client list and other related information.

Titus claimed to have copyright over the above.

The defendants claimed to be the owners of the copyright in what they had created. It was their contention that the creation was independent and was created by advising and counseling the clients.

The defendants sought a decree of declaration that they were the owners of the copyright in what they had created and sought a permanent injunction against Mr. Titus and his firm from using and parting with the same.

The question was whether there was exclusive right of any of the parties in what they had created or it was a joint right.

Background of the case

Just a couple of days before leaving Titus and Co, one of the defendants visited the Titus office (after office hours). He connected a CD-Writer to an office computer which was part of the office computer network. He then copied 7.2 GB of confidential data onto CDs and emailed some data to himself and other defendants. Additionally, the defendant took-
proprietary legal drafts

1. CDs (licensed in the name of Titus and Co.) of foreign judgements, precedents, conveyances and forms

2. 3,000 visiting cards

Following a criminal complaint, the police raided the residence-cum-office of the defendant and seized hard disks

from four computers found there. The confidential data referred to above was found in the said hard disks.

Points put forth by the Plaintiff

Mr. Titus put forth the following points:

1. All the defendants were in full time employment of Mr. Titus.

2. The billing to the clients was in the name of Mr. Titus.

3. The defendants were paid performance linked remuneration and were under the discipline and regime of Mr. Titus which included maintaining daily time sheets and adhering to the disciplines of the plaintiff's law firm.

4. There was no separate clientele of the defendants and the defendants provided professional services only to Mr. Titus and never independently represented any client of Mr. Titus.

5. The assignment of the work was done by Mr. Titus at his sole discretion.

6. The productivity of the defendants was determined by actual number of billable hours they had worked on a particular matter for a client of the plaintiff.

7. Under Mr. Titus' guidance and supervision the defendants and others developed extremely confidential electronic records, documents, data and information utilizing the computer system at Mr. Titus's office.

Points put forth by the Defendants

The Defendants claimed to be partners of Titus and Co. They stated that they had independently created most of the legal drafts and databases and as such were owners of the copyright in the same. The defendants put forth the following points:

1. They had a fee sharing agreement with Titus and Co.

2. They independently exercised professional skills and knowledge.

3. They had sole discretion to advise and serve clients without any supervision including that of Mr. Titus.

4. Mr. Titus' interaction on a daily basis with the clients was minimal and insignificant.
5. The time sheets were maintained only for billing purposes.

6. There was no fixed salary or remuneration for the defendants.

Findings of the Court

1. If there are certain aspects in common domain, it is open for all and sundry to utilize the same. It may not be disputed that there are books on conveyancing giving formats of agreements and checklists. These are available for use by all. What is, however, important is the treatment meted out to such standard format while applying it for assistance to any particular client. It is the expertise of a person or a firm in handling such matters which persuades a client to approach them in preference to others.

2. If everything was in common domain and one had to only punch information, there would be no occasion for clients to engage services of advocates for such purposes and pay them large fees. There is a utility, and that too of great importance, of how a particular format is applied to the needs of a client which gives importance to the whole exercise.

3. If an associate or an advocate whatever be the terminology by which it is called works for another advocate and his clients he certainly owes a duty and obligation not only to maintain the confidentiality between the client and his advocate but also not to surreptitiously take away what is the final product of the effort put in to which he also may be a party. The report filed by the Investigating Officer in the criminal case thus show prima facie that there is complete copying by the defendants of the material of the plaintiff which has been taken away. Such an exercise has become easier because of the development of technology where most of such data is stored on computers and can be transmitted away were a person to misuse the trust and authority vested in him in being in control of utilization of such material.

4. The information about clients and solicitors also to some extent is in public domain where it appears in printed directories and everyone can use the same. However, as an advocate or a law firm develops its work and relationship with other law firms or clients, the details about the particular persons in such law firms handling certain nature of work or as to which officer in a client's company is material for getting the work becomes of great importance. Such a list is of great importance to an advocate or a law firm. The

mere fact that defendants would have done work for such clients while being associated with the plaintiff would not give them the right to reproduce the list and take it away. It may again be emphasized that it is possible that a part of this information is retained in the memory of the defendants and if that is utilized no grievance can be made in this behalf. This would, however, be different from a copy made of the list.

5. The legal pronouncements also make it clear that the copyright exists not only in what is drafted and created but also in list of clients and addresses specially designed by an advocate or a law firm. The exposition in the commentary of David Bainbridge on Software Copyright Law leaves no manner of doubt where it is emphasized that copyright can exist at two levels including the level of the database itself as a form of work in its own right. This has been cited with approval in Berlington Hope Shopping Private Limited case (Supra) where it has been further emphasized that customers' list and information consisting of mail order, catalogues itself amounts to confidential information.

Conclusion

The Court concluded that Titus and Co was a sole proprietorship concern and not a partnership. It held that the defendants did not have a right over the subject matter of the suit.

6.3 Permissions regarding intellectual property obtained by websites.

We have perused the terms and conditions of use of two websites being *facebook.com* and *amazon.in* and the following

clauses reflect the blanket consent that is taken from users regarding intellectual property.

Illustration 1 – facebook.com

3. The permissions you give us

We need certain permissions from you to provide our services:

1. Permission to use content that you create and share: You own the content that you create and share on Facebook and the other Facebook Products you use, and nothing in these Terms takes away the rights that you have to your own content. You are free to share your content with anyone else, wherever you want. To provide our services, however, we need you to give us some legal permissions to use this content.

   Specifically, when you share, post or upload content that is covered by intellectual property rights (e.g. photos or videos) on or in connection with our Products, you grant us a non-exclusive, transferable, sub-licensable, royalty-free and worldwide licence to host, use, distribute, modify, run, copy, publicly perform or display, translate and create derivative works of your content (consistent with your privacy and application settings). This means, for example, that if you share a photo on Facebook, you give us permission to store, copy and share it with others (again, consistent with your settings) such as service providers that support our service or other Facebook Products that you use.

Illustration 2 – amazon.in

7. Reviews, comments, communications and other content

Users of this website may post reviews, comments and other content; send communications; and submit suggestions, ideas, comments, questions, or other information, as long as the content is not illegal, obscene, abusive, threatening, defamatory, invasive of privacy, infringing of intellectual property rights, or otherwise injurious to third parties, or objectionable and does not consist of or contain software viruses, political campaigning, commercial solicitation, chain letters, mass mailings, or any form of "spam." In the event a user uses a false e-mail address, impersonates any person or entity, or otherwise misleads as to the origin of any content. Amazon.in reserves the right (but not the obligation) to remove, refuse, delete or edit any content that in the sole judgement of Amazon.in violates these Conditions of use and, or terminate your permission to access or use this website.

If you do post content or submit material, and unless we indicate otherwise, you

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You agree that the rights you grant above are irrevocable during the entire period of protection of your intellectual property rights associated with such content and material. You agree to waive your right to be identified as the author of such content and your right to object to derogatory treatment of such content. You agree to perform all further acts necessary to perfect any of the above rights granted by you to Amazon Seller Services Private Limited, including the execution of deeds and documents, at its request.

SEVEN

7. Domain Names & the Law

7.1 What is a domain name?

Every computer on the Internet is assigned a unique address called an Internet Protocol Address (IP Address).

IP or Internet Protocol are basically set of rules that govern communication or transmission of information over the internet. Without IP you cannot send data over internet. It is essential to the infrastructure of the web. To make an analogy, IP is like the address of a building / home to which mail/post has to be sent. Each device on internet needs to have a unique IP address for proper communication.

A typical IP address looks like this:

74.125.236.110

Today most of the internet is working on IPv4 technology which is basically version 4 of Internet Protocol. An address in IPv4 technology consists of 32 bits. Which essentially means that it can have 2^32 unique addresses i.e. ~4.3 billion.

With growth that internet has experienced, it is expected that we will reach a stage that this number will not be enough to cover all devices on the internet. Hence, we have IPv6 which is the latest version of Internet Protocol. It stores addresses in 128 bits and thus it can have 2^128 unique IP addresses -

more than sufficient for everyone on this planet. Going forward, the world may transition from IPv4 to IPv6.

The IP address mentioned above belongs to a web server on which the google.com website is hosted. If you use an Internet browser and type in http://74.125.236.110 in the address bar, you will reach the google.com website.

However, it is very inconvenient to remember such numbers. It is much easier for humans to remember names (google.com is a domain name). This is why the **domain name system** (DNS) was developed.

Simply put, DNS is like a very large telephone directory that maps domain names with IP addresses. It is the DNS that enables you to type in http://www.google.com instead of http://74.125.236.110and still reach the ASCL website. Let us examine a simple domain name:

asianlaws.org

This domain can be split into two parts – "asianlaws" and "org". The two parts are separated by a "." or dot. The "org" is referred to as the top level domain (TLD). Thus, we can say that "asianlaws" is a sub-domain or second level domain name on the top level domain "org". The TLD together with the second level domain name comprises of a fully-qualified domain name (FQDN). The TLD has further been categorized under the following - generic (gTLD) and country code (ccTLD) top level domain name.

Illustration
Each ccTLD represents a particular country. For India the ccTLD is '*.in*'

The gTLD represents common or generic top level domains such as '*.com'*, *'.net', '.org', '.gov'*, etc.

The Internet Corporation for Assigned Names and Numbers (ICANN) is an internationally organized, non-profit corporation that has the responsibility for Internet Protocol (IP) address space allocation, generic (gTLD) and country code (ccTLD) top level domain name system management, and root server system management functions.[5]

Important facts about domain names

1. Domain names are **not case sensitive** i.e. ASIANLAWS.ORG is the same as asianlaws.org or AsianLaws.org

2. Domain names can only contain **alphabets**, **numbers** and **hyphens**.

3. You cannot legally own a domain name. Domain names are licensed to you by the relevant registries in return for a fee.

4. You can find out information about a domain name holder using a "whois search". However, the results of a whois search are not of much evidentiary value as anyone can register a domain using a fake name and address.

7.2 Are domain names trademarks?

A domain name is not itself a trademark. A trademark is a right, granted under law, to use a mark in commerce to represent a product (or a business, in the case of a trade name). A domain name is a word or phrase registered in the domain name registration system.

[5] https://www.icann.org/resources/pages/what-2012-02-25-en

A domain name may be a company's expression of its trademark. The use of a trademark in a domain name, for instance, is the equivalent of using the trademark on a billboard, or in advertising.

Whether a word or phrase used in a domain name qualifies for trademark protection is determined under regular trademark law. Trademark law does not protect the use of generic words, such as "computer".

Similarly, if a domain name is the same name by which the product or service is typically described, the law will consider it 'generic' and will not treat it as a trademark.

For instance, the domain name computers.com uses a word that is the generic term for a class of products and will most likely never receive protection as a trademark because the law does not allow monopolies over generic terms.

While trademark law may not protect the use of domain names, such as medicines.com, exclusive use of a domain name is guaranteed by the domain name registration system.

However, while no other website can use the domain medicines.com, there may be nothing to prevent them from using derivatives or copycats such as medicines123.com or medicinesindia.com

7.3 Legal status of a domain name in India

For the first time the Supreme Court of India in the case of *Satyam Infoway v Sifynet Solutions Ltd* [(2004) 6 SCC 145] touched upon the subject of issue of domain name protection. In the said case, both the parties were using variations of the mark 'Sify'. The Supreme Court held that as far as India is concerned, there is no legislation which explicitly refers to

dispute resolution in connection with domain names. But although the operation of the Trade Marks Act, 1999 itself is not extra territorial and may not allow for adequate protection of domain names, this does not mean that domain names are not to be legally protected to the extent possible under the laws relating to passing off. Thus, the Apex Court concluded that domain names are protected under the law of passing off as set out in the Trade Marks Act, 1999. The decision in favour of Satyam was based on the finding that domain names may have all the characteristic of a trademark, and hence an action for passing off can be founded.

7.4 Domain Name Disputes

Domain name disputes often arise when "**cyber-squatters**" intentionally register domain names that include a trademarked word, company name, name brand of a product, or even names of film stars.

However, these disputes are not always between a person with a purely speculative reason for registering the domain name and a person with a legitimate reason to want the domain name. Sometimes both parties have a legitimate use and right to the domain name.

> **Illustration:** In 1994 a journalist preparing an article on domain name policy realized that McDonalds.com was available. He registered the domain name. The fast food chain McDonalds pressured Networks Solutions Inc (NSI) into taking action against the journalist. At that time, there was no formal dispute policy in place. A week after revoking the registration, NSI realized it had made a mistake and reversed its decision.
>
> Finally McDonalds paid US $3,500 for retaining the domain name.

Cybersquatting is the registration of a domain name by someone who lacks a legitimate claim with the intent to

1. sell the name,
2. prevent the trademark holder from gaining access to the name, or
3. to divert traffic.

In **typo-squatting** the squatter registers a variant of a famous trademark.

> **Illustration:** While typing in google.com many people accidentally type googlw.com as the “e” and “w” keys on the keyboard are next to each other.
>
> Registering the domain googlw.com to intercept traffic meant for google.com would be typo-squatting.

7.5 Cyber-squatting cases in India

Yahoo!, Inc. vs Akash Arora & Anr. [1999 DLT 285] was one of the first cyber-squatting cases in India. In this case the plaintiff, owner of the trademark 'Yahoo!' filed a case against the defendant, Akash Arora who was offering services similar to those offered by Yahoo.com under the name of Yahoo India. The plaintiff contended that the domain name 'Yahoo.Com', were very well-known and had acquired distinctive reputation and goodwill. The plaintiffs stated that the defendants by adopting the name 'Yahooindia' for similar services have been passing off the services and goods of the defendants as that of the plaintiff's trademark 'Yahoo!' which is identical to or deceptively similar to the plaintiff's trademark. Further, the defendants had verbatim copied the format, contents, lay out, colour scheme, source code of the plaintiff's prior created regional section on India at

Yahoo.com.sg and thus passing off the services of the defendants as that of the plaintiff. Taking into consideration the above factors, the Delhi High Court passed an order in favour of the plaintiff and restrained the defendants to deal in service or goods under the trademark/domain name 'Yahooindia.com' or any other trademark/domain name which is identical with or deceptively similar to the plaintiff trademark 'Yahoo!'.

7.6 Domain Name Disputes in India

India's top level domain is "**.in**". The sunrise period for the ".in" domains was from 1st January, 2005 to 21st January, 2005. During this period owners of registered Indian trademarks or service marks were given an opportunity to apply for ".in" domains. The booking was opened to the public from 16th February, 2005.

INRegistry is the official ".in" registry. INRegistry is operated under the authority of **NIXI** (National Internet eXchange of India)

> NIXI is a not-for-profit company registered under section 25 of the Indian Companies Act. NIXI has been set up to facilitate improved Internet services in India.

INRegistry has the following responsibilities:

1. maintaining the "in" top level domain
2. ensuring the operational stability, reliability, and security of ".in"
3. implementing Government of India policies

INRegistry took over its role from National Centre for Software Technology (NCST) and Centre for Development of

Advanced Computing (C-DAC). End users cannot register ".in" domains from INRegistry. Registrations are handled by INRegistry accredited registrars. The following are the registrars for specific domains:

1. National Informatics Centre is the registrar for **gov.in** domains

2. ERNET is the registrar for **res.in** and **ac.in** domains

3. Ministry of Defence is the registrar for **mil.in** domains

".in" domain name disputes are resolved in accordance with the **.IN Dispute Resolution Policy** (INDRP) and the **INDRP Rules of Procedure**.

The INDRP outlines:

1. the types of disputes that can be brought and

2. the criteria that will be considered by the arbitrators.

The INDRP Rules of Procedure describe:

1. how to file a complaint,
2. how to respond to a complaint,
3. the fees,
4. communications, and
5. other procedures.

The .in Domain Name Dispute Resolution Policy

In 2005, the INRegistry published the .IN Dispute Resolution Policy (INDRP), which has been formulated in line with internationally accepted guidelines of Uniform Domain Name Dispute Resolution Policy (UDRP). The UDRP has been

approved by the Internet Corporation for Assigned Names and Numbers (ICANN) on October 24, 1999. Paragraph 4(k) of the UDRP does not bar a party to the dispute from submitting the said dispute to a court of competent jurisdiction for independent resolution before a mandatory administrative proceeding (as under UDRP) is commenced or after such proceeding is concluded.

The ".in Domain Name Dispute Resolution Policy" (INDRP) sets out the terms and conditions to resolve a dispute between the **Registrant** and the **Complainant**, arising out of the registration and use of a ".in" Internet Domain Name.

> **Registrant** is a holder of the .in Internet domain name.
>
> **Complainant** is the person who has complaint against the Registrant.
>
> **Illustration:** Sameer has booked the domain name "noodle.in". Noodle Ltd files a complaint against Sameer to get the "noodle.in" domain transferred to its own name. In this case, Sameer is the registrant while Noodle Ltd is the complainant.

A **complaint** can be filed with the .IN Registry on the **following grounds**:

1. the Registrant's domain name is identical or confusingly similar to a name, trademark or service mark in which the Complainant has rights

Illustration

- google.com and google.tv will be considered as identical domain names.

- google.com and goggle.com will be considered as confusingly similar domain names.

2. the Registrant has no **rights or legitimate interests** in respect of the domain name.

Simply put, the following circumstances demonstrate the Registrant's rights to or legitimate interests in the domain name:

1. Before any notice to the Registrant of the dispute, the Registrant uses or prepares to use the domain in connection with a bona fide offering of goods or services.

2. The Registrant (as an individual or organization) has been commonly known by the domain name, even if the Registrant has acquired no trademark or service mark rights.

3. The Registrant is making a legitimate non-commercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

4. The Registrant's domain name has been registered or is being used in **bad faith**.

    Simply put, the following circumstances are evidence of the registration and use of a domain name in bad faith:

    1. circumstances indicating that the Registrant has registered / acquired the domain name primarily for selling, renting,

or otherwise transferring it to the Complainant or its competitor for a profit.

2. the Registrant has registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name [provided that the Registrant has engaged in a pattern of such conduct]

3. by using the domain name, the Registrant has intentionally attempted to attract Internet users to the Registrant's website or other on-line location.

The basic procedure for the dispute resolution is:

1. The Complainant files the **complaint** with the .IN Registry and pays the relevant **fees**.

   The Complainant can ask for **cancellation** of the Registrant's domain name or **transfer** of the domain name registration to the Complainant

2. The .IN Registry **appoints an Arbitrator** out of the list of arbitrators maintained by it.

   The List of the Arbitrators is published online at www.registry.in

3. The Arbitrator conducts the **arbitration proceedings** in accordance with the Arbitration & Conciliation Act 1996 and the IDRP Policy and Rules.

   The Registrant is required to submit to the mandatory arbitration proceeding.

The Registrant cannot **transfer** a domain name registration to another holder:

a. for **15 working days** after conclusion of the proceeding

b. during a **pending case** unless the transferee agrees to be bound by the decision.

The Registry reserves the right to cancel any transfer of a domain name registration to another holder that is made in violation of this paragraph.

4. The Arbitrator **decides** on the complaint.

   All decisions under this Policy are published in full over the Internet. **Note:** An Arbitration Panel can decide in exceptional cases to edit portions of its decision.

The INDRP Rules

The ".in Domain Name Dispute Resolution Policy Rules" (INDRP Rules) describe the following:

1. how to file a complaint,
2. how to respond to a complaint,
3. the fees,
4. communications,
5. other procedures.

The complaint

An arbitration proceeding in respect of a domain name dispute can be initiated by submitting a complaint (in hard copy and electronic version) to:

.IN Registry
c/o NIXI (National Internet Exchange of India)
Corp. Office: 121-123, Ansal Tower, 38
Nehru Place, New Delhi 110019

The complaint must contain the following:

1. Name, postal addresses, e-mail addresses, telephone numbers and facsimile numbers of the **complainant**.

2. Contact information of the **respondent**.

3. The **domain name** which is the subject of the complaint.

4. The **trademark(s)** or service mark(s) on which the complaint is based.

5. The **grounds** on which the complaint is made.

   The following must be specified:

   a. The manner in which the domain name is **identical** (or confusingly similar) to the complainant's trademark or service mark.

   b. reasons why the respondent should be considered to have no **rights** or legitimate **interests** in the domain name,

c. reasons why the domain name should be considered to have been registered and as being used in **bad faith**.

6. The **remedies** sought.

7. Any other relevant legal **proceedings**.

8. Relevant **documents**.

9. Cheque / draft (in favour of 'NATIONAL INTERNET EXCHANGE OF INDIA') for the **relevant fees**. The fees for adjudication is payable as per the following schedule:

.IN Registry's Administration Fee	Rs.5000
Arbitrator's Fee	Rs.25000
Personal hearing	Rs.5000 per hearing

Note: In case the Arbitrator calls for personal hearings, the fees for the same are to be shared by the parties equally.

If any party requests for personal hearing and that request is allowed by the Arbitrator, the fees for it is payable by the requesting party.

Notification of complaint

The procedure followed by the .IN Registry on receipt of the complaint is as under:

1. If the complaint is in accordance with the policy and rules, it will be **forwarded to the respondent** within 3 working days.

   .IN Registry sends the complaint to all postal, facsimile and email addresses shown in the domain name's **registration data** through .IN Registry's WHOIS database at www.registry.in [see next page for an illustration of registration data]

2. If the complaint is not in accordance with the policy and rules, the **deficiencies** will be notified to the complainant within 3 working days. The complainant must **correct the deficiencies** in 5 working days.

3. The .IN Registry then **appoints an arbitrator** from the list of arbitrators.

4. The complaint and documents are **forwarded to the respondent and the arbitrator** for adjudicating (in accordance with the Arbitration and Conciliation Act 1996, rules thereunder, and the Dispute Resolution Policy & rules).

5. Within 3 days from the receipt of the complaint the Arbitrator issues a **notice** to the Respondent. The date of commencement of the arbitration proceeding is the date on which the Arbitrator issues this notice to the respondent.

6. The Arbitrator must pass a **reasoned award** (within 60 days) and put forward a copy of it immediately to the complainant, respondent and the .IN Registry.

Stephen Koenig v. Arbitrator, National Internet Exchange of India and Another[6]

Mr. Jagdish Purohit, registered the trademark "internet". This trademark was registered in respect of tobacco and related products under Class 34 of Trade Marks Act, 1999. Mr. Jagdish Purohit submitted to arbitration under INDRP against Mr. Stephen Koenig, who is the registrant of "internet.in". In his award, the Arbitrator held that the domain name registered by Mr. Stephen Koenig is identical or confusingly similar to the trademark of Mr. Jagdish Purohit and Mr. Koenig had no right or legitimate interest in the said domain name. Further, the Arbitrator held that Mr. Jagdish Purohit is not entitled to get the domain name "internet.in" transferred to him as the same is a generic name. Hence, the Arbitrator took a unique stand and ordered that the domain name be confiscated by IN Registry.

Mr. Stephen Koenig appealed against the award of the Arbitrator before the Delhi High Court contending that the Arbitrator exceeded his jurisdiction in ordering the confiscation of the domain name, a scenario which is not envisaged under INDRP. The Delhi High Court agreed that the Arbitrator has exceeded his authority by ordering confiscation of the domain name under Paragraph 10 of the INDRP because the provisions of INDRP only give the right to cancel or transfer the registration of domain. Hence, the Court ordered that the registration of the domain name "internet.in" be cancelled.

[6] O.M.P. 132 of 2007, 14 December 2011

Appropriate forum to resolve disputes – INDRP or Civil Court?

Under section 134 of the Trademarks Act, 1999 the district court has the jurisdiction to entertain suits arising out of infringement or violation of such related rights. In the *Satyam*[7] case, the Apex Court held that domain names are protected under the law of passing off as set out in the Trademarks Act. By virtue of the same, a district court had the jurisdiction to adjudicate on cases pertaining to domain name disputes.

A question arose before the Delhi High Court whether the civil courts have the jurisdiction to entertain disputes in light of the requirement of submission to arbitration under the INDRP. After detailed analysis of the UDRP and and INDRP, the Delhi High Court in the case of *Citi Corp and Another vs. Todi Investors and Another*,[8] ('Citi Corp Case') held the following:

- The established law is that under Section 9 of Code of Civil Procedure, jurisdiction of civil courts can only be ousted by an express or implied bar. As there is no express bar, the scheme of the INDRP Policy show that there is no explicit ouster of the jurisdiction of the Civil Court.

- The remedies available under the INDRP Policy are extremely limited. Paragraph 2 of the Policy limits the resolution of a dispute "arising out of the registration and use of the IN Internet Domain Name" only. It does not cover adjudication for "infringement of trademark" and "passing off".

[7] Satyam Infoway v Sifynet Solutions Ltd; (2004) 6 SCC 145
[8] 2006(33) PTC 631 (Del)

- The INDRP is neither a statute nor an Act. It is not a creation of the legislature. The status of an Arbitrator under the INDRP is neither that of a Judge nor that of a Judicial Officer.

- Therefore, the INDRP does not oust the jurisdiction of civil court.

Further, in the case of *(India TV) Independent News Service Pvt Limited vs. India Broadcast Live LLC and Ors.*[9], the Delhi High Court relying on the *Citi Corp Case* observed that the remedy provided in the UDRP of the ICANN is restricted to cancellation, transfer or changes in domain names and not for actions for passing off or damages. Also, the Court observed that the judgment in Citi Corp Case is to the effect that the reliefs in a suit for passing off are wider than the mere cancellation or transfer of a domain name, which is envisaged in the UDRP.

Hence, in view of the judgments above, the Delhi High Court has made it clear that parties may approach the civil court for remedies as the remedies provided for under the INDRP and UDRP are not adequate.

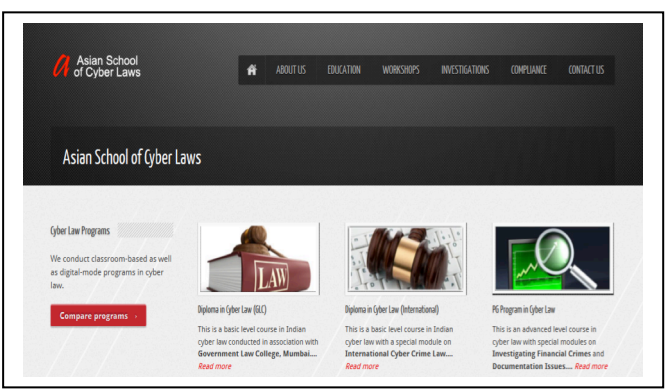
[9] 2007 (35) PTC 177 Del

EIGHT

8. Trademark issues in Cyberspace

8.1 Meta tags

Meta tags are codes contained within websites that provide a description of the website. Let us take the illustration of the **Asian School of Cyber Laws** (ASCL) website. When a student visits www.asianlaws.org, he sees the website illustrated below:



What the user does not see are the description and keywords meta tags as illustrated below:

<META content="Education, training, consultancy and research in Cyberlaws, cybercrime investigation and cyber forensics**" name=description>**

<META content="education, training, consultancy, research, cyberlaws, cyber laws, cyberlaw, cyber law, cybercrime investigation, cyber crime investigation, cyber forensics**" name=keywords>**

These tags are embedded in the source code of the website. They are put so that search engines (e.g. google.com, yahoo.com etc) can accurately identify what the website relates to. As can be seen in the illustrations above:

1. The **description tag** contains a description of the web page.
2. The **keywords tag** contains relevant associated keywords.

When a user searches for "Asian School of Cyber Laws" in google.com, the first search result clearly contains the description of the ASCL website as per the description tag. This is illustrated below:

Trademark disputes can arise when someone's trademark is put by his rival in the meta tags of the rival website.

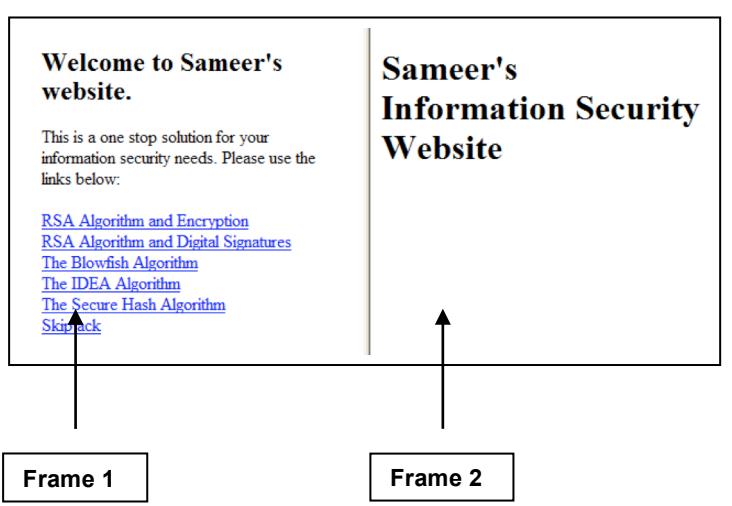
Illustration

Sameer sells a PDF creator software that rivals the PDF creator sold by Adobe. If Sameer writes the words "Adobe" in the meta tags of his website, then the search engines may mistakenly index Sameer's website as being related to Adobe. Web users looking for Adobe software may get diverted to Sameer's website.

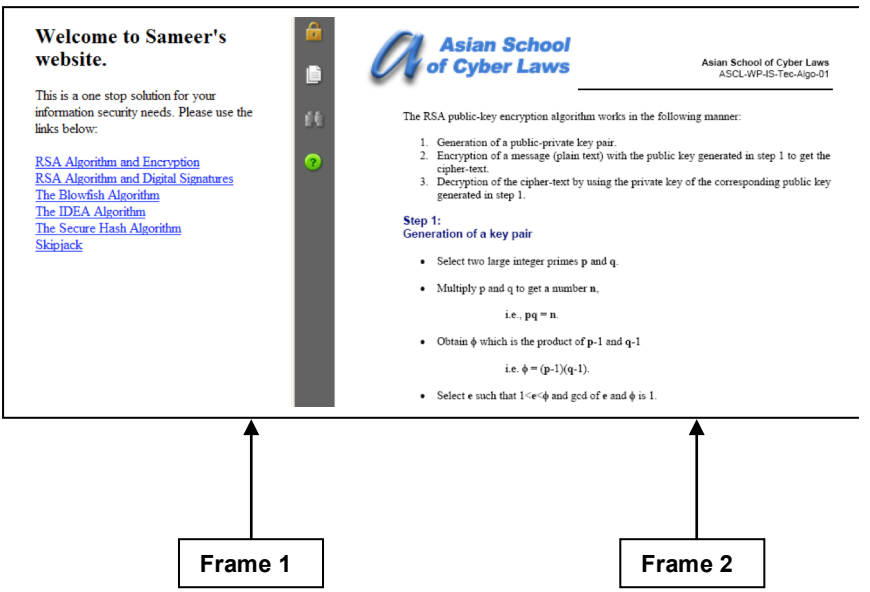
The act of putting meta tags of rival companies and brands in a website is also referred to as **cyberstuffing**.

8.2 Framing

A webpage can be divided into several frames. Each frame can display different content. Let us take a simple illustration. Sameer provides commercial consultancy in the field of information security. He puts up a website and one of the pages is illustrated below:



When a user clicks on the link "RSA Algorithm and Encryption" in Frame 1 above, a document from the Asian School of Cyber Laws (ASCL) website opens up in Frame 2.
See illustration below:



To an ordinary user it may appear that the RSA Algorithm and Encryption document is a part of Sameer's website. In reality this document is being accessed from ASCL's website and being opened up in a frame on Sameer's website.

Clicking on the other links opens up different web pages in Frame 2 while the content in Frame 1 remains the same.

Such framing may give rise to a claim for **passing off** as an ordinary user may infer a business association between Sameer and ASCL. In reality, there is no business association between Sameer and ASCL. ASCL can claim that Sameer has indulged in misleading and deceptive conduct.

It is advisable to put a suitably worded disclaimer or acknowledgment which clearly informs the visitor about the relationship between the two sites (Sameer's and ASCL's in this case). For example, Sameer could put the following disclaimer next to the link to ASCL's webpage.

> This link leads to content on the website of Asian School of Cyber Laws (ASCL). The homepage of ASCL is at www.asianlaws.org Sameer has no business or other association with ASCL and has provided this link purely for information.

8.3 Deep Hyperlinking

Simply, put hyperlink is a reference to a webpage or document on the Internet. Let us consider the main page on the Asian School of Cyber Laws (ASCL) website.

This page is located at http://www.asianlaws.org/

The above webpage consists of several links to other web pages e.g. if a user clicks on the "Diploma in Cyber Law" link, he will be taken to the page containing details of the Diploma in Cyber Law course.

To a user the link appears as Diploma in Cyber Law

In the source code of the website, the link appears as:

```
<a href=http://www.asianlaws.org/dcl.php
Diploma in Cyber Law</a>
```

Normally, no organization or person objects if someone puts a hyperlink to their homepage. The objection comes when someone puts a link directly to an inner page or document.

For example, ASCL would not object if someone provides a link to the ASCL homepage (http://www.asianlaws.org/index.htm).

However, if someone provides a link to a document "deep" in the ASCL website, then ASCL may have an objection.

Suppose Sameer puts a hyperlink in his website named "RSA Algorithm". On clicking this link, the ASCL sponsored whitepaper on the topic opens up from: http://www.asianlaws.org/infosec/library/rsa_asym.pdf

This is called deep hyper-linking.

Deep hyper-linking may give rise to a claim for **passing off** as an ordinary user may infer a business association between Sameer and ASCL. In reality there is no business association between Sameer and ASCL. ASCL can claim that Sameer has indulged in misleading and deceptive conduct

It is advisable to put a suitably worded disclaimer or acknowledgment which clearly informs the visitor about the relationship between the two sites (Sameer's and ASCL's in this case). For example, Sameer could put the following disclaimer next to the link to ASCL's webpage.

> This link leads to content on the website of Asian School of Cyber Laws (ASCL). The homepage of ASCL is at www.asianlaws.org Sameer has no business or other association with ASCL and has provided this link purely for information.

8.4 Trademark disputes in India

8.4.1 'Action Jackson'

In 2004, Baba Films and Eros International, the makers of the movie 'Action Jackson' received a legal notice from Warner Bros. requiring the former to change the title of the movie as the title was the replica of title of a 1988 Hollywood movie which was produced by Warner Bros. However, the matter may have been possibly settled as the movie Action Jackson was later released retaining the same title.

8.4.2 Barbie Case

In this given case10, Mattel Inc. in conjunction with its Indian subsidiary Mattel Toys (India) Pvt. Ltd., filed a suit against the producers of a Hindi film titled Tera Intezaar which was due to be released on 24th November, 2017. The plaintiffs claimed to be the owner of the "BARBIE" trademark used in relation to toy dolls and other merchandise related to or connected to the toy doll named "BARBIE". The plaintiffs, around 15th November, 2017, came across a music video on YouTube of a song titled "Barbie Girl" from the movie Tera Intezaar scheduled to be released on 24th November, 2017 and found that the title and lyrics of the song used the registered and well known trademark "BARBIE" without an authorisation of the plaintiffs and in a manner antagonistic to the values and interests of the customers' target base. The Delhi High Court herein ordered the defendants to delete the word "BARBIE" from the impugned song.

[10] Mattel, Inc. and Ors. vs. Aman Bijal Mehta and Ors. (22.11.2017 - DELHC) :MANU/DE/3940/2017

NINE

9. Semiconductor Layout & Design Law

The Semiconductor Integrated Circuits Layout-Design Act, 2000 (hereinafter referred to as Semiconductor Act) was notified in the official gazette on 4th September 2000. The rules under the Act were notified in the official gazette on 11th December, 2001. The Semiconductor Act is being implemented in stages. Sections 3 and 5 of the Semiconductor Act have been brought into force w.e.f. 1.5.2004.

Semiconductor Registry

The Semiconductor Registry has all India jurisdiction for registering applications in Semiconductor Integrated Circuit Layout-Designs. The registry is located:

Semiconductor Integrated Circuits Layout-Design Registry (SICLDR)
Room No. 3014-3015
Electronics Niketan
Department of Information Technology
Ministry of Communications and Information Technology
6 CGO Complex,
Lodi Road New Delhi-110 003.

Semiconductor Integrated Circuit

The Semiconductor Act defines a **semiconductor integrated circuit** as, "a product having transistors and other circuitry elements which are inseparably formed on a semiconductor

material or an insulating material or inside the semiconductor material and designed to perform an electronic circuitry function".

This semiconductor integrated circuit is an integral part of every computer chip. Fifth Generation computers are using Very Large Scale Integration (VLSI) where numerous transistors are accommodated on a single chip, cutting down the size of the chip and at the same time increasing its processing power significantly. This ultimately translates into smaller and more powerful computers.

Layout Design

Layout-Design is defined as, "layout of transistors and other circuitry elements and includes lead wires connecting such elements and expressed in any manner in a semiconductor integrated circuit".

The layout of transistors on the semiconductor integrated circuit or topography of transistors on the integrated circuit determines the size of the integrated circuit as well as its processing power. That is why the layout design of transistors constitutes such an important and unique form of intellectual property fundamentally different from other forms of intellectual property like copyrights, patents, trademarks and industrial designs.

The importance of the layout design of transistors on an integrated circuit can be gauged from the fact that signatories to the TRIPS agreement have sought to internationally protect this form of intellectual property. This was, in fact, the primary reason why the Semiconductor Integrated Circuits Layout-Design Act, 2000 was enacted.

Overview of the Semiconductor Act

The major provisions of the Semiconductor Act are as under:

1. It **applies** to the whole of India.

2. It provides for the establishment of the Semiconductor Integrated Circuits Layout-Design **Registry**. The layout-designs of integrated circuit chips can be registered at this Registry.

3. It **defines** layout-designs of integrated circuits which can be registered under the Semiconductor Act.

4. It defines the **duration of registration** of layout-designs - **10 years** from the date of filing an application for registration or from the date of first commercial exploitation.

5. It defines **rights** conferred by registration.

6. It defines matters of **infringement** of layout-designs.

7. It defines procedures for **assignment** and **transmission** of registered layout- design.

8. It provides for **registered users** for using a registered layout-design.

9. It provides for an **Appellate Board** as a forum of redressal.

10. It specifies penalties in case of :
    a. infringement of layout-design,

b. falsely representing a layout-design as registered,

c. improperly describing a place of business,

d. falsification of entries in the register,

e. forfeiture of goods,

f. offences by companies.

11. It provides for cases of **national emergency** or extreme public urgency.

12. It has a **reciprocity provision** with other recognized countries.

Source: www.mit.gov.in

Section 3 of the Act confers power on the Central Government to appoint a **Registrar** of Semiconductor Integrated Circuits Layout-Design and other officers required to assist him in his work.

Section 5 makes provisions for the creation of a Semiconductor Integrated Circuits Design-Layout **Registry**. The head office of the Registry will be established at a place specified by the Central government with branch offices wherever required.

Section 6 makes provisions for maintaining a record of semiconductor integrated circuits known as the **Register of Layout-Designs** to be maintained at the head office of the abovementioned Registry. All registered layout designs with the names, addresses, and descriptions of the proprietor and other matters related to the design are to be entered in this

record. The Register is to be kept and controlled under the management of the Registrar.

Section 7 lays down the **kinds of layout-designs that cannot be registered** under the Semiconductor Act. A Layout-design

(i) which is not original; or

(ii) which has been commercially exploited anywhere in India or in a convention country; or

(iii) which is not inherently distinctive; or

(iv) which is not inherently capable of being distinguishable from any other registered layout-design,

cannot be registered as a layout-design under the Semiconductor Act. A convention country according to section 2(f) of the Act is a country notified under Section 93 of the Semiconductor Act.

According to **Section 93**, when the Central government, to fulfil obligations under any treaty, convention or agreement, notifies a foreign country in the Official Gazette so as to give the citizens of that country similar rights as are conferred upon Indian citizens under the Semiconductor Act, it is known as a **convention country**. It must be remembered that such rights are only offered on a mutual basis.

"**Commercial exploitation**" under section 2(e) of the Semiconductor Act means, "to sell, lease, offer or exhibit for sale or otherwise distribute such semiconductor integrated circuit for any commercial purpose". As with other forms of intellectual property, here also only those layout-designs that

are original, distinct and unique are granted protection. Additionally, those layout-designs that have been commercially exploited for a period of more than two years from the date of application are not protected.

According to **Section 18**, infringement of a registered layout-design occurs when any person who is not the registered proprietor of the design reproduces the layout-design in an integrated circuit or otherwise, wholly or partly.

A person who imports, sells, or distributes a registered layout-design or an integrated circuit incorporating such layout-design or any article incorporating such layout-design for commercial purposes also causes infringement of such layout-design.

However, if such reproduction is for the purpose of scientific evaluation, analysis or teaching, it will not be deemed to be an infringement of the registered layout-design. These provisions are analogous to the exceptions to copyright infringement contained in section 52 of the Copyright Act, 1957 more commonly known as the "fair use" clause.

Sub-section (3) of Section 18 also says that where a layout-design is developed after scientific evaluation and analysis of another layout-design in such a manner that it can be deemed "**original**" within the meaning of section 7(2), the person developing such layout-design shall not be liable for infringement of the registered layout-design.

A layout-design according to sub-section (2) of section 7 is original if, "if it is the result of its creator's own intellectual efforts and is not commonly known to the creators of layout-designs and manufacturers of semiconductor integrated circuits at the time of its creation".

Thus, like copyright, originality and distinctiveness seem to be the *sine qua non* of a semiconductor integrated circuit layout-design and not novelty. The Act actually allows development of another layout design based on scientific evaluation and analysis of a registered layout-design.

Section 19 specifies that registration of a semiconductor integrated circuit layout-design is "**prima facie evidence**" of its validity. Therefore, a layout-design, even if it is original within the meaning of section 7(2), has to be registered under the Act to get adequate protection. Without registration, proving originality in case of a dispute becomes an onerous task.

Section 32 has empowered the Central Government to set up an **Appellate Board** by notification in the Official Gazette to be known as the Layout-Design Appellate Board. The Appellate Board is to consist of a Chairperson, Vice-Chairperson, and other members as required.

Subject to the other provisions of the Semiconductor Act, the Bench may exercise jurisdiction, powers and authority of the Appellate Board. A Bench shall consist of one Judicial Member and one Technical Member and shall sit at such place as the Central Government may specify by notification in the Official Gazette.

According to **Section 42**, any person aggrieved by an order or decision of the Registrar under the Semiconductor Act, or under allied rules may **appeal** to the Appellate Board within three months from the date of such order or decision.

According to **section 43**, the Appellate Board shall not be bound by the Code of Civil Procedure, 1908 but shall be guided by principles of natural justice.

The Appellate Board shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 for the purpose of discharging its functions under this Act while trying a suit in respect of the following matters, namely

(a) Receiving evidence;

(b) Issuing commissions for examination of witnesses;

(c) Requisitioning any public record; and

(d) Any other matter which may be prescribed.

Appeal from the Appellate Board may be made to the High Court. The appeal has to be made in accordance with the provisions of the Code of Civil Procedure, 1908.

According to **Section 55**, the Intellectual Property Appellate Board constituted under section 83 of the Trademarks Act is to exercise the jurisdiction and powers conferred on the Appellate Board till the Board is established.

Chapter IX of the Act provides for **offences and penalties**. According to **Section 56**, infringing a registered layout-design knowingly and wilfully makes a person liable for imprisonment upto three years or fine of a minimum of fifty thousand rupees and a maximum of ten lakh rupees or both.

Any person making a false representation about a layout-design and claiming it to be a registered layout-design, when it is not so, is liable for an imprisonment upto six months or a fine of upto fifty thousand rupees under **Section 57**.

Any person by his actions or deeds if found to be falsely representing the Semiconductor Integrated Circuit Design-

Layout Registry faces imprisonment upto six months or fine upto fifty thousand rupees or both under **Section 58**.

According to **Section 59** if any person makes, or causes to be made, a false entry in the register, or a writing falsely purporting to be a copy of an entry in the register, knowing the entry or writing to be false, he shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

If an offence under chapter IX is committed by a company, then under **Section 63**, the company as well as every person in charge of the company is liable for the offence and is to be proceeded against and punished accordingly.

For any court to take cognizance of an offence under Sections 56 or 57, a written complaint has to be made by the registered proprietor of the layout-design registered under the Act. For offences under Sections 58 and 59, a complaint has to be made in writing either by the Registrar or by any officer authorized by him for a court to take cognizance of such offences.
According to **Section 67** if a person residing in India abets the commission of any act outside India, which would amount to an offence under this Act, he may be tried and punished with the punishment to which he would be liable if he had himself committed the act, which he abetted.