

Guide to

Patents • Industrial Designs • Trade Marks • Copyrights • Confidential
Information • Know-how • Industrial & Trade Secrets • Geographical Indications
of Goods • Protection of Plant Varieties & Farmers' Rights
• Information Technology • Semiconductor Integrated Circuits Layout-Design

Intellectual Property Law

P. Narayanan

Third Edition

REVISED

with

Updated and Amended Statutes

Eastern Law House

Introduction

1 General

The term "Intellectual Property" has come to be internationally recognised as covering patents, industrial designs, copyright, trade marks, know-how and confidential information. Patents, designs and trade marks used to be considered as different kinds of 'industrial property'. But when copyright and confidential information were included the term 'intellectual property', though a little high sounding, is a more appropriate description for this class of property. Although the creation of a trade mark has very little to do with intellectual creativity, it cannot be doubted that patents, designs and copyright are the products of intellectual effort and creative activity in the field of applied arts or technology and fine arts.

The scope of intellectual property is expanding very fast and attempts are being made by persons who create new creative ideas to seek protection under the umbrella of intellectual property rights.

There are many similarities in the law relating to the different species of intellectual property in regard to the nature of the property, the mode of its acquisition, the nature of rights conferred, the commercial exploitation of those rights, the enforcement of those rights and the remedies available against infringement of those rights.

2 Basic concepts intellectual property law

The law relating to intellectual property is based on certain basic concepts. Thus patent law centres round the concepts of novelty

(or lack of anticipation) and inventive step (or lack of obviousness). Design law is based on novelty or originality of the design not previously published in India or any other country. The substantive law of trade marks is based on the concepts of distinctiveness and similarity of marks and similarity of goods. Copyright is based on the concepts of originality and reproduction of the work in any material form.

Although these concepts are expressed in ordinary English words they are given special meaning and significance in intellectual property law. Their application to particular facts is often difficult and even complex. It may be noted that the majority of case law on intellectual property deals with the application of these concepts to particular facts.

Intellectual property includes Patents, Designs, Trade Marks, Copyright, Confidential Information and Industrial Know-how. Patents relate to novel products or processes of manufacturing a product. Design relates to the non-functional appearance of a product which appeals solely to the eye. Trade Mark consists of word, name, device or get-up used in relation to particular goods to indicate the source of manufacture or trade origin of the goods. Copyright relates to original literary, dramatic, musical and artistic works, cinematograph films and sound recordings.

The statute law relating to intellectual property in India is undergoing changes so as to bring them to harmonize with the corresponding laws in the developed countries. This has become necessary after India signing the GATT and TRIPS and becoming a member of WTO.

In this edition the chapters on Industrial Designs, Trade Marks and Copyright have been suitably amended as necessitated by the Designs Act 2000, Trade Marks Act 1999 and the Copyright (Amendment) Act 1999.

3 Nature of intellectual property

Intellectual property of whatever species is in the nature of intangible incorporate property. In each case it consists of a bundle of rights in relation to certain material object created by the owner. In the case of patent the property consists of the exclusive right to use the invention patented, to grant licences to others to exercise that right or to sell that right to a third person. Patent rights are created by statute and are governed by the Patents Act 1970 (India). The invention may relate to a new product or an improvement of an existing product or a new process of manufacturing an existing or a new product. The

acquisition of this monopoly, the conditions to be satisfied for acquisition, its duration, the licensing of this monopoly rights or their assignment to others are strictly governed by the Patents Act. After the expiry of the term of the patent (which is fourteen years for all products, except in the case of drug and food patents seven years), it becomes public property when anybody can use the patented invention.

In the case of industrial designs the property consists in the exclusive right to apply the design registered under the Designs Act 1911 now replaced by the Designs Act 2000, in relation to the class of goods for which it is registered for a maximum period of fifteen years subject to payment of renewal fees prescribed by the rules. This right can also be licensed for use by third parties or assigned to any person. On expiry of the term of registration anybody can use the design.

In the case of trade mark there are two types of rights; one conferred by registration under the Trade and Merchandise Marks Act 1958 now replaced by the Trade Marks Act 1999 and the other acquired in relation to a trade mark, trade name or get-up by actual use in relation to some product or service. The rights conferred by registrations are confined to the use of the mark in relation to the actual goods or services for which it is registered. The exclusive rights granted by registration enables the proprietor of the registered mark to prevent others from not only using the mark as registered but also marks which are deceptively similar to the registered mark i.e. marks which so nearly resemble the registered mark as to be likely to deceive or cause confusion among the customers of the goods or services covered by registration. In the case of an unregistered mark, get-up and other badges of goodwill of business the protection is given to the goodwill of the business in relation to which such trade mark, or get-up is used. Such protection may also extend, in appropriate cases, to allied goods or business. Unlike patents, designs or copyright the rights conferred by registration of a trade mark can be availed of for an indefinite period by periodic renewal of registration and the proprietor being able to ward off rectification of the register on the ground of non-use or any other specified ground under the Act.

The Trade Marks Act 1999 has introduced many important changes in the law which are dealt with in Part 3 of this book.

In the case of an unregistered trade mark the right to protection of the goodwill continues indefinitely provided the owner of the

goodwill uses the mark lawfully and prevents other persons infringing those rights by appropriate timely action (passing off) in courts of law against the infringers.

Copyright like patents and industrial design is purely a creation of the statute, the Copyright Act 1957 as amended from time to time. But there is no formality required for the acquisition of the right. Copyright subsists in any original work specified in the Act from the moment of its publication during the lifetime of the author plus sixty years. The works specified in the Act are (1) a literary, dramatic and musical or artistic work, (2) a cinematograph film and (3) a sound recording. Literary work includes computer programmes, tables and compilations including computer databases. The licensing and assignment of the copyright in any work is governed by the provisions of the Act.

The Copyright (Amendment) Act 1999 has effected certain changes in the law. For details see Part 4 of this book.

Know-how and confidential information can be protected only so long as the owner is able to keep them secret and takes action against unlawful use of such information by others by an action for breach of confidence or contract.

The law of patents, designs and trade marks are territorial in its operation. As regards copyright, by virtue of international conventions such as the Berne Convention and the Universal Copyright Convention copyright acquired in one country extends to other countries which are members of these conventions. India is a member of both the conventions.

Although the relevant statute defines the rights conferred on a particular species of intellectual property as the exclusive right to use the patent, apply the design, use the trade marks or commercially exploit the work in certain forms (as in copyright), in practice what the statute confers is the right to prevent competitors from commercially exploiting the respective rights to the detriment of the owner of that property.

4 Commercial exploitation of intellectual property

The commercial exploitation of the different kinds of intellectual property is made in different ways. In the case of patent the patentee may himself exploit the patent or assign his rights or license them to industrialists for a lump sum payment or on a royalty basis. A registered design can be similarly exploited by assigning or licensing the rights to others capable of exploiting