

INDIA INTELLECTUAL PROPERTY UPDATE

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Proposed Amendments to the Indian Copyright Law

Need for the Copyright (Amendment) Bill, 2010

The legislation in force in India dealing with copyrights is the Copyright Act, 1957 ("the Act"). The Act has been in force for over five decades and there was a need to amend the same in order to bring clarity, remove operational difficulties and to address the issues in context of digital technologies and internet.

In order to address these issues and to bring the Act in conformity with the World Intellectual Property Organization (WIPO) Internet Treaties, namely WIPO Copyright Treaty (WCT), which deals with the protection for the authors of literary and artistic works such as writings, computer programmes, original databases, musical works, audiovisual works, works of fine art and photographs and WIPO Performances and Phonograms Treaty (WPPT), which protects the rights of the performers and producers of phonograms, the Copyright (Amendment) Bill, 2010 ("the Bill") was introduced in the Upper House of the Parliament in April 2010. Although India is not a signatory to the aforementioned treaties, it is necessary to amend domestic legislation to extend the copyright protection in the digital environment.

Overview of the proposed amendments

The Bill was proposed not only to bring the Act in conformity with the WCT and WPPT to address the concerns of the music and film industry but also to bring specific amendments protecting the physically challenged and the interests of the authors. The important amendments proposed by the Bill are as follows:

Joint authorship of work

The Act defines "work of joint authorship" as a work produced by collaboration of two or more authors in which the contribution of such authors is not distinct. Presently, the Act provides that the producer will be the author in relation to cinematograph film or sound recording. The Bill seeks to modify the same by clarifying that cinematographic films will be treated as a work of joint authorship between the producer and principal director except in cases where they are the same person.

Ownership of work

The Bill provides that the producer and principal director will be jointly treated as the first owner of the copyright in a cinematograph film produced on or after the enactment of the amended Act as opposed to the present situation wherein the producer is the first owner of the copyright in a cinematograph film. Another important point to be noted is that the Act provides for a term of copyright in a film to sixty year post publication for a producer whereas the Bill proposes to extend the said term to seventy years post publication in case of a principal director. The Bill further proposes that in case of cinematograph films produced prior to the proposed amendment, the principal director can enjoy the copyright for a period of ten years after the expiration of the copyright term in the film by entering into a written agreement with the owner of the copyright during the subsistence of copyright. The Bill clarifies that such an agreement is not required where the producer and principal director are the same person.

The Parliamentary Committee held extensive deliberations with various stake holders like the Indian Motion Picture Producers Association, Indian Broadcasting Foundation, etc. to address their concerns in this regard. The stakeholders have raised strong opposition as the proposed co-ownership was unjustified in light of the fact that it is the producer who faces potential risks by investing substantive amount of money and bringing out a film. This may give rise to a situation wherein the producer may not engage directors and himself become the director, scriptwriter, etc. Further, directors may not be able to work in the same capacity and relegated to the position of an assistant director for the fear of co-ownership. Moreover, such an enactment would affect the broadcasting organizations as the broadcaster would then be required to negotiate the assignment/licensing contracts with both the producer and the principal director of such a movie, thereby making the process cumbersome. Furthermore, the reason for awarding an additional term of ten years to the principal director is unclear when it is the producer who faces the financial risk.

Creation of parallel market

The Act defines an "infringing copy" as a reproduction of a literary, dramatic or artistic work or a copy of a cinematograph film made on any medium by any means or any other recording embodying the same sound recording made by any means or the sound recording or cinematograph film or broadcasting of a programme or performance if reproduction of sound recording is made or imported in contravention of the provisions of the Act. The Bill seeks to introduce a proviso stating that a copy of the work published in any country outside India, if imported in India, with the permission of the author, will not amount to an infringing copy.

The main purpose for the inclusion of this proviso is to allow for imports of copyright materials, like books, from other countries and to bring the Act in accordance with Trade Related Aspects of Intellectual Property Rights Agreement (TRIPS) wherein developed countries could facilitate access to copyright works at affordable costs. Inclusion of such a proviso would compel the Indian publishers to price the works reasonably so that it would not be viable for a distributor to import the same works into India.

The stakeholders have voiced their concerns as this would result in creation of a parallel market of foreign works in India. Books published in one country could be freely made available and sold in the Indian market without amounting to infringement of copyright. If the same were to be enacted, it would result in the low priced editions meant for the Indian sub-continent being exported back to the country of origin where they are priced at higher rates, thereby resulting in loss of incentive for the publishers to sell books in India.

Assignment of copyright

The Act provides that the owner of the copyright in an existing work or the prospective owner of the copyright in a future work may assign to any person the copyright, either wholly or partially. However, in case of an assignment of copyright in any future work, the assignment would take effect only when the work comes into existence. The Bill seeks to introduce provisos to the aforementioned by providing that the assignment of copyright cannot be made with respect to any medium or mode of exploitation of the work which did not exist or was not in commercial use at the time of assignment. Also, the author of a literary or musical work in a cinematograph film cannot assign his rights of claiming royalties to any other person except for his legal heirs.

The reason for introducing such a proviso is that the authors are often exploited as they do not get a share in the revenues generated by using their work in any other form other than being used in the film. However, the stakeholders have contended the same as technology is ever evolving and it would be unfair to confine the assignment of rights in a work only to the medium or mode in existence or commercial use. Further, it would become difficult to freely exploit the rights obtained in film or television programmes on newer exploitation modes even when a complete assignment of rights has been made.

It was pointed that an inclusion of such provisions would restrict the author's assignment rights to only his legal heirs and copyright societies which would prevent authors from monetizing their rights as such restriction would adversely affect the author's commercial bargaining power with the producers.

It is pertinent to note that the main contention between the authors, composers of film lyrics and music compositions and film producers and music companies relate to film music. When a song is incorporated in a film, it is assigned to the film producer who becomes the first owner. He further assigns this right to music companies for a lump-sum consideration. When such songs are performed independently on television, radio, public forums, etc. film producers become the first owner and the authors and music composers lose out on the benefits. The proposed amendment aims to protect the interests of the authors in the event of exploitation of their work by restricting assignments in unforeseen new mediums thereby ensuring that the authors of the works in films will have right to receive royalties from the utilization of such work in any other form. The restriction on assignment will lead to an institutionalized system that will benefit the authors and music composers as they might not be in a position to collect the royalties themselves.

Compulsory license for benefit of disabled

The Bill seeks to introduce a new provision related to compulsory license for the disabled. It provides that an organization working primarily for the benefit of persons with disability can apply to the Copyright Board for compulsory license to publish any work in which copyright subsist for the benefit of such persons. The compulsory license so issued should specify the means and format of publication, the period during which such license may be exercised and the number of copies that may be issued. Further, another section seeks to provide that the adaptation, reproduction or issuance of copies of any work is allowed in a format which is specially designed only for the use of persons with disabilities would not amount to copyright infringement.

The aforementioned proposal has been recommended in order to prevent possible misuse of such facility and in order to identify the institute that makes conversion works in normal electronic format for the use of print-disabled. Also, any individual disabled person with the help of someone can convert any work for the purpose of private and personal use, research and study. However, pertinent concerns have been raised as the amendment only provides exception to works made accessible using Braille and sign language as they are the two formats which have been specially designed for use for persons with disabilities. This implies that such an exception to copyright infringement does not extend to persons affected by cerebral palsy, dyslexia and low vision.

If such a provision were to be enacted, it would be discriminating if the benefit remains restricted to only visually impaired, leaving out persons affected with cerebral palsy, dyslexia and low vision.

Restructuring of performer's rights

As per the Act the word "performers" is an inclusive definition which states that a performer includes an actor, singer, musician, dancer, acrobat, juggler, conjurer, snake charmer, a person delivering a lecture or any other person delivering a lecture or any other person who makes a performance. The Bill proposes to grant the performer's rights to do or authorize the doing of any acts in respect of the performance, without prejudice to the rights conferred on authors, for instance, to issue copies of it to public not being copies already in circulation, to reproduce it in any material form including the storing of it in any medium by electronic or other means or to sell or give on commercial rental or offer for sale or for commercial rental any copy of the recording.

The performers will be required to take permission from the author before performing the work. This implies that the rights of both producers and performers will run parallel as both are entitled for economic benefits from the commercial use of the performance. Furthermore, the performer cannot object to the enjoyment of rights by the producer once there is a written agreement.

Conclusion

The enactment of the Bill is highly awaited although it has its drawbacks in the form of failure to address the issue of internet piracy which is of utmost importance for protection of copyright works in digital form. However, if it is passed, then the lyricists, composers and singers will enjoy autonomous rights as the authors of literary and musical works in films and the same would entitle them to receive royalties and other benefits from the commercial exploitation of their work of which they have been deprived of so far. Apart from the aforementioned, the Bill has also addressed the concern of the music industry by inserting a provision of statutory license for making cover versions.



IP NEWS UPDATE

Cipla wins pre-grant opposition against Novartis for dispersible tabs containing deferacirox

The Chennai patent office has granted a pre-grant opposition in favour of Cipla for dispersible tablets containing 'deferacirox'. Out of the four grounds under which Cipla had filed for the pre grant opposition, the Patent office upheld two of it. Novartis had filed an application for patent for their invention titled dispersible tablets containing deferacirox in 2007 with the Chennai patent office. Cipla had subsequently filed a pre-grant opposition under section 25(1) of the Patents Act, 1970.

In its decision, the Controller concluded that the claims were obvious in view of the cited articles because the claims read upon the previously disclosed ranges. Additionally it stated that the claimed composition merely had additive properties and hence is un-patentable under section 3(e) of the Act.

[SOURCE - PHARMABIZ](#)

India urges international community to promote generic drugs

India has called upon the international community to promote generic medicine, especially for diseases like HIV and AIDS, to make treatment affordable.

Speaking at the high level meeting of the General Assembly on HIV and AIDS in New York, Indian Health Minister, Mr. Ghulam Nabi Azad urged the international community for lifting the 'barriers' of Intellectual Property Rights and patents from medicines.

[SOURCE - INDIA GAZZETTE](#)



Home-grown jugaad set for patent cover

India's spirit of jugaad is finally going to get legal backing. Innovators who have for long been dismissed as copycats or blamed for piracy would soon get intellectual property rights, at par with patents, with the Associated Chambers of Commerce and Industry of India (ASSOCHAM) moving a bill. The move to grant 'petty patents' or 'innovation patents', also called utility models, follows a near strong support to a proposal floated by the Department of Industrial Policy and Promotion, at least from domestic players. The idea was to give intellectual property rights to the small scale industry's innovations that lead to inventions which do not strictly conform to the patent laws.

[SOURCE - TIMES OF INDIA](#)



Pressing for strong IPR regime in Free Trade Agreement (FTA) with India: EU tells WTO

The European Union (EU) has informed the WTO that it is pressing for inclusion of strong IPR regime in the free trade agreement under negotiations with India even as the Commerce Ministry has maintained that New Delhi will not yield to the EU on this issue. The India-EU FTA, officially known as 'Bilateral Trade and Investment Agreement' (BTIA) has been delayed as there are differences on contentious issues like IPR. While the EU wants India to tighten its IPR rules beyond what New Delhi has agreed with WTO, Indian negotiators have been maintaining that they cannot sign any pact beyond the agreement with world trade body.

[SOURCE - ECONOMIC TIMES](#)



Venus Remedies bags EU patent for once-a-day painkiller ACHNIL

Venus Remedies Limited, a leading research based global pharmaceutical company, has been granted another patent by European Patent Office (EPO) for its research drug ACHNIL, a once-a-day painkiller injection. This patent grant will be in force till 2025 in the member countries of EPO which will further reinforce the market position of Venus Remedies in the major economies such as Germany, UK, France, Spain, Sweden, Italy and Switzerland. Earlier, the same formulation was granted patent by the Indian Patent office. This is the second European patent success for Venus after Sulbactamax

[SOURCE - BUSINESS STANDARD](#)





CASE LAWS

In the matter of Pfizer Products Inc. & Anr. (“Plaintiffs”) vs. B.P. Singh Tyagi & Anr.(“Defendants”), CS(OS) No.2297/2007, the Delhi High Court imposed punitive damages of INR 1 lakh on Defendant No. 2, Omax Healthcare.

Facts

Pfizer Limited is a subsidiary of a multinational pharmaceutical company and has its mark “COREX”, a top selling drug for the treatment of cough and in allergic or infective conditions of the respiratory passage, registered in India in 1963 under Class 5. Defendant No. 2, Omax Healthcare (Pvt. Ltd.) was marketing and manufacturing a cough syrup under the mark “OREX”. Since the mark of the Defendants was deceptively and phonetically similar to the mark of the Plaintiff, the Plaintiff filed a suit for grant of permanent injunction, rendition of accounts and damages.

Arguments

The Plaintiffs contended that the mark adopted by the Defendants was deceptively similar to their registered trade mark “COREX” and the Defendants were cashing on their goodwill and reputation. The Plaintiffs alleged that there is likelihood of the customers getting induced to believe that the Defendants have some connection or association with the Plaintiff or the Plaintiffs have licensed or authorized the product being sold by the Defendants under the trademark OREX. The matter was proceeded ex-parte as the Defendants did not appear in the matter.

Judgment

The Court, placed reliance on its earlier judgment in the case of Pfizer Products, Inc. and Anr. V. Vijay Shah and Ords., CS(OS) No. 2244/2007 wherein it had examined the infringement of Plaintiff’s mark in respect of defendant’s cough syrup “SOREX”. A fraudulent or deceptive copying of the trademark owned by another person amounts to a false misrepresentation to the public. A competitor cannot usurp the goodwill and reputation of another by adopting a mark similar to the established mark

The question as to whether the two competing marks are so similar as to be likely to deceive or cause confusion has to be approached from the point of view of a man of average intelligence and imperfect recollection.

Despite statutory requirements, drugs such as cough syrups and expectorant are sold without a prescription. The persons living in small towns and villages and possessing average intelligence may not be able to distinguish between the two products, both being cough syrups, if they are phonetically similar and the packaging of the product is similar.

The Court opined that the mark OREX is phonetically so close and similar to the word COREX that it may not be possible for an ordinary buyer of a cough expectorant to distinguish the product of the plaintiff from the product of the defendant.

Conclusion

The Delhi HC granted injunction against the manufacture, sale and distribution of cough syrup of the Defendants under the name of "OREX" or any other name/mark which is phonetically and deceptively similar to the registered mark "COREX". No actual damages or profits earned by the Defendants on account of deceptive and phonetic similarity of the mark were proved. Thus, no actual damages have been awarded, but to deter the Defendants from indulging in similar acts in future, the Court awarded punitive damages of Rs 1 lakh to the Plaintiffs.

SOURCE

In the matter of Tea Board, India ("Plaintiff") vs. ITC Limited ("Defendant"), MIPR 2011 (2) 160, the Calcutta High Court held that the word "Darjeeling" is not the exclusive right of the Plaintiff and decided in favour of the Defendant and its Darjeeling Lounge.

Facts

The Plaintiff is a statutory body set up under the Tea Act, 1953. It is the registered owner of the trade marks "Darjeeling" and a device mark featuring a woman holding tea leaves, registered under the Trade Marks Act, 1999 ("TM Act") and the Geographical Indications (Registration & Protection) Act, 1999 ("GI Act"). The Plaintiff claimed that the use of the word "Darjeeling" by the Defendant in its lounge in ITC Sonar amounted to infringement of its geographical indication mark ("GI") and certification mark, passing-off and dilution of the "Darjeeling" brand.

The Defendant contended that the Plaintiff could exercise its rights in registered marks only to protect the goods and not the services. Therefore, under the GI Act, a complaint by the registered proprietor is permitted against any person(s) connected with the goods complained of and does not stretch the rights conferred by such registration to proceed against any service or persons connected with the service.

Arguments: The Plaintiff contended that the use of "Darjeeling" (hereinafter referred to as "the mark") by the Defendant amounts to infringement of its registered GI and certification marks. It further stated that certification trademarks apply to both goods and services. The TM Act defines 'certification trade mark' as a mark capable of distinguishing the goods or services in connection with which it is used in the course of trade which are certified by the proprietor of the mark. The Plaintiff alleged that the Defendant's use of the mark in connection with its lounge was mala fide and the said GI was used by the Defendant in bad faith.

The Defendant contended that the right of the Plaintiff with respect to its registered marks are limited to the protection of goods and cannot be extended to any form of services. It further contended that a complaint cannot be brought by the registered proprietor of a certification trademark relating to goods against any service or persons connected with it and the registered proprietor of a certification trademark relating to any service cannot complain against any infringing goods or persons connected with it.

Further, it was contended that the lounge was operative from the year 2003 which was prior to the GI Act coming into force. The Defendant asserted that its lounge is restricted to high-end customers where all sorts of beverages are served and hence, there is no possibility of misrepresentation in the name of the lounge or its services.

Judgment

The Court held that the mark cannot be exclusively claimed by the Plaintiff by virtue of its registration as a GI or a certification trade mark. The GI Act provides remedy in case of infringement of a GI which is limited to the protection of goods and cannot be extended to any form of services. It is pertinent to note that the GI Act does not affect the remedies available for passing-off of goods under any law. In the instant case, the action of passing-off falls under the domain of the TM Act and therefore, the same has to be seen in light of the trade mark law. The Court held that the Defendant's use of the mark was not in connection with the designation or presentation of any goods but related to services and hence, there was no likelihood of deception or confusion. Moreover, the lounge was within the confines of the hotel and accessible to its high-end customers alone. The Court further stated that the name "Darjeeling" has been extensively used in trading and commercial circles for decades and the recent registration of the same by the Plaintiff does not entitle it to enjoy any kind of exclusivity. The case was dismissed without any order as to costs.

SOURCE

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