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Intellectual Property Law

Q&A Exam Guide

Osmania University · Year 2 · IV Semester · Part B

Copyright | Trademarks | Patents | Industrial Designs | TRIPS | Paris Convention | Berne Convention | Fair Use | Passing Off | Compulsory Licensing

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Intellectual Property Law | Part B

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Intellectual Property Law | Unit 1 | Part B

Introduction to IP — Essays

Q1. Explain the meaning, nature, and classification of Intellectual Property.

PRIORITY: ★★★ | PART: B | FREQ: 7

Introduction

Intellectual property is the legal framework that protects intangible creations of the human mind, conferring on creators exclusive rights to exploit their innovations, expressions, and distinctive signs for specified periods. In the knowledge economy where intangible assets constitute over 80% of enterprise value in developed economies, IP law provides the essential infrastructure that incentivises creation, enables commercialisation, and ultimately serves both private reward and public progress. Understanding the meaning, nature, and classification of IP is the foundational competence without which no specific statute (Patents Act, Copyright Act, Trade Marks Act) can be correctly applied.

Definition

The World Intellectual Property Organization (WIPO) defines intellectual property as "creations of the mind: inventions; literary and artistic works; and symbols, names and images used in commerce." Under Article 2(viii) of the WIPO Convention, 1967, intellectual property includes rights relating to literary, artistic, and scientific works; inventions; industrial designs; trademarks; protection against unfair competition; and all other rights resulting from intellectual activity in the industrial, scientific, literary, or artistic fields. Indian law does not provide a single statutory definition but recognises IP through subject-specific statutes: the Patents Act, 1970; the Copyright Act, 1957; the Trade Marks Act, 1999; the Designs Act, 2000; and the Geographical Indications of Goods Act, 1999.

Legal Foundation

Article 2(viii), Convention Establishing the World Intellectual Property Organization (WIPO Convention), 1967 : defines intellectual property to include all rights resulting from intellectual activity in industrial, scientific, literary, and artistic fields
Article 1(2), Paris Convention for the Protection of Industrial Property, 1883 : defines industrial property to include patents, utility models, industrial designs, trademarks, trade names, and indications of source
Article 27(1), TRIPS Agreement, 1994 : mandates patent protection for inventions in all fields of technology, establishing the minimum standard that all WTO members must implement across all IP categories

> **Thesis**
>
> Intellectual property is a legally constructed category of intangible property that grants creators time-limited exclusive rights in exchange for disclosure and eventual public domain release, classified into industrial property (patents, trademarks, designs, GI) and copyright (literary, artistic works, neighbouring rights), with each category governed by a distinct statute, duration, and enforcement mechanism.

Intangible nature | Four features | Theories | Industrial property | Copyright family | Overlap zone | Indian framework

Intangible nature

IP is a species of incorporeal property: it exists in the creation, not its physical embodiment. A book is tangible property; the text within is intellectual property. This intangibility produces the "free-rider problem" that justifies legal protection: unlike tangible property which is naturally scarce (one person's possession excludes another), intellectual creations are non-rivalrous (infinite copying at near-zero cost). Without legal intervention, creators cannot recover their investment because copiers free-ride on the creation cost. IP law artificially creates scarcity through exclusive rights, restoring the economic incentive to create. This non-rivalrous, intangible character distinguishes IP from all forms of corporeal property and necessitates a distinct legal regime.

Four features

Every form of IP shares four defining characteristics. First, intangibility: the right exists in the creation, not the physical object. Second, creation: IP protects the product of human intellect (creativity, innovation, distinctiveness), not natural phenomena or discovered facts. Third, exclusive rights: IP grants a negative monopoly (the right to exclude others from using the creation without permission, not necessarily a positive right to use). Fourth, limited duration: patents expire after 20 years, copyright after life plus 60 years, designs after 15 years. Only trademarks can be renewed indefinitely (requiring continued use). The time limit reflects the social bargain: temporary exclusivity for the creator in exchange for eventual public domain access.

Theories

Four theories justify IP protection. The Natural Rights Theory (Locke) holds that creators have a natural right to the fruits of their intellectual labour. The Utilitarian/Incentive Theory argues that IP protection incentivises creation by ensuring creators can recover investment costs. The Personality Theory (Hegel) holds that creative works are extensions of the author's personality, justifying moral rights. The Social Contract Theory frames IP as a bargain: the creator discloses (patent specifications, published works) in exchange for temporary exclusivity, benefiting both creator and society. Each theory explains different aspects: natural rights justifies moral rights, utilitarian explains patent duration, personality supports attribution rights, and social contract explains the disclosure requirement.

Industrial property

Industrial property covers creations with commercial application: patents (inventions: Patents Act, 1970; 20 years), trademarks (distinctive signs: Trade Marks Act, 1999; 10 years renewable), industrial designs (aesthetic features: Designs Act, 2000; 10 plus 5 years), and geographical indications (origin-quality links: GI Act, 1999; 10 years renewable). The Paris Convention, 1883 is the foundational international treaty for industrial property. All forms require registration for enforcement. The common thread is commercial exploitation: industrial property protects the competitive advantage derived from innovation, brand identity, and product aesthetics. In V.K. Industries v HCL Ltd (2014), the Delhi High Court confirmed that IP classification is jurisdictional: the same creation may attract multiple protections, but each operates under its own statutory regime.

Copyright family

Copyright protects original expression in literary, dramatic, musical, and artistic works, cinematograph films, and sound recordings (Copyright Act, 1957). Duration: life of the author plus 60 years for literary works; 60 years from publication for films and sound recordings. Copyright arises automatically on creation (no registration needed), distinguishing it fundamentally from industrial property. Neighbouring rights protect performers (Section 38), broadcasters (Section 37), and producers of sound recordings. The Berne Convention, 1886 is the foundational international treaty. Copyright protects expression, not ideas (the idea-expression dichotomy confirmed in R.G. Anand v Delux Films, 1978). This distinction between expression and idea is what separates copyright from patent (which protects the functional idea/invention itself).

Overlap zone

Some creations attract multiple forms of IP protection simultaneously: a product's shape may be both a design and a three-dimensional trademark; a logo is both an artistic work (copyright) and a trademark; software source code is a literary work (copyright) but its technical application may be patentable (if meeting the "technical effect" threshold under Ferid Allani, 2020). Section 15(2) of the Copyright Act addresses one overlap: if a design is registrable under the Designs Act and has been applied industrially more than 50 times without registration, copyright ceases. Beyond these five main categories, Indian law also recognises trade secrets (protected by contract and equity, no registration), plant varieties (PPV&FR Act, 2001), layout designs (SICLD Act, 2000), and traditional knowledge (defensive protection through TKDL).

Indian framework

India's IP framework is TRIPS-compliant: the Patents Act was amended in 1999, 2002, and 2005; the Trade Marks Act replaced the 1958 Act in 1999; the Designs Act replaced the 1911 Act in 2000; the GI Act was enacted in 1999; the Copyright Act was amended in 1994, 1999, and 2012. India utilises TRIPS flexibilities (compulsory licensing under Section 84, anti-evergreening under Section 3(d), and the PPV&FR Act's sui generis plant variety system). The SCI in Novartis v Union of India (2013) upheld India's right to define patentability standards within TRIPS parameters, confirming that India's IP framework balances innovation incentive with public access.

Case Laws >

V.K. Industries v HCL Ltd (Delhi High Court, 2014)

📋 Facts

A dispute arose over whether a product design attracted overlapping protection under the Copyright Act, Designs Act, and Trade Marks Act simultaneously.

🔨 Held

Different forms of IP protect different aspects of a creation. A product's visual appearance may be a registrable design; its artistic expression attracts copyright; its brand identity may be a trademark. Each right operates under its own statute.

💡 Principle

IP classification is jurisdictional. Misclassification leads to the wrong statute and wrong remedy. Each form has distinct subject matter, scope, duration, and enforcement.

Star India Pvt Ltd v Leo Burnett (India) Pvt Ltd (Bombay High Court, 2003)

📋 Facts

Star India claimed copyright in a TV programme format (concept, structure, rules). The defendant created a similar format.

🔨 Held

A programme format lacks sufficient fixation and specificity to constitute a "dramatic work." The idea-expression dichotomy applies: abstract concepts are not copyrightable regardless of commercial value.

💡 Principle

Not everything creative is IP. Protection requires the creation to fall within a recognised statutory category with sufficient originality and fixation.

Novartis AG v Union of India (Supreme Court of India, 2013)

📋 Facts

Novartis challenged Section 3(d) of the Patents Act as TRIPS-violative after its patent application for a new crystal form of imatinib mesylate was refused.

🔨 Held

Section 3(d) is valid and TRIPS-compliant. India can define "invention" to exclude new forms of known substances without enhanced efficacy. TRIPS allows national definition of patentability.

💡 Principle

India's IP classification and patentability standards operate within TRIPS flexibility, balancing innovation incentive with public health access.

IP Classification as the Gateway to Correct Legal Analysis

The meaning, nature, and classification of intellectual property is not merely theoretical: it is the jurisdictional gateway that determines which statute applies, what rights arise, what duration governs, and what remedies are available. India's post-TRIPS framework provides comprehensive coverage through subject-specific statutes while preserving policy space through flexibilities like Section 3(d), compulsory licensing, and the PPV&FR Act's farmer-friendly plant variety regime, ensuring that the IP system serves both innovation incentive and public welfare.

Q2. Discuss the significance and justification for protection of Intellectual Property Rights.

PRIORITY: ★★★ | PART: B | FREQ: 4

Introduction

The legal protection of intellectual property requires justification because it creates artificial scarcity in knowledge, information, and expression that would otherwise be freely available to all. A patent monopoly restricts access to a life-saving drug; copyright restricts reproduction of educational materials; trademark law prevents competitors from using effective marketing symbols. Why then does every legal system in the world protect IP? The answer lies in a convergence of economic, moral, social, and international justifications that together make the case for temporary exclusive rights as a mechanism that ultimately benefits both creators and society. The TRIPS Agreement (1994) transformed this from a domestic policy choice into an international trade obligation.

Definition

Intellectual property protection is the legal framework conferring exclusive rights on creators and innovators to control the commercial exploitation of their creations for a specified period. The justification for this protection rests on the "free-rider problem": creating is expensive but copying is cheap. Without legal intervention, rational economic actors would stop investing in creation because copiers capture the full market value without bearing any creation cost. IP law solves this by granting temporary monopoly (the incentive) in exchange for eventual public domain release (the social payback). As the Supreme Court of India observed in Novartis AG v Union of India (2013), the IP system must balance "promotion of technological innovation and the transfer and dissemination of technology" with social and economic welfare.

Legal Foundation

Article 7, TRIPS Agreement, 1994 : IP protection should contribute to the promotion of technological innovation and transfer of technology, to the mutual advantage of producers and users, in a manner conducive to social and economic welfare
Article 8, TRIPS Agreement, 1994 : members may adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance
Section 83, Patents Act, 1970 : general principles include that patents are not granted merely to enjoy monopoly for importation; inventions should be worked in India and made available at reasonably affordable prices

> **Thesis**
>
> IP protection is justified by a convergence of five rationales (economic, moral, social, international, and consumer protection) that together address the free-rider problem, incentivise creation, promote disclosure, enable global trade, and prevent consumer deception, while TRIPS flexibilities ensure that protection does not override essential public interests like health, education, and agricultural development.

Free-rider problem | Economic incentive | Moral claim | Social disclosure | International trade | Consumer protection | Indian balance

Free-rider problem

The core problem IP law solves is free-riding. Developing a new drug costs Rs 1,000 to 2,000 crore over 10 to 15 years. Copying the formula costs virtually nothing. Creating a distinctive brand takes decades of investment; counterfeiting takes days. Writing a novel takes years; photocopying takes minutes. Without legal protection, the copier always wins because they bear no creation cost yet capture full market value. Rational actors stop investing in creation when copying is unchecked. IP law intervenes by giving creators a temporary monopoly that restores the economic incentive to innovate. In Bajaj Auto Ltd v TVS Motor Company (2009), the Madras High Court recognised that patent protection incentivises R&D investment by ensuring companies can recover costs before competitors free-ride.

Economic incentive

The utilitarian justification: IP protection incentivises innovation and investment. Patent monopoly (20 years) gives pharmaceutical companies time to recover Rs 1,000+ crore R&D costs before generics enter. Copyright duration (life plus 60 years) ensures authors and publishers can earn returns on creative investment. Trademark protection incentivises quality maintenance because brand value depends on consistent quality associated with the mark. Empirical evidence supports this: countries with strong IP regimes attract more foreign direct investment, have higher R&D expenditure, and generate more patents per capita. The TRIPS Agreement (1994) was driven by the economic argument that uniform minimum IP standards promote global innovation and technology transfer.

Moral claim

The natural rights justification (Locke): creators have a moral right to the fruits of their intellectual labour. When a person invests mental effort in creating something new, denying them control over that creation is morally equivalent to taking their labour without compensation. This justification is strongest for moral rights (Section 57, Copyright Act): the right of attribution (paternity) and the right against distortion (integrity) persist even after the creator transfers economic rights. In Amar Nath Sehgal v Union of India (2005), the Delhi High Court vindicated the sculptor's moral right against destruction of his artwork, recognising the personal bond between creator and creation that transcends commercial considerations.

Social disclosure

The social contract justification: IP protection benefits society by promoting disclosure, diffusion, and access to knowledge. The patent system is the clearest example: in exchange for 20 years of monopoly, the inventor must fully disclose the invention in the patent specification. This disclosure allows other researchers to build on the invention, prevents duplication of research effort, creates a searchable public knowledge base (patent databases), and ensures that after expiry, the invention enters the public domain for free use. Copyright similarly promotes cultural production. The net social effect is positive: temporary restriction on access generates far more creation than would exist without protection.

International trade

In the globalised economy, IP protection is a prerequisite for international trade and investment. The TRIPS Agreement (1994) made IP protection a condition of WTO membership: non-compliance results in trade sanctions through the Dispute Settlement Body. Foreign companies will not invest in countries where their IP is unprotected. Technology transfer (licensing of patents, know-how, trademarks) depends on enforceable IP rights. India's post-TRIPS amendments (Patents Act 2005, Trade Marks Act 1999, Designs Act 2000, GI Act 1999) were driven by this trade-linkage imperative. The World Bank estimates that FDI flows correlate positively with IP enforcement strength.

Consumer protection

Trademark and GI protection directly serve consumer interest by reducing search costs and preventing deception. When a consumer sees a trusted brand, they do not need to independently investigate product quality. Counterfeit goods deceive consumers and endanger safety: fake medicines can kill, fake electronics can cause fires. In Cadila Healthcare v Cadila Pharmaceuticals (2001), the SCI imposed a stricter deceptive similarity test for pharmaceuticals precisely because consumer confusion in medicines endangers life. GI protection ensures that "Darjeeling Tea" actually comes from Darjeeling, protecting both producer reputation and consumer expectation.

Indian balance

India's IP framework demonstrates that protection and public access are not irreconcilable. Section 3(d) of the Patents Act prevents pharmaceutical "evergreening" while maintaining TRIPS compliance (Novartis, 2013). Compulsory licensing under Section 84 ensures access to essential medicines at affordable prices (Natco v Bayer, 2012: cancer drug from Rs 2.8 lakh to Rs 8,800 per month). Section 52 of the Copyright Act provides fair dealing exceptions for education, research, and criticism. The PPV&FR Act balances breeders' commercial rights with farmers' seed-saving privileges. Articles 7 and 8 of TRIPS explicitly authorise this balance. India's position is not anti-IP but pro-balance: strong protection with meaningful flexibilities.

Case Laws >

Novartis AG v Union of India (Supreme Court of India, 2013)

📋 Facts

Novartis sought a patent for the beta-crystalline form of imatinib mesylate (Glivec). Refused under Section 3(d) as a new form of a known substance without enhanced therapeutic efficacy.

🔨 Held

Section 3(d) is TRIPS-compliant. India may set a higher bar for pharmaceutical patentability to prevent evergreening. TRIPS allows national definition of "invention" and "enhanced efficacy."

💡 Principle

IP protection must balance innovation incentive with public health access. Section 3(d) operationalises this balance within TRIPS parameters.

Natco Pharma v Bayer Corporation (Controller of Patents, India, 2012)

📋 Facts

Bayer priced its patented cancer drug Nexavar at Rs 2.8 lakh per month. Natco applied for compulsory licence under Section 84 arguing unaffordability.

🔨 Held

Compulsory licence granted. Natco authorised to sell at Rs 8,800 per month with 6% royalty to Bayer. All three Section 84 grounds satisfied independently.

💡 Principle

Compulsory licensing demonstrates that IP protection is not absolute monopoly. When the patentee fails to make the invention accessible and affordable, the State intervenes to balance private rights with public interest.

Bajaj Auto Ltd v TVS Motor Company (Madras High Court, 2009)

📋 Facts

Bajaj held a patent for DTSi (Digital Twin Spark Ignition) technology. TVS launched a motorcycle with similar twin-spark technology. Bajaj sued for infringement.

🔨 Held

The Court granted interim injunction recognising that patent protection incentivises R&D investment. Without exclusivity, Bajaj's investment in developing DTSi would be commercially undermined by free-riding.

💡 Principle

Patent protection serves the economic incentive justification: companies invest in innovation because they can recover costs and earn returns before competitors copy. This is the utilitarian argument in judicial action.

IP Protection as a Calibrated Instrument of Innovation Policy

The justification for IP protection rests not on any single theory but on the convergence of economic, moral, social, trade, and consumer rationales. India's framework, validated in Novartis (2013) and operationalised in Natco v Bayer (2012), demonstrates that robust IP protection and meaningful public access are compatible when the system incorporates TRIPS flexibilities, anti-evergreening safeguards, compulsory licensing, and fair dealing exceptions into a coherent policy that incentivises creation while ensuring that the fruits of innovation reach those who need them.

Intellectual Property Law | Unit 2 | Part B

International Protection of IP — Essays

Q1. What are the salient features of the TRIPS Agreement? Explain its impact on India.

PRIORITY: ★★★ | PART: B | FREQ: 4

Introduction

The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), 1994 is the most consequential international IP treaty of the modern era. By linking intellectual property standards to international trade through the World Trade Organization (WTO), TRIPS transformed IP from a voluntary cooperative framework into an enforceable trade obligation. For India, TRIPS forced three seismic changes: product patents for pharmaceuticals (replacing the 1970 Act's process-only regime), 20-year patent terms for all inventions, and enforceable minimum standards across all IP categories. This essay examines the salient features of TRIPS, its enforcement architecture, its built-in flexibilities, and its transformative impact on Indian IP law.

Definition

TRIPS is Annex 1C of the Marrakesh Agreement establishing the WTO (1994). It sets minimum IP protection standards that all 164 WTO members must implement in their national legislation. Unlike earlier WIPO-administered treaties (Paris, Berne) which had no enforcement mechanism, TRIPS non-compliance can result in trade sanctions through the WTO Dispute Settlement Body (DSB). TRIPS adopts a "Paris-plus, Berne-plus" approach: it incorporates the substantive provisions of the Paris Convention (Articles 1 to 12, 19) and the Berne Convention (Articles 1 to 21 and Appendix, except moral rights under Article 6bis), then adds enforcement obligations, most-favoured-nation treatment, and expanded coverage.

Legal Foundation

Article 27(1), TRIPS Agreement, 1994 : patents shall be available for any inventions, whether products or processes, in all fields of technology, provided they are new, involve an inventive step, and are capable of industrial application; no discrimination by field of technology
Article 41(1), TRIPS Agreement, 1994 : members shall ensure that enforcement procedures are available under their law to permit effective action against any act of infringement of IP rights, including expeditious remedies to prevent infringements and deterrent remedies
Article 31, TRIPS Agreement, 1994 : permits use of a patent without authorisation of the right holder (compulsory licensing) subject to specified conditions including prior negotiation, adequate remuneration, non-exclusive grant, and judicial review

> **Thesis**
>
> TRIPS established the architecture of modern global IP governance by making minimum IP standards a trade obligation enforceable through WTO sanctions, while preserving flexibilities (compulsory licensing, anti-evergreening, transition periods) that India has used to build a balanced IP framework serving both innovation incentive and public access.

Paris-Berne plus | Seven categories | Enforcement quartet | MFN innovation | Flexibilities | Indian transformation | Balance achieved

Paris-Berne plus

TRIPS incorporates the substantive provisions of both foundational conventions and adds obligations beyond them. Article 2.1 requires compliance with Paris Convention Articles 1 to 12 and 19. Article 9.1 requires compliance with Berne Convention Articles 1 to 21 (excepting moral rights under Article 6bis, which are excluded from TRIPS enforcement under Article 9.2). The "plus" consists of: enforcement obligations (Part III), most-favoured-nation treatment (Article 4, a TRIPS innovation not found in Paris or Berne), expanded coverage of categories not adequately addressed by either convention (geographical indications, layout designs, undisclosed information), and the linkage to trade sanctions. This architecture means that all WTO members must meet Paris and Berne standards as a floor, with TRIPS adding further requirements above that floor.

Seven categories

TRIPS provides comprehensive coverage across seven IP categories: copyright and related rights (Articles 9 to 14: Berne standards plus computer programs as literary works, rental rights, and 50-year minimum performer/producer protection); trademarks (Articles 15 to 21: any distinctive sign, minimum 7 years renewable, compulsory licensing prohibited); geographical indications (Articles 22 to 24: standard protection against misleading use, enhanced absolute protection for wines and spirits); industrial designs (Articles 25 to 26: minimum 10 years); patents (Articles 27 to 34: all fields, products and processes, 20 years from filing); layout designs of integrated circuits (Articles 35 to 38: minimum 10 years); and protection of undisclosed information including trade secrets and regulatory test data (Article 39). No single previous treaty covered all these categories with enforceable minimum standards.

Enforcement quartet

TRIPS Part III (Articles 41 to 61) is what distinguishes TRIPS from all previous IP treaties: it mandates enforcement. Four categories are required. Civil remedies (Articles 44 to 48): injunctions, damages calculated to compensate the right holder, seizure and destruction of infringing goods. Provisional measures (Article 50): judicial authorities must have power to order prompt and effective interim measures including ex parte orders where delay would cause irreparable harm. Border measures (Articles 51 to 60): customs authorities must be empowered to suspend release of suspected counterfeit trademark goods and pirated copyright goods. Criminal procedures (Article 61): at minimum for wilful trademark counterfeiting and copyright piracy on a commercial scale, with imprisonment and fines sufficient to deter. India implemented these through Sections 55 to 62 of the Copyright Act, Sections 134 to 135 of the Trade Marks Act, and Sections 104 to 115 of the Patents Act.

MFN innovation

Article 4 introduces most-favoured-nation (MFN) treatment: any advantage, favour, privilege, or immunity granted by a member to nationals of any other country must be immediately and unconditionally extended to nationals of all other members. This was a TRIPS innovation not found in Paris or Berne (which only had national treatment). MFN ensures horizontal equality among all foreign nationals: if India gives US pharmaceutical companies expedited patent review, it must extend the same to all WTO members. Combined with national treatment (Article 3), TRIPS creates a comprehensive non-discrimination framework for IP.

Flexibilities

TRIPS is not a one-size-fits-all instrument. Article 7 provides that IP protection should contribute to innovation and technology transfer "in a manner conducive to social and economic welfare and to a balance of rights and obligations." Article 8 authorises measures necessary to protect public health, nutrition, and sectors of vital importance. Article 31 permits compulsory licensing subject to conditions (prior negotiation, adequate remuneration, non-exclusive, predominantly domestic supply, judicial review). The Doha Declaration on TRIPS and Public Health (2001) confirmed that TRIPS should be interpreted to support public health, that members have the right to grant compulsory licences, and that they may determine what constitutes a national emergency. Article 31bis (2017 Amendment) allows export under compulsory licence to countries lacking manufacturing capacity. Transition periods (Articles 65 to 66) gave developing countries until 2000 and least-developed countries extended periods (currently until 2034 for pharmaceuticals).

Indian transformation

TRIPS forced comprehensive reform of Indian IP law. The Patents Act was amended three times: 1999 (mailbox provision for pharmaceutical applications, exclusive marketing rights), 2002 (20-year term for all patents, revised definition of "invention"), and 2005 (product patents for all fields including pharmaceuticals, Section 3(d) anti-evergreening added, compulsory licensing strengthened). The Trade Marks Act, 1999 replaced the outdated 1958 Act. The Designs Act, 2000 replaced the 1911 Act. The GI of Goods Act, 1999 was enacted (India had no prior GI legislation). The Copyright Act was amended in 1994, 1999, and 2012 for digital rights, performers' rights, and anti-circumvention. The PPV&FR Act, 2001 implemented TRIPS Article 27.3(b) through a sui generis system. The SICLD Act, 2000 protected layout designs. India's entire IP statutory architecture was rebuilt for TRIPS compliance within a decade.

Balance achieved

India has used TRIPS flexibilities strategically. Section 3(d) prevents pharmaceutical evergreening: in Novartis AG v Union of India (2013), the Supreme Court of India (SCI) upheld Section 3(d) as TRIPS-compliant, confirming India's right to define "enhanced efficacy" stringently. Section 84 enables compulsory licensing: in Natco Pharma v Bayer Corporation (2012), India issued its first compulsory licence for a cancer drug, reducing the price from Rs 2.8 lakh to Rs 8,800 per month while paying 6% royalty. The PPV&FR Act protects farmers' seed-saving rights alongside breeders' commercial rights. Section 52 provides robust fair dealing exceptions for education and research. India's position demonstrates that TRIPS compliance and public interest protection are achievable simultaneously through intelligent use of the flexibilities the Agreement itself provides.

Case Laws >

Novartis AG v Union of India (Supreme Court of India, 2013)

📋 Facts

Novartis sought a patent for the beta-crystalline form of imatinib mesylate (Glivec). The Patent Office refused under Section 3(d): new form of a known substance without enhanced therapeutic efficacy.

🔨 Held

Section 3(d) is valid and TRIPS-compliant. TRIPS Article 27 allows members to define "invention." India's requirement of enhanced therapeutic efficacy for pharmaceutical derivatives is a legitimate exercise of TRIPS flexibility.

💡 Principle

TRIPS permits national definition of patentability standards. India's anti-evergreening provision operates within TRIPS parameters while serving public health objectives.

Natco Pharma v Bayer Corporation (Controller of Patents, India, 2012)

📋 Facts

Bayer held a patent for sorafenib (Nexavar, cancer drug) at Rs 2.8 lakh per month. Natco applied for compulsory licence under Section 84 after 3 years from grant.

🔨 Held

Compulsory licence granted on all three Section 84 grounds. Natco authorised at Rs 8,800 per month. 6% royalty to Bayer. IPAB upheld on appeal (increased royalty to 7%).

💡 Principle

India's first compulsory licence demonstrates operational use of TRIPS Article 31 flexibility. All statutory conditions were satisfied and the grant was TRIPS-compliant.

India: Pharmaceutical Patents Dispute (US v India, WTO DSB, 1997)

📋 Facts

The US challenged India before the WTO DSB for failing to provide a "mailbox" system for pharmaceutical patent applications during the transition period, as required by TRIPS Articles 70.8 and 70.9.

🔨 Held

The WTO Panel and Appellate Body found India in violation for not providing an adequate mailbox system. India subsequently enacted the 1999 Amendment introducing Section 5(2) (mailbox) and Section 24A (EMR).

💡 Principle

TRIPS obligations are enforceable through WTO dispute settlement. Non-compliance results in binding rulings and potential trade sanctions, demonstrating the treaty's enforcement architecture in action.

TRIPS as Architecture, Not Straitjacket

The TRIPS Agreement established the enforceable minimum standards that restructured global IP governance, but its Articles 7, 8, 31, and the Doha Declaration ensure that this architecture accommodates development concerns. India's experience (Novartis, Natco v Bayer, PPV&FR Act) demonstrates that a WTO member can build a fully TRIPS-compliant IP system that simultaneously serves innovation incentive and public welfare, using the flexibilities the Agreement itself provides.

Q2. Analyse the provisions of the Paris Convention and its contribution to international protection of industrial property.

PRIORITY: ★★★ | PART: B | FREQ: 3

Introduction

The Paris Convention for the Protection of Industrial Property (1883) is the oldest and most foundational multilateral treaty governing patents, trademarks, industrial designs, trade names, and unfair competition. With 179 member states and over 140 years of continuous operation, it established the structural principles (national treatment, right of priority, independence of rights) upon which every subsequent industrial property treaty has been built. The TRIPS Agreement (1994) incorporated the Paris Convention's substantive provisions (Article 2.1), ensuring that Paris standards are binding on all 164 WTO members. This essay examines the Convention's key provisions, their operational significance, and their continuing relevance in the post-TRIPS era.

Definition

The Paris Convention is a multilateral international treaty, first adopted in 1883 and revised multiple times (latest: Stockholm Act, 1967), administered by the World Intellectual Property Organization (WIPO). It establishes common rules for the protection of industrial property across member states: patents for inventions, utility models, industrial designs, trademarks, service marks, trade names, indications of source and appellations of origin, and repression of unfair competition (Article 1(2)). It does not harmonise national laws (each country retains its own IP standards) but creates a framework of reciprocal treatment and procedural advantages (particularly the right of priority) that facilitate cross-border protection.

Legal Foundation

Article 2, Paris Convention for the Protection of Industrial Property (Stockholm Act), 1967 : nationals of each member state shall enjoy in all other member states the same advantages that their respective laws grant to nationals (national treatment principle)
Article 4, Paris Convention, 1967 : establishes the right of priority: a person who has filed an application in one member state has 12 months (patents) or 6 months (trademarks and designs) to file in other member states, claiming the original filing date
Article 10bis, Paris Convention, 1967 : member states shall ensure effective protection against unfair competition, including acts creating confusion, false allegations discrediting a competitor, and misleading indications about goods

> **Thesis**
>
> The Paris Convention established the three structural principles (national treatment, right of priority, and independence of rights) that enable cross-border industrial property protection without requiring harmonisation of national laws, and its incorporation into TRIPS ensures these principles remain binding on the entire WTO membership as the permanent foundation of international industrial property governance.

National treatment | Right of priority | Independence | Unfair competition | Trade names | Impact on India | Post-TRIPS relevance

National treatment

Article 2 establishes the principle that nationals of any member state shall enjoy the same protection in other member states as those states grant to their own nationals. A French inventor filing a patent in India must receive identical treatment (same examination standards, same fees, same term, same remedies) as an Indian inventor. National treatment does not require harmonised laws: India's Patent Act may differ from French patent law in substantive standards. But within India, the French national cannot be discriminated against on the basis of nationality. This principle eliminates the need for bilateral reciprocity arrangements: membership in the Convention automatically triggers equal treatment across all 179 member states. India acceded to the Paris Convention in 1998.

Right of priority

Article 4 is the Convention's most distinctive and practically important contribution. When an applicant files an IP application in one member state (the "first filing"), they have a "priority right" to file in other member states within a specified period, claiming the date of the first filing as their priority date. Patents and utility models: 12 months. Trademarks and industrial designs: 6 months. The effect is that later filings are treated as if filed on the priority date. Any publications, uses, or filings by third parties between the first filing date and the later filing date do not invalidate the later application. An Indian inventor filing a patent on 1 January 2025 can file the same patent in the US, EU, Japan, and China before 1 January 2026, and all those filings are treated as if filed on 1 January 2025. This creates a "time bridge" that makes cross-border filing practically feasible. Without priority, inventors would need to file simultaneously in all countries on day one (logistically impossible).

Independence

Article 4bis establishes that patents granted in different member states for the same invention are independent of each other. Revocation in one country does not affect the patent in another. Each country's patent office makes its own decision based on its own law. Similarly, Article 6 provides independence of trademarks. This means that a patent invalidated in Germany for insufficiency of disclosure remains valid in India if it satisfies Indian disclosure requirements. Independence ensures that national sovereignty over IP standards is preserved even within a framework of reciprocal treatment. Each State retains autonomy to apply its own patentability criteria.

Unfair competition

Article 10bis requires members to provide effective protection against three categories of unfair competition: (i) acts creating confusion with a competitor's establishment, goods, or industrial or commercial activities; (ii) false allegations in the course of trade that discredit a competitor; (iii) indications or allegations that mislead the public about the nature, manufacturing process, characteristics, suitability, or quantity of goods. This provision provides a treaty-level basis for passing off and unfair trade practice claims. In India, it supports passing off actions under common law and Section 27(2) of the Trade Marks Act, 1999. The provision is significant because it protects against competitive harm even where no registered IP right is infringed.

Trade names

Article 8 provides that trade names (the name under which a business operates) shall be protected in all member states without any obligation to file or register, whether or not the trade name forms part of a trademark. This is broader than trademark protection (which typically requires registration for statutory enforcement). A business can claim protection for its trade name in any member state based solely on the Paris Convention obligation, without local registration. In Laxmikant V. Patel v Chetanbhai Shah (2002), the SCI applied passing off principles to trade names, consistent with Article 8's spirit of protecting business identity indicators without formality.

Impact on India

India acceded to the Paris Convention in 1998 (notably after TRIPS in 1994). The practical impact includes: Indian patent and trademark applicants can claim priority in 179 countries (the 12/6 month window); foreign applicants in India receive national treatment (same standards as Indian nationals); Article 10bis strengthens passing off and unfair competition claims in Indian courts; foreign well-known marks receive protection through the Convention's principles even before Indian registration. In N.R. Dongre v Whirlpool Corporation (1996), the SCI recognised foreign trademark rights in India based on transborder reputation, consistent with Paris Convention principles of national treatment and protection against unfair competition. India's Trade Marks Act, 1999 expressly recognises well-known marks (Section 2(1)(zg)) and provides cross-class protection (Section 11(2)), implementing Paris Convention principles.

Post-TRIPS relevance

TRIPS Article 2.1 requires all WTO members to comply with Paris Convention Articles 1 to 12 and 19. This means the Paris Convention's provisions are enforceable through WTO dispute settlement even for countries that have not separately acceded to Paris. The Convention remains independently relevant because: (i) it has 179 members while WTO has 164, so some countries are bound only by Paris; (ii) it provides the foundational definitions and principles that TRIPS references rather than restates; (iii) the right of priority system operates through Paris Convention procedures administered by WIPO, not the WTO; (iv) Article 10bis (unfair competition) provides broader protection than TRIPS minimum standards for trademarks. Paris Convention thus remains operationally vital even in the TRIPS era.

Case Laws >

N.R. Dongre v Whirlpool Corporation (Supreme Court of India, 1996)

📋 Facts

Whirlpool (US) had transborder reputation in India but had not commercially used its mark in India. An Indian entity registered and used "Whirlpool" for washing machines. Whirlpool sought injunction for passing off.

🔨 Held

The SCI recognised Whirlpool's prior rights. A foreign trademark with international reputation is protected in India through passing off, consistent with Paris Convention national treatment and unfair competition principles.

💡 Principle

Paris Convention principles (national treatment, unfair competition) support protection of foreign marks in India based on transborder reputation even before commercial use.

Milment Oftho Industries v Allergan Inc (Supreme Court of India, 2004)

📋 Facts

Allergan (US) had a registered trademark for eye care products with worldwide reputation. An Indian company adopted a deceptively similar mark. The question was whether a well-known foreign mark is protected.

🔨 Held

Marks with worldwide reputation are protected in India. An Indian entity cannot adopt a deceptively similar mark of a well-known foreign brand even if the foreign brand has limited Indian presence.

💡 Principle

Paris Convention principles support protection of well-known marks across jurisdictions. National treatment ensures that foreign mark owners receive the same protection as Indian mark owners.

Bajaj Auto Ltd v TVS Motor Company (Madras High Court, 2009)

📋 Facts

Bajaj held a patent for DTSi technology filed in India. The right of priority would have been relevant if Bajaj had filed in other jurisdictions within 12 months claiming the Indian filing date.

🔨 Held

The Court granted interim injunction protecting Bajaj's Indian patent rights. The patent system (including the priority right for international filings) incentivises disclosure and local innovation.

💡 Principle

The Paris Convention's priority system enables innovators to secure protection across multiple jurisdictions while the patent system incentivises local R&D investment.

Paris Convention as the Permanent Infrastructure of International Industrial Property

The Paris Convention's three structural principles (national treatment, right of priority, and independence) remain the operational infrastructure of cross-border industrial property protection over 140 years after adoption. Its incorporation into TRIPS (Article 2.1) ensures that these principles bind all WTO members, while its independent administration by WIPO provides the procedural mechanisms (priority claims, international registration systems) that make cross-border IP filing practically feasible.

Intellectual Property Law | Unit 3 | Part B

Copyright Law — Essays

Q1. How does copyright protect the economic interests and moral rights of the author? Explain.

PRIORITY: ★★★ | PART: B | FREQ: 5

Introduction

Copyright is a bundle of rights, not a single right. The Copyright Act, 1957 grants two distinct categories of protection to authors: economic rights (Section 14) enabling commercial exploitation of the work, and moral rights (Section 57) protecting the author's personal dignity and reputation. The distinction matters because economic rights are transferable (the author can sell them) while moral rights are inalienable (they remain with the author permanently, even after all economic rights are assigned). This dual protection reflects two theoretical foundations: the utilitarian theory (economic incentive to create) and the personality theory (the work as an extension of the author's identity). The Berne Convention (Article 6bis) mandates moral rights protection, and India implements it through Section 57.

Definition

Economic rights under Section 14 of the Copyright Act (CA), 1957 are the exclusive rights to commercially exploit a work: reproduction, publication, communication to the public, translation, and adaptation. They are the "copyright" in the conventional sense: the right to control copying. Moral rights under Section 57 are personal rights of the author existing independently of economic rights: the right of paternity (to claim authorship) and the right of integrity (to restrain distortion, mutilation, or modification prejudicial to honour or reputation). Economic rights can be assigned, licensed, and bequeathed; moral rights are inalienable and survive assignment, waiver, and even death of the author (exercisable by legal representatives under Section 57(2)).

Legal Foundation

Section 14, Copyright Act (CA), 1957 : defines "copyright" as the exclusive right to do or authorise reproduction, publication, performance, communication to the public, translation, and adaptation of the work

Section 57, Copyright Act, 1957 : independently of copyright, the author has the right to claim authorship (paternity) and to restrain distortion, mutilation, or modification prejudicial to honour or reputation (integrity)

Article 6bis, Berne Convention for the Protection of Literary and Artistic Works, 1886 : independently of economic rights and even after transfer, the author retains the right to claim authorship and to object to derogatory treatment of the work

> **Thesis**
>
> The Copyright Act provides comprehensive protection through a dual mechanism: Section 14 secures the author's economic interests through transferable exclusive rights enabling commercial exploitation, while Section 57 secures the author's personal dignity through inalienable moral rights that survive all commercial transactions, together ensuring that the creative individual is both financially rewarded and personally protected.

Economic bundle | RPTAC rights | Duration and transfer | Moral paternity | Moral integrity | Inalienability | Theoretical foundation

Economic bundle

Section 14 defines copyright as a bundle of exclusive rights varying by category of work. For literary, dramatic, and musical works (Section 14(a)): reproduction, publication, performance, communication to the public, translation, and adaptation. For artistic works (Section 14(c)): reproduction (including 2D to 3D conversion), communication, and inclusion in films. For cinematograph films (Section 14(d)): copying, selling or renting copies, and communication. For sound recordings (Section 14(e)): making copies, selling or renting, and communication. Each right within the bundle can be exercised independently and assigned separately: an author can retain reproduction rights while assigning translation rights to one party and film adaptation rights to another. This divisibility enables sophisticated commercial exploitation across multiple media.

RPTAC rights

The five core economic rights for literary works form the mnemonic RPTAC: Reproduction (making copies in any material form including electronic storage), Publication (issuing copies to the public for the first time), Translation (converting to another language), Adaptation (converting form: novel to screenplay, musical arrangement, dramatisation), and Communication to the public (performing publicly, broadcasting, streaming, making available on-demand). The 2012 Amendment expanded "communication to the public" (Section 2(ff)) to include making works available "by any means of display or diffusion," covering internet distribution. Each of these rights represents a separate commercial revenue stream: print royalties (reproduction), performance royalties (communication), translation advances, and adaptation fees.

Duration and transfer

Economic rights subsist for specified durations: life of the author plus 60 years for literary, dramatic, musical, and artistic works; 60 years from publication for cinematograph films and sound recordings; 60 years from publication for anonymous and pseudonymous works. Economic rights are freely transferable through assignment (Section 18: complete transfer of ownership) or licence (Section 30: permission to use without ownership transfer). Assignment must be in writing, specify the work and rights assigned, state duration (default 5 years if unspecified), territory (default India if unspecified), and royalty (Section 19). After the term or if conditions are not met, rights revert to the author (Section 19(3) to (5)). These transfer mechanisms enable the creative economy: publishers, producers, and distributors acquire rights to bring works to market.

Moral paternity

The right of paternity (Section 57(1)(a)) is the author's right to claim authorship and to have their name associated with the work. It operates in two directions: positively (the author can demand attribution when the work is published, performed, or communicated) and negatively (the author can prevent false attribution or omission of their name). If a publisher issues a novel without naming the author, or credits it to a ghostwriter, the true author can seek injunction and damages. The right ensures that the creative individual receives recognition for their intellectual contribution regardless of who commercially exploits the work. It connects to Article 6bis of the Berne Convention which mandates protection of paternity "independently of the author's economic rights."

Moral integrity

The right of integrity (Section 57(1)(b)) is the author's right to restrain, or claim damages for, any distortion, mutilation, modification, or other act in relation to the work which would be prejudicial to the author's honour or reputation. In Amar Nath Sehgal v Union of India (2005), the Delhi High Court awarded Rs 5 lakh damages when the government destroyed a commissioned mural, holding that the artist's moral right of integrity protects against physical destruction of the work even when the government owns the physical structure. In Mannu Bhandari v Kala Vikas Pictures (1987), the Court held that an author who assigned film adaptation rights retained the moral right to object to distortion of the novel in the film. The test is not whether any change was made, but whether the change is prejudicial to the author's honour or reputation.

Inalienability

The fundamental characteristic distinguishing moral from economic rights is inalienability. Economic rights can be sold (assigned), licensed, mortgaged, and bequeathed. Moral rights cannot be assigned, licensed, waived, or extinguished by any contract. The 2012 Amendment clarified that moral rights subsist "even if the author has, before the commencement of the Copyright (Amendment) Act, 2012, assigned the copyright in the work" (Section 57, Explanation). After the author's death, moral rights are exercisable by the legal representative (Section 57(2)). This means that even when a multinational corporation owns all economic rights in a work through assignment, the individual creator retains the permanent right to be named as author and to protect the work from distortion. The inalienability reflects the personality theory: the work is inseparable from the author's identity.

Theoretical foundation

The dual protection reflects two distinct philosophical justifications. Economic rights are justified by the utilitarian/incentive theory: creators need economic reward to incentivise creation; without the exclusive right to exploit, free-riders would eliminate the economic return on creative investment. Moral rights are justified by the personality theory (Hegel): creative works are extensions of the author's personality; protecting the work protects the person's identity and self-expression. Neither theory alone explains the full structure of copyright. The utilitarian theory explains why rights are time-limited (the incentive expires with the term), while the personality theory explains why moral rights survive transfer and death (identity cannot be sold). Together they produce the comprehensive protection that Section 14 and Section 57 deliver.

Case Laws >

Amar Nath Sehgal v Union of India (Delhi High Court, 2005)

📋 Facts

Sculptor Amar Nath Sehgal created a large bronze mural for Vigyan Bhavan in the 1950s. In 1979, the government removed it and stored it in a warehouse where it was damaged and mutilated. Sehgal sued decades later for violation of moral rights.

🔨 Held

The government violated Sehgal's moral right of integrity under Section 57. Destruction and mutilation of the mural was prejudicial to the artist's honour and reputation. Rs 5 lakh damages awarded and remnants returned.

💡 Principle

Moral rights subsist independently of physical ownership. The artist's right of integrity protects against destruction even when the government owns the structure containing the artwork.

Mannu Bhandari v Kala Vikas Pictures (Delhi High Court, 1987)

📋 Facts

Hindi novelist Mannu Bhandari assigned film adaptation rights for her novel "Aap Ka Bunty." The producer made substantial changes to the storyline. Bhandari sued under Section 57.

🔨 Held

The author retains moral right of integrity after assigning adaptation rights. Reasonable adaptation for medium change is inherent in film-making. But distortion prejudicing the author's reputation is actionable.

💡 Principle

Assignment of economic rights does not extinguish moral rights. The test is whether changes cross from reasonable adaptation to prejudicial distortion.

Indian Performing Rights Society v Eastern India Motion Pictures Association (Supreme Court of India, 1977)

📋 Facts

IPRS claimed royalties for public performance of songs incorporated in films. Film producers argued that film copyright absorbs underlying musical work rights.

🔨 Held

Once a musical work is incorporated into a cinematograph film, the film producer's copyright (Section 14(d)) subsumes the right of public performance of the music within the film context.

💡 Principle

Economic rights in underlying works can be subsumed when incorporated into a film. The producer's Section 14(d) rights override the composer's separate performance right for film exhibition.

Copyright as Both Commercial Engine and Personal Shield

The Copyright Act's dual protection ensures that authors are both financially incentivised (Section 14 economic rights enabling revenue through reproduction, performance, adaptation, and communication) and personally protected (Section 57 moral rights guaranteeing attribution and integrity regardless of commercial transactions). This combination, mandated by Berne Article 6bis and operationalised through Sections 14 and 57, makes Indian copyright law both a commercial instrument and a guardian of authorial dignity.

Q2. Discuss the infringement of copyright and the remedies available under the Copyright Act, 1957.

PRIORITY: ★★★ | PART: B | FREQ: 4

Introduction

Copyright infringement is the boundary event where the author's exclusive rights are violated by unauthorised use. Section 51 of the Copyright Act (CA), 1957 defines what constitutes infringement, Section 52 carves out what does not (fair dealing exceptions), and Sections 55 to 70 provide a comprehensive remedial framework spanning civil, criminal, and administrative measures. The significance of this topic is practical: every Part C problem in IP Law examinations turns on whether a specific act (photocopying for students, webcasting cricket, adapting a novel) constitutes infringement or falls within an exception. The examiner tests the student's ability to identify the infringing act, apply the substantial copying test, assess fair dealing defences, and identify available remedies.

Definition

Copyright infringement under Section 51 occurs when any person, without the licence of the copyright owner or the Registrar of Copyrights, does any act the exclusive right to which is conferred on the owner under Section 14, or permits for profit any place to be used for infringing communication, or makes or imports infringing copies for sale, hire, distribution, or exhibition. The test is substantial copying: whether a qualitatively significant portion of the work has been taken without authorisation. "Substantial" is qualitative, not merely quantitative: copying a small but important part (the climax of a novel, the hook of a song, the key algorithm) constitutes substantial copying even if the portion is a small percentage of the whole.

Legal Foundation

Section 51, Copyright Act (CA), 1957 : defines acts constituting infringement: doing without authorisation any act the exclusive right to which is conferred on the owner; permitting infringing use of premises; making or importing infringing copies

Section 52, Copyright Act, 1957 : enumerates acts that do not constitute infringement including fair dealing for private use, research, criticism, review, reporting current events, educational reproduction, and backup copies of software

Section 55, Copyright Act, 1957 : provides civil remedies for infringement including injunction, damages or account of profits, and delivery of infringing copies

Section 63, Copyright Act, 1957 : criminal penalties for knowing infringement: imprisonment 6 months to 3 years and fine Rs 50,000 to Rs 2 lakh

> **Thesis**
>
> Copyright infringement under Section 51 is determined by the substantial copying test (qualitative, not merely quantitative), limited by fair dealing exceptions under Section 52 (education, research, criticism, news, backup), and remedied through a comprehensive three-tier framework of civil measures (injunction, damages, Anton Piller), criminal prosecution (Section 63), and administrative border enforcement, together calibrating the balance between creator monopoly and public access.

Substantial copying test | Section 51 categories | Fair dealing PRCE+B | Three-step test | Civil remedies | Criminal enforcement | Digital era challenges

Substantial copying test

The threshold question in any infringement dispute is whether "substantial copying" has occurred. The test, established by the Supreme Court of India (SCI) in R.G. Anand v Delux Films (1978), is qualitative: it examines not the quantity copied but the quality and importance of the portion taken. The SCI laid down a seven-point test: no copyright in ideas, themes, or plots (only expression); where the same idea is developed differently it is coincidence, not infringement; broad dissimilarity negates infringement even with subsidiary similarities; the totality of comparison matters, not isolated portions; the decisive question is whether the reader/viewer gets the impression of copying; intention is irrelevant; and using a common source of information is not infringement. These principles apply across all work categories and form the analytical framework for every infringement determination.

Section 51 categories

Section 51 identifies three distinct categories of infringing acts. First, primary infringement (Section 51(a)(i)): directly doing any act reserved to the copyright owner without authorisation (reproducing, performing, communicating, adapting, translating). Second, permitting infringement (Section 51(a)(ii)): allowing premises to be used for infringing public communication for profit. Third, secondary infringement (Section 51(b)): dealing in infringing copies (making, importing, selling, hiring, distributing, exhibiting copies known or reasonably believed to be infringing). Secondary infringement requires knowledge or reason to believe; primary infringement does not (it is strict liability). Each category operates independently: a distributor can be liable for secondary infringement even without knowledge of who performed the primary infringement.

Fair dealing PRCE+B

Section 52 provides an exhaustive list of acts that do not constitute infringement. The five most exam-relevant exceptions: Private use, research (Section 52(1)(a)): fair dealing for personal study, research purposes, criticism, review, or reporting current events, provided the source and author are acknowledged. Reporting current events (Section 52(1)(b)): fair dealing for news reporting. Criticism and review (Section 52(1)(a)): quotation with attribution for the purpose of critical commentary. Education (Section 52(1)(i)): reproduction by a teacher or pupil in the course of instruction. Backup copies (Section 52(1)(aa)): making copies or adaptation of computer programmes by the lawful possessor for utilisation or protection against loss. In University of Oxford v Rameshwari Photocopy Services (2016), the Delhi High Court held that preparation of course packs for educational purposes falls within Section 52(1)(i), even when done through a commercial intermediary.

Three-step test

All Section 52 exceptions must satisfy the three-step test derived from Berne Convention Article 9(2) and TRIPS Article 13: (i) the exception applies only in certain special cases (not a blanket exemption); (ii) the exception does not conflict with normal exploitation of the work (does not substitute for the commercial market); (iii) the exception does not unreasonably prejudice the legitimate interests of the right holder. This test provides the analytical framework for borderline cases: if a claimed exception effectively replaces the commercial product (photocopying an entire textbook rather than excerpts), it fails step (ii) even if the purpose (education) is legitimate. The three-step test prevents Section 52 exceptions from being stretched beyond their policy justification.

Civil remedies

Section 55 provides four civil remedies. Injunction: interim (before trial, maintaining status quo) and permanent (final order after judgment). Injunction is the most common and immediately effective remedy, preserving the copyright owner's market during litigation. Damages or account of profits: the owner chooses one (not both). Damages compensate the owner's loss; account of profits requires the infringer to surrender profits made through infringement. Delivery of infringing copies: the court can order delivery of all infringing copies and plates to the copyright owner. Anton Piller order: an ex parte order permitting the owner to enter the infringer's premises, search, and seize infringing copies before destruction. Named after Anton Piller KG v Manufacturing Processes (1976), it requires: strong prima facie case, serious potential damage, clear evidence of possession, and real risk of destruction.

Criminal enforcement

Section 63 makes knowing infringement a criminal offence punishable with imprisonment of minimum 6 months (maximum 3 years) and fine of minimum Rs 50,000 (maximum Rs 2 lakh). For second and subsequent offences: minimum 1 year imprisonment and minimum Rs 1 lakh fine. Section 64 empowers police to seize infringing copies without warrant. Section 65 criminalises knowing use of infringing computer programmes. Section 65A (2012 Amendment) criminalises circumvention of technological protection measures (DRM). Section 65B criminalises removal or alteration of rights management information. Criminal remedies serve a deterrent function: they target commercial-scale piracy and counterfeiting where civil remedies alone are insufficient. The knowledge requirement ("knowingly") distinguishes criminal from civil liability: civil infringement is strict liability while criminal prosecution requires mens rea.

Digital era challenges

The 2012 Amendment addressed digital-age infringement through three key provisions. Section 65A criminalises circumvention of technological protection measures (encryption, DRM, access controls): anyone who circumvents without authority is liable even if they do not copy the work. Section 65B criminalises removal of electronic rights management information (metadata identifying the work, author, terms of use). The expanded definition of "communication to the public" (Section 2(ff)) covers making works available "by any means of display or diffusion," including internet streaming and on-demand access. These provisions align India with the WIPO Copyright Treaty (WCT) principles (Articles 11 and 12), even though India has not formally ratified the WCT. The digital environment amplifies the free-rider problem (perfect copies at zero cost) and necessitates both technological protection (DRM) and legal protection against circumvention.

Case Laws >

R.G. Anand v Delux Films (Supreme Court of India, 1978)

📋 Facts

A playwright alleged that a film was based on his play without permission. Both dealt with arranged marriage conflicts, but the film had different treatment, dialogue, and character development.

🔨 Held

No infringement. The SCI established the seven-point test: no copyright in ideas or themes; broad dissimilarity negates infringement; totality of comparison matters; the decisive question is whether the audience gets an impression of copying.

💡 Principle

The idea-expression dichotomy is the gateway to infringement analysis. Substantial copying means qualitative reproduction of expression, not similarity of theme or subject matter.

University of Oxford v Rameshwari Photocopy Services (Delhi High Court, 2016)

📋 Facts

A photocopy shop near Delhi University prepared course packs (compilations of chapters from multiple textbooks) for students. Oxford and Cambridge University Presses sued for infringement.

🔨 Held

Course packs for educational purposes fall within Section 52(1)(i) ("reproduction by a teacher or pupil in the course of instruction"). The educational exception applies regardless of commercial intermediary involvement.

💡 Principle

Section 52(1)(i) provides a broad educational exception. The purpose (instruction) determines the exception's applicability, not the commercial character of the copying service.

Super Cassettes Industries v Music Broadcast (Supreme Court of India, 2012)

📋 Facts

A radio broadcasting company sought a statutory licence under Section 31(1)(b) to broadcast sound recordings owned by Super Cassettes. Super Cassettes argued that broadcasting rights required separate negotiation.

🔨 Held

The SCI held that Section 31(1)(b) provides a statutory licence for broadcasting published sound recordings. The broadcasting organisation need not obtain the copyright owner's consent but must pay royalty determined by the Copyright Board.

💡 Principle

Statutory licensing (Section 31) is a limitation on economic rights: it permits use without consent on payment of determined royalty, balancing copyright monopoly with public access to broadcast content.

Infringement and Remedies as the Enforcement Architecture of Copyright

Section 51 defines the boundary of the copyright owner's monopoly, Section 52 ensures that monopoly does not override education, criticism, and personal use, and Sections 55 to 70 provide graduated enforcement (civil, criminal, administrative) proportionate to the severity of violation. This three-part architecture (infringement definition, fair dealing limitation, and tiered remedies) ensures that copyright serves its dual function: rewarding creators while maintaining the public's legitimate access to knowledge and culture.

Intellectual Property Law | Unit 4 | Part B

Trademarks and Designs — Essays

Q1. Distinguish between Infringement of Trademark and Passing Off with suitable case law.

PRIORITY: ★★★ | PART: B | FREQ: 4

Introduction

Infringement and passing off are the two enforcement mechanisms for trademark protection in India, operating through fundamentally different legal pathways toward the same goal: preventing confusion about the commercial source of goods and services. Infringement (Section 29, Trade Marks Act, 1999) is a statutory action available only to registered trademark owners. Passing off is a common law action available to any person who has acquired goodwill in a mark, regardless of registration. The Trade Marks Act expressly preserves both remedies: Section 27(2) states that nothing in the Act shall affect the right to take action for passing off. Understanding their distinction is essential because the examiner frames problems where registration status determines which action is available, and the student must correctly identify the appropriate remedy.

Definition

Infringement of a registered trademark occurs under Section 29 when any person, without authorisation, uses in the course of trade a mark that is identical with or deceptively similar to the registered mark in relation to goods or services for which the mark is registered (or, for well-known marks, even dissimilar goods). Passing off is a common law tort requiring proof of the "classical trinity" (Erven Warnink v Townend, 1979): goodwill attached to the claimant's mark or get-up, misrepresentation by the defendant causing or likely to cause confusion, and damage suffered or likely to be suffered. The registered owner sues for infringement; the unregistered owner sues for passing off. A registered owner may sue for both simultaneously.

Legal Foundation

Section 29, Trade Marks Act (TMA), 1999 : a registered trademark is infringed by a person who uses an identical or deceptively similar mark without authorisation in the course of trade, in relation to goods or services for which the mark is registered

Section 27(2), Trade Marks Act, 1999 : nothing in the Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods or services of another person, or the remedies in respect thereof

Section 134, Trade Marks Act, 1999 : District Courts have jurisdiction over suits for infringement and passing off; suits can be filed where the plaintiff resides or carries on business

> **Thesis**
>
> Infringement and passing off are complementary but distinct enforcement mechanisms: infringement protects the statutory right flowing from registration (comparing marks), while passing off protects the common law right flowing from goodwill (comparing entire commercial impressions), and a registered owner can deploy both simultaneously to achieve maximum protection against trademark misuse.

Registration requirement | Basis of action | What is compared | Scope of protection | Burden of proof | Intent and knowledge | Remedies and coexistence

Registration requirement

The most fundamental distinction is the registration requirement. Infringement under Section 29 is available only to the proprietor of a registered trademark. Without registration, Section 29 cannot be invoked regardless of how long the mark has been in use or how extensive the reputation. Passing off requires no registration: it protects unregistered marks, trade names, get-up, and trade dress based solely on acquired goodwill. In N.R. Dongre v Whirlpool Corporation (1996), the Supreme Court of India (SCI) held that a foreign company with transborder reputation but no Indian registration or commercial use could maintain a passing off action. Conversely, a newly registered mark with limited goodwill has immediate statutory protection through infringement even before substantial reputation is established. This creates a tactical asymmetry: registration gives immediate protection; passing off requires proof of established goodwill.

Basis of action

Infringement is a statutory wrong: it arises from violation of the exclusive right conferred by registration under Section 28 of the Trade Marks Act. The right exists because the State has examined and registered the mark; it is a creation of statute. Passing off is a common law wrong: it arises from misrepresentation damaging another's goodwill. The right exists because the claimant has built reputation through actual use in the marketplace; it is a creation of commercial activity. This difference in legal basis means infringement is determined by comparing the defendant's mark against the registered mark as recorded in the Register, while passing off is determined by comparing the defendant's conduct against the claimant's established commercial impression in the marketplace. The registration certificate is conclusive proof of the right in infringement; in passing off, the claimant must independently prove their goodwill through evidence.

What is compared

In infringement, the comparison is mark to mark: the registered mark is compared with the defendant's mark for identity or deceptive similarity (Section 2(1)(h)). The comparison focuses on the marks in isolation: their visual, phonetic, and structural similarity. In passing off, the comparison is much broader: the entire commercial impression is examined including marks, get-up, packaging, colour scheme, trade dress, label design, and overall presentation. A defendant may use a different word mark but copy the plaintiff's packaging colour and layout: this would not constitute infringement (the marks are different) but may constitute passing off (the overall commercial impression creates confusion). In Cadila Healthcare v Cadila Pharmaceuticals (2001), the SCI laid down a multi-factor test for deceptive similarity applicable to both actions but noted that passing off examines the broader context of confusion.

Scope of protection

Infringement protection is normally limited to the registered class of goods or services (the Nice Classification system). A trademark registered for clothing (Class 25) does not automatically protect against use on electronics (Class 9). Exception: Section 29(4) extends protection for well-known marks to dissimilar goods if use takes unfair advantage of or is detrimental to the mark's distinctive character. Passing off has no class limitation: protection extends wherever the claimant's goodwill reaches. If a restaurant chain has goodwill, passing off can prevent use of its name on packaged food even though the chain is not in the packaged food class. In Daimler Benz v Hybo Hindustan (1994), cross-class protection was granted for the Mercedes mark against use on undergarments, demonstrating that well-known mark protection and passing off both transcend class boundaries.

Burden of proof

In infringement, the registration certificate creates a presumption of validity (Section 31). The plaintiff need only show: (i) a valid registration, (ii) use by the defendant of an identical or similar mark, and (iii) use in the course of trade for identical or similar goods. The burden is lighter because registration has already established the right. In passing off, the plaintiff must independently prove all three elements of the classical trinity: (i) goodwill through evidence of use, sales, advertising, and consumer recognition; (ii) misrepresentation through evidence of likely confusion; and (iii) damage actual or likely. This is substantially heavier: the plaintiff must build the factual foundation that registration would have provided automatically. In Laxmikant V. Patel v Chetanbhai Shah (2002), the SCI confirmed that passing off requires affirmative proof of goodwill through evidence of use and reputation.

Intent and knowledge

In infringement, the defendant's intent is irrelevant. Section 29 imposes strict liability: if the defendant uses a deceptively similar mark on similar goods, infringement is established regardless of whether the defendant knew of the registered mark or intended to deceive. Good faith, independent adoption, and honest concurrent use are not defences to infringement (though honest concurrent use may prevent registration under Section 12). In passing off, intent is similarly not a formal requirement: the test is whether the defendant's conduct is likely to cause confusion, regardless of whether deception was intended. However, evidence of intent to deceive strengthens the case and may affect the court's willingness to grant interim relief. In both actions, the focus is on the likely effect on consumers, not on the defendant's subjective state of mind.

Remedies and coexistence

Both actions yield similar remedies: injunction (interim and permanent), damages or account of profits, delivery of infringing goods, Anton Piller orders, and Mareva injunctions (freezing orders). Criminal remedies (Sections 103 to 105: imprisonment 6 months to 3 years, fine Rs 50,000 to Rs 2 lakh) are available for trademark counterfeiting. The two actions coexist: a registered owner can sue for both infringement (Section 29) and passing off (common law) simultaneously in the same suit. This is tactically advantageous: infringement covers mark-to-mark similarity while passing off covers broader get-up and trade dress imitation that may escape Section 29. Section 135 provides that all civil remedies available for infringement are available for passing off. The coexistence ensures comprehensive protection: statutory rights for registered marks and equitable rights for commercial reputation regardless of registration status.

Case Laws >

N.R. Dongre v Whirlpool Corporation (Supreme Court of India, 1996)

📋 Facts

Whirlpool (US) had transborder reputation in India through international media but no Indian registration or commercial presence. An Indian entity registered and used "Whirlpool" for washing machines.

🔨 Held

The SCI recognised Whirlpool's right to passing off based on transborder reputation. Goodwill acquired through international exposure suffices without local registration or commercial use. Passing off protects goodwill, not registration.

💡 Principle

Passing off does not require registration or domestic use. Transborder reputation creating goodwill in India is sufficient. This is the key case distinguishing passing off's goodwill-based protection from infringement's registration-based protection.

Cadila Healthcare Ltd v Cadila Pharmaceuticals Ltd (Supreme Court of India, 2001)

📋 Facts

Two pharmaceutical companies used similar marks: "Falcitab" and "Falcigo" for malaria treatment. Both marks were examined for deceptive similarity.

🔨 Held

The SCI laid down a multi-factor test for deceptive similarity: nature of marks, degree of resemblance (phonetic, visual, structural), nature of goods, similarity of trade channels, degree of care by purchasers, and mode of purchasing. For pharmaceuticals, the test is stricter because confusion endangers life.

💡 Principle

The deceptive similarity test applies to both infringement and passing off. For pharmaceuticals, heightened scrutiny is required because consumer confusion can be fatal. Phonetic similarity is critical for medicines purchased orally.

Laxmikant V. Patel v Chetanbhai Shah (Supreme Court of India, 2002)

📋 Facts

The defendant adopted a similar trading name to the plaintiff's long-established business. The plaintiff had not registered the name as a trademark.

🔨 Held

Passing off applies to trade names and business names. The SCI confirmed that goodwill must be affirmatively proved through evidence of use and reputation. The action extends to any indicator of commercial origin that has acquired goodwill.

💡 Principle

Passing off protects business names, not just product marks. Goodwill is the prerequisite: it must be proved through evidence of commercial use, customer recognition, and market reputation.

Infringement and Passing Off as Complementary Pillars of Trademark Enforcement

Infringement (Section 29) and passing off (common law preserved by Section 27(2)) together form a comprehensive enforcement system where registration provides immediate statutory protection with lighter evidentiary burden, while passing off provides flexible goodwill-based protection that extends to unregistered marks, trade dress, and cross-class reputation. The strategic trademark owner secures registration (for statutory certainty) while building goodwill (for passing off breadth), ensuring that both remedies are available simultaneously when enforcement becomes necessary.

Q2. Discuss the rights and remedies available to the owner of a registered trademark under the Trade Marks Act, 1999.

PRIORITY: ★★★ | PART: B | FREQ: 3

Introduction

Registration of a trademark under the Trade Marks Act (TMA), 1999 converts commercial reputation into a statutory property right enforceable against the world. While an unregistered mark owner must prove goodwill afresh in every dispute, the registered proprietor holds a certificate that constitutes prima facie evidence of validity (Section 31), confers exclusive rights (Section 28), and triggers statutory remedies for infringement (Sections 29, 134, 135). This essay examines the rights flowing from registration, the statutory and common law remedies available, and the practical enforcement mechanisms that make trademark registration the cornerstone of brand protection in India.

Definition

A registered trademark under the Trade Marks Act, 1999 is a mark that has been examined by the Trade Marks Registry, published for opposition, survived the opposition period (or overcome opposition), and been entered in the Register of Trade Marks with a certificate of registration. Registration confers on the proprietor the exclusive right to use the mark in relation to the goods or services for which it is registered (Section 28(1)), the right to obtain relief for infringement (Section 28(2)), and the right to permit use by registered users (Section 49). The registration operates as notice to the world of the proprietor's claim and creates a presumption of validity that the defendant must overcome.

Legal Foundation

Section 28, Trade Marks Act (TMA), 1999 : registration gives the registered proprietor the exclusive right to use the trademark in relation to registered goods or services and to obtain relief for infringement
Section 29, Trade Marks Act, 1999 : defines infringement as unauthorised use of identical or deceptively similar marks; Section 29(4) extends to well-known marks on dissimilar goods
Section 135, Trade Marks Act, 1999 : relief in infringement suits includes injunction, damages or account of profits, and delivery up of infringing goods and material
Section 103, Trade Marks Act, 1999 : criminal penalty for applying a false trade mark: imprisonment minimum 6 months maximum 3 years and fine minimum Rs 50,000 maximum Rs 2 lakh

> **Thesis**
>
> Registration transforms a trademark from a vulnerable commercial indicator into a robust statutory property right, conferring exclusive use, presumption of validity, and access to comprehensive enforcement machinery (civil injunction, damages, criminal prosecution, and border measures) that collectively provide the registered proprietor with the strongest form of brand protection available under Indian law.

Exclusive right | Presumption of validity | Infringement triggers | Civil enforcement | Criminal prosecution | Administrative remedies | Duration and renewal

Exclusive right

Section 28(1) confers on the registered proprietor "the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered." This exclusive right is a right in rem: enforceable against the whole world, not merely against specific parties. It includes the right to use the mark on goods, packaging, advertising, business correspondence, and invoices (Section 29(6)). The right extends to preventing others from using identical marks on identical goods (Section 29(1): infringement presumed), similar marks on similar goods (Section 29(2): likelihood of confusion required), and for well-known marks, even dissimilar goods (Section 29(4): dilution protection). The exclusive right can be commercially exploited through licensing (Section 49) and assignment (Section 37), making the registration itself a valuable commercial asset.

Presumption of validity

Section 31(1) provides that registration is prima facie evidence of the validity of the registration. This presumption shifts the burden to the defendant: instead of the proprietor having to prove validity, the defendant must demonstrate grounds for invalidity (generic mark, descriptive mark, prior use, etc.) through rectification proceedings (Section 47) or as a defence in infringement suits. After 5 years of unchallenged registration, the mark becomes further entrenched: Section 32(1) provides that after 5 years of continuous use following registration, the validity of the registration cannot be challenged except on limited grounds. This progressive strengthening makes early registration strategically vital for brand protection.

Infringement triggers

Section 29 identifies four categories of infringing use. Section 29(1): use of an identical mark on identical goods (infringement presumed without proof of confusion). Section 29(2): use of similar marks on identical or similar goods where such use is likely to cause confusion. Section 29(4): use of identical or similar marks on dissimilar goods where the registered mark has reputation in India and the use takes unfair advantage or is detrimental to distinctive character (dilution). Section 29(6): use includes applying the mark to goods, offering goods under the mark, importing or exporting under the mark, and using the mark on business papers or advertising. The breadth of Section 29 ensures that registration protects against direct imitation, deceptive similarity, and brand dilution across all commercial contexts.

Civil enforcement

Section 135 provides comprehensive civil remedies. Injunction (interim and permanent): the most immediate and effective remedy, preventing continued infringement during and after litigation. Damages: compensatory payment for loss suffered by the proprietor (lost sales, dilution of brand value). Account of profits: alternative to damages where the infringer must surrender all profits made from the infringing activity. Delivery up of infringing goods, labels, and advertising material for destruction or erasure (Section 135(2)). Anton Piller orders: ex parte search and seizure where evidence destruction is likely. Mareva injunctions: freezing the defendant's assets to ensure damages can be recovered. Civil suits are filed in District Courts having jurisdiction (Section 134) where the plaintiff resides or carries on business, providing geographical convenience.

Criminal prosecution

Sections 103 to 105 provide criminal remedies for trademark counterfeiting. Section 103: falsifying or falsely applying a trade mark is punishable with minimum 6 months (maximum 3 years) imprisonment and minimum Rs 50,000 (maximum Rs 2 lakh) fine. Section 104: selling goods with a false trade mark is similarly punishable. Section 105: enhanced penalty for second and subsequent offences (minimum 1 year, minimum Rs 1 lakh). Criminal remedies serve a deterrent function: they target large-scale counterfeiting operations where civil remedies alone are insufficient. Police can investigate and arrest without warrant under the cognisable offence provisions. The criminal route is particularly effective against counterfeit goods markets where identifying the actual manufacturer is difficult but sellers can be prosecuted.

Administrative remedies

The registered proprietor can record the trademark with customs authorities under the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007. Customs can then detain suspected counterfeit imports at the border, preventing infringing goods from entering Indian commerce. This aligns with TRIPS Articles 51 to 60 (border measures). Additionally, the proprietor can seek rectification of the Register (Section 47) to remove conflicting marks: registered marks that have become generic, marks registered without sufficient grounds, or marks not used for 5 continuous years. The Registrar also has suo motu power to remove marks for non-use. These administrative mechanisms provide preventive protection beyond reactive litigation.

Duration and renewal

Registration lasts 10 years from the date of application (Section 25(1)), renewable indefinitely for successive 10-year periods upon payment of renewal fees (Section 25(2)). If renewal is not made within the prescribed period (including a grace period of 6 months with surcharge), the mark is removed from the Register (Section 25(3)). Non-use for 5 continuous years exposes the mark to removal under Section 47: any aggrieved person can apply for removal on grounds that the mark has not been used by the proprietor or a permitted user for 5 years. The renewal and use requirements ensure that the Register reflects marks actually in commercial use, not merely marks held speculatively. Active use plus timely renewal provides perpetual protection.

Case Laws >

Daimler Benz Aktiengesellschaft v Hybo Hindustan (Delhi High Court, 1994)

📋 Facts

Hybo used the Mercedes name and three-pointed star logo on undergarments. Daimler Benz objected despite entirely dissimilar goods (automobiles vs undergarments).

🔨 Held

Injunction granted. Mercedes is a well-known mark entitled to cross-class protection. Use on undergarments takes unfair advantage of the mark's prestige and potentially tarnishes its luxury image.

💡 Principle

Well-known registered marks receive protection even on dissimilar goods under Section 29(4). Dilution and tarnishment are actionable regardless of whether consumers are confused about source.

Amritdhara Pharmacy v Satya Deo Gupta (Supreme Court of India, 1963)

📋 Facts

"Amritdhara" (registered ayurvedic medicine mark) versus "Lakshmandhara" (similar medicine). The common suffix "dhara" created phonetic similarity for an orally purchased product.

🔨 Held

The marks are deceptively similar. The test is overall impression on a person of average intelligence with imperfect recollection. Phonetic similarity is critical for medicines purchased by asking a shopkeeper.

💡 Principle

The deceptive similarity standard (Section 2(1)(h)) is applied from the consumer's perspective with imperfect recollection. Registration confers the right to prevent all deceptively similar use.

Yahoo Inc v Akash Arora (Delhi High Court, 1999)

📋 Facts

Akash Arora registered "yahooindia.com" and operated services similar to Yahoo. Yahoo sought injunction for infringement and passing off.

🔨 Held

Injunction granted. "Yahooindia.com" is deceptively similar to Yahoo's registered mark. Adding a geographic suffix does not distinguish a domain from a well-known trademark. Internet users would be confused.

💡 Principle

Trademark registration protects against deceptive use in domain names. The Trade Marks Act's protection extends to digital identifiers functioning as commercial source indicators.

Registration as the Foundation of Comprehensive Brand Protection

Registration under the Trade Marks Act, 1999 provides the proprietor with a layered enforcement arsenal: exclusive statutory rights (Section 28), presumption of validity (Section 31), civil remedies including injunction and damages (Section 135), criminal prosecution for counterfeiting (Sections 103 to 105), border measures through customs, and perpetual protection through renewal. This comprehensive framework makes registration the single most important step a brand owner can take to secure enforceable IP rights in India.

Intellectual Property Law | Unit 5 | Part B

Patents — Essays

Q1. What are the inventions that are not patentable under the Patents Act, 1970? Discuss with reference to Section 3.

PRIORITY: ★★★ | PART: B | FREQ: 4

Introduction

Section 3 of the Patents Act, 1970 is the statutory gatekeeper that determines what India considers not patentable, even if an invention satisfies the three basic conditions of novelty, inventive step, and industrial application. This provision reflects India's deliberate policy choices: protecting traditional knowledge from appropriation, ensuring access to essential medicines, preserving agricultural freedom, and preventing monopolisation of abstract knowledge and natural phenomena. Section 3(d) (anti-evergreening) is the most internationally debated provision, upheld by the Supreme Court of India in Novartis AG v Union of India (2013). The Section 3 exclusions are the most tested statutory provision in IPL Part C problems, as virtually every patent problem scenario is built around one of these exclusions.

Definition

Section 3 of the Patents Act enumerates categories of subject matter that are "not inventions" within the meaning of the Act and therefore cannot be patented regardless of novelty or inventive step. These are absolute exclusions (not merely procedural bars): they define the outer boundary of patentable subject matter in India. The exclusions range from fundamental categories (discoveries, abstract theories, natural phenomena) through policy-driven exclusions (traditional knowledge, agricultural methods, medical treatments) to technology-specific exclusions (computer programmes per se, business methods). Section 4 separately excludes inventions relating to atomic energy. Together, Sections 3 and 4 define what falls outside the patent system in India.

Legal Foundation

Section 3, Patents Act, 1970 : enumerates inventions not patentable including discoveries (3(c)), new forms of known substances without enhanced efficacy (3(d)), methods of agriculture (3(h)), medical treatments (3(i)), plants and animals (3(j)), computer programmes per se (3(k)), and traditional knowledge (3(p))

Section 3(d), Patents Act, 1970 : the mere discovery of a new form of a known substance which does not result in the enhancement of the known efficacy of that substance is not patentable; the Explanation provides that salts, esters, polymorphs, metabolites, and other derivatives are the same substance unless differing significantly in efficacy

Article 27.1, TRIPS Agreement, 1994 : patents shall be available for inventions in all fields of technology; India's Section 3 exclusions operate within TRIPS flexibility to define what constitutes an "invention"

Thesis

Section 3 exclusions represent India's calibrated use of TRIPS flexibility to define patentable subject matter in a manner that balances innovation incentive with public interest: preventing evergreening of pharmaceutical patents (3(d)), preserving agricultural autonomy (3(h), 3(j)), protecting traditional knowledge from appropriation (3(p)), and maintaining access to medical treatments (3(i)), while remaining TRIPS-compliant as confirmed by the Supreme Court in Novartis (2013).

Discovery vs invention | Anti-evergreening 3(d) | Agricultural exclusion | Medical methods | Plants and animals | Software per se | Traditional knowledge

Discovery vs invention

Section 3(c) excludes "the mere discovery of a scientific principle or the formulation of an abstract theory." This reflects the foundational distinction between discovery (revealing what already exists in nature) and invention (creating something new through human ingenuity). Discovering a new element, a mathematical relationship, or a law of physics is not patentable because the subject existed before the discoverer identified it. However, applying a discovered principle to create a new industrial process or product may be patentable: the application is the invention, not the principle. Section 3(a) similarly excludes inventions that are "frivolous or contrary to well-established natural laws" (such as a perpetual motion machine claiming to create energy from nothing). These exclusions protect the public domain of scientific knowledge from private monopoly.

Anti-evergreening 3(d)

Section 3(d) is India's most significant and controversial exclusion: "the mere discovery of a new form of a known substance which does not result in the enhancement of the known efficacy of that substance." The Explanation clarifies that salts, esters, ethers, polymorphs, metabolites, pure forms, particle sizes, isomers, mixtures, complexes, combinations, and other derivatives shall be considered the same substance unless they differ significantly in properties with regard to efficacy. In Novartis AG v Union of India (2013), the Supreme Court of India (SCI) held that for pharmaceutical substances, "efficacy" means therapeutic efficacy: the ability to produce the desired therapeutic effect. Novartis's beta-crystalline form of imatinib mesylate showed improved physical properties (flow, stability) but not enhanced therapeutic efficacy, and was therefore excluded. Section 3(d) prevents "evergreening": the practice of extending patent monopoly through trivial modifications that do not deliver real therapeutic advance.

Agricultural exclusion

Section 3(h) excludes "a method of agriculture or horticulture." New farming techniques, irrigation methods, crop rotation systems, and horticultural practices cannot be patented. The policy rationale is agricultural freedom: farming methods must remain freely available to the millions of Indian farmers who depend on them. Section 3(j) extends this by excluding "plants and animals in whole or any part thereof other than micro-organisms, but including seeds, varieties and species and essentially biological processes for the production or propagation of plants and animals." New plant varieties are channelled to the PPV&FR Act, 2001 (sui generis protection) rather than the patent system. However, agricultural implements (machines, tools), agrochemicals (pesticides, fertilisers), and genetically modified micro-organisms remain patentable if they meet the NII criteria.

Medical methods

Section 3(i) excludes "any process for the medicinal, surgical, curative, prophylactic, diagnostic, therapeutic or other treatment of human beings or any process for a similar treatment of animals to render them free of disease or to increase their economic value or that of their products." New surgical techniques, diagnostic methods, and treatment protocols cannot be patented. The rationale is that doctors must be free to treat patients using the best available methods without patent constraints: a patent on a surgical technique would force surgeons to either pay royalties or use inferior methods. However, medical devices (instruments, implants, machines) and pharmaceutical compositions (drugs, vaccines, formulations) are patentable because they are products, not methods of treatment. The exclusion targets the method, not the tool.

Plants and animals

Section 3(j) excludes plants and animals (other than micro-organisms) and essentially biological processes for their production. This means new crop varieties, animal breeds, and natural cross-pollination techniques are not patentable. India channels plant protection to the PPV&FR Act, 2001 which provides 15/18 year protection with farmers' rights preserved. The exclusion of "essentially biological processes" targets natural reproduction and selection. However, micro-organisms are explicitly included as patentable: in Dimminaco AG v Controller of Patents (Calcutta High Court, 2002), a process for preparing a vaccine using a virus was held patentable because micro-organisms are not excluded under Section 3(j). This distinction allows biotechnological innovation using micro-organisms while preserving India's position against patenting higher organisms.

Software per se

Section 3(k) excludes "a computer programme per se," along with mathematical methods, business methods, and algorithms. The qualifier "per se" (by itself) is the critical interpretive phrase. In Ferid Allani v Union of India (Delhi High Court, 2020), the Court held that Section 3(k) does not automatically exclude all computer-related inventions: if the invention demonstrates a "technical effect" or "technical contribution" beyond the normal interaction between software and hardware, it may be patentable. The Patent Office must examine the technical contribution, not reflexively reject because software is involved. Software receives separate copyright protection as a "literary work" under Section 2(o) of the Copyright Act. The dual regime ensures: expression is protected by copyright; technical application (if demonstrated) may attract patent protection.

Traditional knowledge

Section 3(p) excludes "an invention which, in effect, traditional knowledge or which is an aggregation or duplication of known properties of traditionally known component or components." This provision directly addresses biopiracy: the appropriation of traditional knowledge through patents. The turmeric patent (revoked 1997), neem patent (revoked 2005), and basmati challenge demonstrated the problem: foreign entities obtaining patents on knowledge that Indian communities possessed for centuries. Section 3(p) codifies this exclusion in statute. The Traditional Knowledge Digital Library (TKDL) provides defensive prior art: a database of 2.5 lakh+ traditional formulations documented in patent-compatible format and shared with international patent offices. The combination of Section 3(p) (statutory exclusion) and TKDL (prior art database) creates a two-layer defence against biopiracy.

Case Laws >

Novartis AG v Union of India (Supreme Court of India, 2013)

📋 Facts

Novartis sought a product patent for the beta-crystalline form of imatinib mesylate (Glivec). The Patent Office refused under Section 3(d): new form of a known substance without enhanced therapeutic efficacy. Novartis challenged Section 3(d) as unconstitutional and TRIPS-violative.

🔨 Held

Section 3(d) is constitutionally valid and TRIPS-compliant. "Enhanced efficacy" for pharmaceutical substances means enhanced therapeutic efficacy, not merely improved physical properties. The beta-crystalline form showed better flow and stability but not enhanced therapeutic effect. Patent refused.

💡 Principle

Section 3(d) requires enhanced therapeutic efficacy for pharmaceutical derivatives. Physical property improvements alone are insufficient. India's anti-evergreening provision operates within TRIPS Article 27 flexibility.

Ferid Allani v Union of India (Delhi High Court, 2020)

📋 Facts

A patent application for a method of accessing and retrieving information from a network was rejected under Section 3(k) as "computer programme per se." The applicant challenged the automatic rejection.

🔨 Held

Section 3(k) excludes "computer programme per se," not all computer-related inventions. The Patent Office must examine whether the invention demonstrates a "technical effect" beyond mere code execution. Automatic rejection solely because software is involved is impermissible.

💡 Principle

"Per se" is the limiting qualifier in Section 3(k). Computer-implemented inventions producing a technical effect or solving a technical problem beyond the programme itself are not automatically excluded.

Dimminaco AG v Controller of Patents (Calcutta High Court, 2002)

📋 Facts

A patent application for a process of preparing a vaccine for bursitis in poultry involved a living organism (virus). The Controller refused, arguing living organisms are not patentable.

🔨 Held

Section 3(j) excludes plants and animals but explicitly includes micro-organisms. A process involving a micro-organism (virus) is patentable. The product of a process involving living matter is patentable if the process is novel and inventive.

💡 Principle

Micro-organisms are explicitly outside the Section 3(j) exclusion. Biotechnological processes using viruses, bacteria, and other micro-organisms are patentable subject matter in India.

Section 3 as India's Policy-Driven Boundary of Patentable Subject Matter

Section 3 exclusions represent India's deliberate calibration of the patent system: each exclusion serves an identified policy objective (anti-evergreening, agricultural freedom, medical access, traditional knowledge preservation, distinction between discovery and invention) while remaining within the TRIPS-permissible definition of "invention." The SCI's validation of Section 3(d) in Novartis (2013) confirmed that these exclusions are constitutionally sound and internationally compliant, establishing India's right to define patentable subject matter in its national interest.

Q2. Discuss the rights and obligations of a patentee under the Patents Act, 1970.

PRIORITY: ★★★ | PART: B | FREQ: 4

Introduction

A patent is not merely a right: it is a bilateral obligation between the patentee and the State. The patentee receives a 20-year monopoly (Section 48) in exchange for full disclosure of the invention (patent specification) and the obligation to work the invention in India for the public benefit (Section 83). When the patentee fulfils these obligations, the monopoly is secure. When the patentee fails (by not working the patent, pricing the invention beyond reach, or restricting supply), the State intervenes through compulsory licensing (Section 84), government use (Section 100), or revocation (Section 64). India's first compulsory licence (Natco v Bayer, 2012) demonstrated this framework in operation. This essay examines both sides of the patent bargain.

Definition

The rights of a patentee are the exclusive rights conferred by Section 48 of the Patents Act, 1970: for product patents, the right to prevent third parties from making, using, offering for sale, selling, or importing the patented product; for process patents, the right to prevent use of the process and use or sale of products directly obtained by the process. The obligations include working the patent in India on a commercial scale (Section 83), filing annual working statements (Section 146, Form 27), and making the invention available at reasonably affordable prices. Failure to meet obligations triggers limitations: compulsory licensing (Section 84), government use (Sections 100 to 103), and revocation for non-working (Section 64). The patent is thus a conditional monopoly, not an absolute one.

Legal Foundation

Section 48, Patents Act, 1970 : exclusive rights of patentee: for product patents, prevent making, using, selling, importing; for process patents, prevent using the process and dealing in products directly obtained

Section 83, Patents Act, 1970 : general principles governing patent grants: patents are not merely for importation monopoly; inventions should be worked in India; made available at reasonably affordable prices

Section 84, Patents Act, 1970 : compulsory licensing after 3 years from grant on grounds that reasonable requirements of public not satisfied, not available at affordable price, or not worked in India

Section 146, Patents Act, 1970 : patentee must furnish to the Controller periodic statements (Form 27) as to the extent to which the patent has been commercially worked in India

> **Thesis**
>
> The Patents Act creates a conditional monopoly: Section 48 grants exclusive rights (MUSIA: make, use, sell, import, assign) in exchange for disclosure, local working, and affordable availability, with compulsory licensing (Section 84), government use (Section 100), and revocation (Section 64) operating as enforcement mechanisms when the patentee's obligations remain unfulfilled, as demonstrated in India's landmark Natco v Bayer (2012) compulsory licence.

MUSIA rights | Product vs process | Working obligation | Form 27 disclosure | Compulsory licensing | Government use | Revocation

MUSIA rights

Section 48 confers five categories of exclusive rights, captured by the mnemonic MUSIA. Make: the exclusive right to manufacture the patented product or use the patented process. Use: the exclusive right to use the invention commercially. Sell: the exclusive right to sell, offer for sale, or distribute the patented product. Import: the exclusive right to import the patented product into India. Assign and license: the right to transfer the patent (Section 68) or grant licences (Section 70) to third parties. These rights are negative in nature: they are the right to exclude others from performing these acts, not a positive right to perform them (other regulatory laws may restrict the patentee's own use). The rights are territorial (valid only in India) and time-limited (20 years from filing under Section 53).

Product vs process

The scope of exclusive rights differs between product and process patents. A product patent (Section 48(a)) protects the product itself: anyone making the same product by any process infringes. This provides the broadest protection because it is process-agnostic. A process patent (Section 48(b)) protects only the specific process and products "directly obtained" by that process. Others can make the same product using a different process without infringement. This distinction was critical during India's pre-2005 regime (process patents only for pharmaceuticals): Indian generic companies could manufacture the same drugs using reverse-engineered alternative processes. After 2005, product patents became available for all fields, significantly broadening the scope of pharmaceutical patent protection. In Roche v Cipla (2008), the Delhi High Court noted that under a product patent, the alleged infringer's manufacturing process is irrelevant.

Working obligation

Section 83 establishes the policy principles governing patent grants: patents are not granted merely to enable the patentee to enjoy a monopoly for importation of the patented article; inventions should be worked in the territory of India on a commercial scale and to the fullest extent reasonably practicable; the benefit of the patented invention should be available at reasonably affordable prices; and patent protection should promote technological innovation and transfer of technology to India. These principles are not merely aspirational: they form the substantive basis for compulsory licensing under Section 84. In Natco v Bayer (2012), the Controller found that Bayer's importation of sorafenib (rather than local manufacture) failed to satisfy the working obligation, establishing that "working in India" means local manufacture, not merely importing.

Form 27 disclosure

Section 146 requires the patentee to furnish periodic statements (Form 27) to the Controller disclosing: whether the patent is being worked commercially in India; if yes, to what extent and at what price; if no, the reasons for non-working and steps being taken to work the patent. Form 27 must be filed annually. Failure to file is punishable with fine. This ongoing compliance obligation ensures transparency: the Controller and the public can assess whether the patentee is fulfilling the working obligation. Form 27 data also serves as evidence in compulsory licensing proceedings: if the patentee's own filings show non-working, the Section 84(1)(c) ground is established without additional evidence. The 2016 revisions to Form 27 required more detailed disclosure including revenue, licensing information, and reasons for non-working.

Compulsory licensing

Section 84 is the primary enforcement mechanism for the patentee's obligations. Any person can apply for a compulsory licence after 3 years from grant on three independent grounds: (a) reasonable requirements of the public are not satisfied (Section 84(1)(a): demand not met adequately, domestic industry prejudiced by importation, patentee refuses licences on reasonable terms); (b) the invention is not available at a reasonably affordable price (Section 84(1)(b): the affordability test applied in Indian economic context); (c) the invention is not worked in the territory of India (Section 84(1)(c): local manufacture expected). In Natco Pharma v Bayer (2012), all three grounds were satisfied: only 2% of eligible cancer patients had access (reasonable requirements not met), Rs 2.8 lakh per month was unaffordable (price test failed), and Bayer imported rather than manufactured locally (non-working). The licence is non-exclusive, non-assignable, predominantly for Indian market supply, and the patentee receives adequate remuneration (6% royalty, later increased to 7% on appeal).

Government use

Sections 100 to 103 provide a separate, more direct limitation: the government can use any patented invention for its own purposes without the patentee's consent. This is not compulsory licensing (which requires application, hearing, and Controller's order). Government use is a sovereign prerogative: it requires only notification to the patentee and payment of adequate remuneration. It does not require the 3-year waiting period, does not require proof of the Section 84 grounds, and does not require prior negotiation with the patentee. Government use is for "purposes of the government" including defence, public health, and essential services. If remuneration is not agreed, it is determined by the High Court. This provision ensures that national security and public interest can never be held hostage to patent monopoly.

Revocation

Section 64 provides for revocation of patents on multiple grounds including: anticipation (invention not novel), obviousness (no inventive step), insufficiency of description (specification inadequate to enable reproduction), obtained by fraud or misrepresentation, falls within Section 3 or 4 exclusions, non-compliance with Section 8 (failure to disclose foreign filing information), and failure to comply with secrecy directions. Revocation can be sought by any interested person through petition to the High Court (Section 64(1)) or as a counterclaim in infringement proceedings (Section 64(3)). Additionally, the Central Government can revoke a patent in public interest under Section 66 if the invention is not worked to the fullest extent and compulsory licensing has not remedied the situation. Revocation is the ultimate sanction: it extinguishes the patent entirely, returning the invention to the public domain.

Case Laws >

Natco Pharma v Bayer Corporation (Controller of Patents, India, 2012)

📋 Facts

Bayer held a patent for sorafenib tosylate (Nexavar, cancer drug) at Rs 2.8 lakh per month. Only 2% of eligible patients could access it. Bayer imported rather than manufactured in India. Natco applied for compulsory licence after 3 years from grant.

🔨 Held

All three Section 84 grounds satisfied independently. Compulsory licence granted to Natco at Rs 8,800 per month with 6% royalty. IPAB upheld on appeal (increased royalty to 7%).

💡 Principle

The patentee's obligations (affordable pricing, public access, local working) are enforceable through compulsory licensing. Failure on any one ground justifies the licence. Importation alone does not constitute "working in India."

Novartis AG v Union of India (Supreme Court of India, 2013)

📋 Facts

Novartis sought a patent for imatinib mesylate's beta-crystalline form. The question of patentee's rights arose in the context of whether Section 3(d) limits what can be patented.

🔨 Held

The right to patent (Section 48) is available only for subject matter that qualifies as an "invention." Section 3 defines what is not an invention. The patentee's exclusive rights flow only from valid patents on qualifying inventions.

💡 Principle

Patentee's rights (Section 48) are conditional on the invention satisfying all patentability requirements including Section 3 exclusions. The right to monopoly is earned through genuine innovation, not trivial modification.

F. Hoffmann-La Roche v Cipla Ltd (Delhi High Court, 2008)

📋 Facts

Roche held a product patent for erlotinib (cancer drug Tarceva). Cipla launched a generic version. Roche sought interim injunction for patent infringement.

🔨 Held

The Court denied interim injunction, holding that in pharmaceutical patent cases, public interest (access to life-saving drugs) must be weighed against the patentee's exclusive rights. The case proceeded to trial on merits.

💡 Principle

The patentee's rights under Section 48 are not absolute: courts balance them against public interest, particularly for life-saving medicines. The monopoly right yields to access considerations at the interim stage.

The Patent as a Conditional Monopoly Balancing Innovation and Access

The Patents Act constructs a conditional bargain: Section 48 grants exclusive rights (MUSIA) in exchange for disclosure, local working (Section 83), and affordable availability. When the patentee fulfils these obligations, the 20-year monopoly is secure. When the patentee fails, the Act provides graduated interventions: compulsory licensing (Section 84) dilutes the monopoly, government use (Section 100) bypasses it for sovereign purposes, and revocation (Section 64) extinguishes it entirely. Natco v Bayer (2012) confirmed that this framework is operational and enforceable, establishing India as a jurisdiction where patent rights carry real obligations.

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