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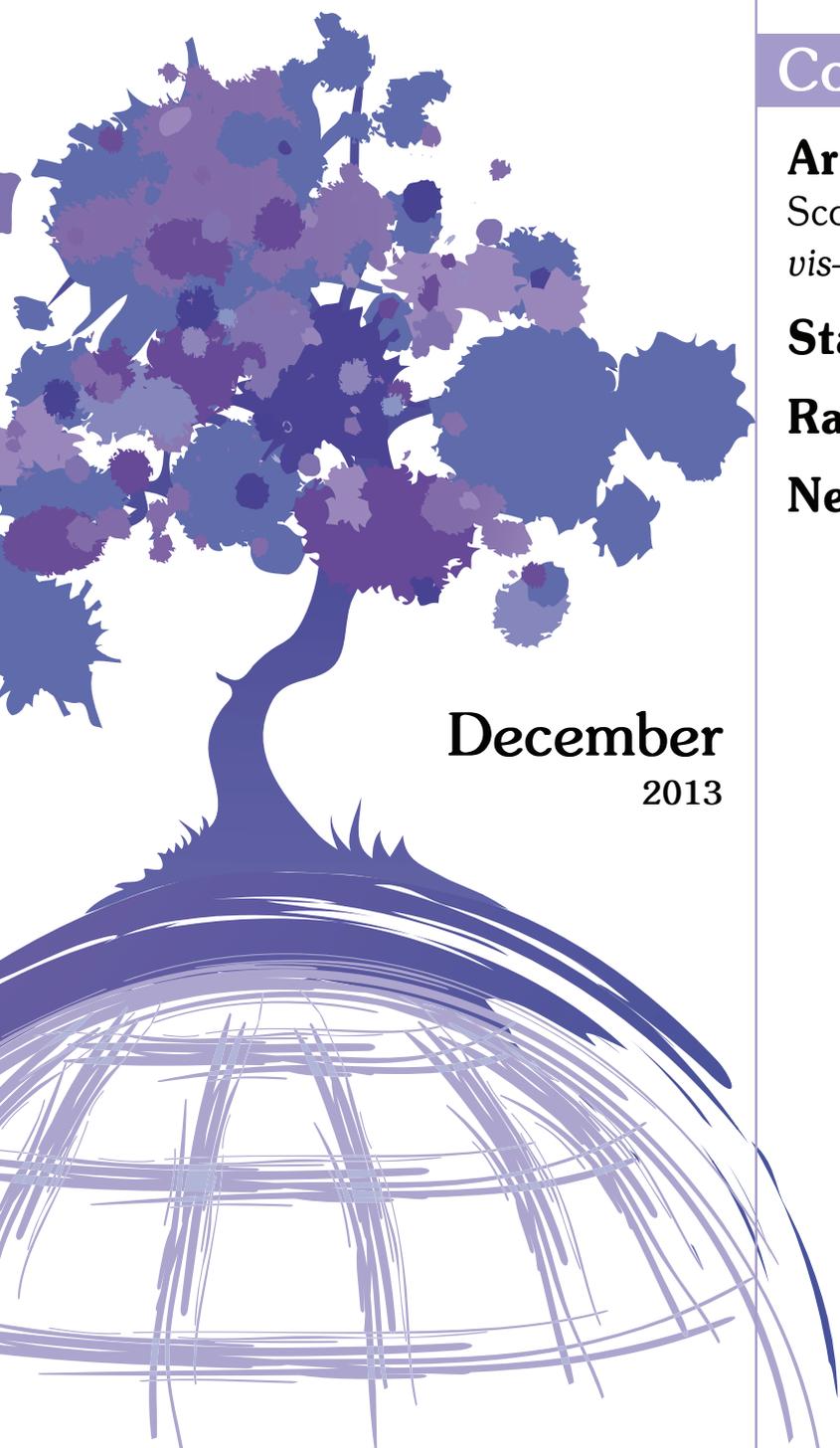
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Article

Scope of ENV under PVP Act vis-a-vis the Seeds Act

By **Vindhya Srinivasamani & Sudarshan Singh Shekhawat**

The Registrar, Plant Varieties Authority at New Delhi, *vide* its recent order of October 28, 2013 has held that parental lines of extant varieties [Extant (Notified) Variety - ENV] notified under Section 5 of the Seeds Act, 1966 cannot *ipso facto* be considered as ENV under Section 2(j)(i) of the Protection of Plant Varieties and Farmers' Rights Act, 2001 (the PPV & FR Act), but can be considered under other eligible categories for registration, subject to fulfilling the criteria as provided therein.

On an earlier occasion also, the Registrar *vide* its order dated September 30, 2009 had returned the same finding on an application filed by one Nuziveedu Seeds Pvt. Ltd (Nuziveedu). The Registrar has revisited the said order as the same was challenged by Nuziveedu before the Andhra Pradesh High Court (APHC). While the matters were pending adjudication before the APHC, the Ministry of Agriculture (Ministry), on issues raised by the State Seed Certification Agencies, issued an Office Memorandum dated June 04, 2013 clarifying that the parental lines of hybrids are deemed to be notified along with the hybrids for multiplication as foundation seed for producing the certified hybrids seeds and no separate notification is required for the parental lines if the hybrid is notified as per the provisions of Seeds Act, 1966 (the Seeds Act) and its corresponding rules. APHC, taking the same into consideration, directed the Registrar to reconsider its earlier order (of 2009) in light of this memorandum and disposed the petitions filed by Nuziveedu as infructuous.

Relevance of memorandum issued by the Ministry

Nuziveedu argued that the Registrar is bound by the Office Memorandum issued by the Ministry and therefore even for the purposes of the Act the parental lines of notified hybrid varieties shall be deemed as notified and therefore should come under ENV category.

The contra submission put forth was that the Office Memorandum issued by the Ministry was applicable only for the purposes of the Seeds Act and not for the purpose of registration under the PPV & FR Act. It was stated that hybrids undergo trials and evaluation, especially a Value for Cultivation and Use Test prior to the notification under the Seeds Act and since the above test records several characters of the hybrid, such extant notified varieties are exempted from testing (as per guidelines) under Regulation 6 of the Protection of Plant Varieties and Farmers' Rights Regulations, 2006 (hereinafter referred to as the Regulations). The procedure as per the above Regulation 6 with regard to extant varieties notified under the Seeds Act is that, such notified varieties instead of undergoing testing for Distinctiveness, Uniformity and Stability (DUS) like other varieties under the PPV & FR Act, are directly placed before the Extant Variety Recommendation Committee which recommends such varieties for registration under the Act. With regard to parental lines of the hybrids, it was submitted that, the parental lines do not undergo VCU testing (Value for Cultivation and Use) as the hybrids do prior to the notification

under the Seeds Act and if the parental lines of a notified hybrid under the Seeds Act are deemed to be *ipso facto* notified under the PPV & FR Act, the parental lines would be entitled for registration without undergoing any testing as stipulated under the Regulations. Thus, this would create a situation where certain distinct varieties (parental lines of notified hybrids) would be registered without any trials/testing (either VCU or DUS testing). Thus, deeming the parental lines of notified hybrids to be extant variety notified for the purpose of plant variety registration under the Act would run contrary to the very object of the Act.

Reasoning of the Registrar

The Registrar held that the Office Memorandum issued by the Ministry applies only with regard to certification of parental lines as foundation seeds for hybrid production and cannot be automatically applied to grant registration to parental lines under the Act. He observed that the Seeds Act is of regulatory nature while and PPV & FR Act is for granting of an IPR. The settled principle of law is that a concept in one enactment cannot be given the same meaning in another enactment. The Office Memorandum was merely clarificatory in nature and reiterated what was implicit in the Seeds Act and rules. The Registrar concurred with the submissions of the opposing party that if the Office Memorandum is applied to the plant varieties registration, the parental lines of the extant varieties notified under Section 5 of the Seeds Act would by-pass the DUS testing, which would be contrary to the object contemplated by the law.

Relationship between parental lines and hybrids vis-a-vis propagation and stability

Nuziveedu argued that since a hybrid cannot be produced without the parental lines, a hybrid *per*

se includes its parental lines and are thus subject to the same notification process. Also under Section 2(za) of the PPV & FR Act, the definition of 'variety' includes a plant grouping considered as a 'unit' with regard to its suitability for being propagated which remains unchanged after such propagation, and such 'unit' includes both the parental line and the hybrid for the purposes of propagation and stability, as the parental lines are the propagating material for the hybrid.

Section 2(za) explained

The Registrar rejected the above interpretation and observed that Section 2(za) (ii) of the Act which defines 'variety' is both exhaustive and inclusive as it comprises the words 'means' and 'includes'. He clarified that the term 'variety' must be distinguished from any other plant grouping by expression of at least one characteristics of that plant grouping and held that the word 'variety' applies separately to the parental lines and their hybrids and each are independently eligible for registration under the Act provided they satisfy the DUS criteria. In order to be eligible for registration, the hybrid must be distinct from its parents and each of the parents must also be distinct *inter se*. With respect to 'propagating material', the Registrar held that merely because the parental lines can be said to be the propagating material of the hybrid, it does not by itself entitle them for registration under the Act, if the hybrid is registered. The parental lines also need to independently satisfy the DUS criteria and thus cannot be considered as a 'unit' along with the hybrid.

Under Section 15(3)(d) of the Act, which defines stability, the parental lines form the first part of the definition, that is, the essential characteristics remain unchanged after repeated propagation,

whereas the hybrid forms the second part of the definition, that is, in the case of a particular cycle of propagation, the essential characteristics remain unchanged at the end of each such cycle. The Registrar interpreted the provision such that, the stability character of hybrids must be determined with reference to the hybrids and not with reference to parental lines, as the provision mandates that the hybrids must be stable at the end of a particular cycle of propagation and not for the subsequent generation.

Conclusion

The holding that parental lines of extant varieties notified under Section 5 of the Seeds Act, cannot be automatically considered under the ENV category under Section 2(j)(i) of the Act, instead they can be considered for registration under other categories paves the way for greater clarity regarding the relationship between parental lines and hybrids and their conditions for registration under the

Act. Since the law on Plant Variety Protection is at a nascent stage, such reasoned orders assist potential applicants to understand the statute and also demystify issues pertaining to classification of varieties. The importance of the order also stems from the fact that it will prevent, to a great extent, unauthorized users of parental material from getting said parental line registered without a trial. This is because the industry apprehends instances where unauthorized users, in the garb of notified hybrids (under the Seeds Act), could attempt to get the parental material of the said hybrid registered under the provision of the Act. This order would prevent such unauthorized users from diluting and by-passing the mandatory trials required under the Act for registration of the parental lines of notified hybrids.

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Statutory Updates

Indian Trademark Registry publishes classification of goods & services

The Registrar of Trademarks has, on 29-11-2013, published the classification of goods and services under Section 8(1) of Trade Marks Act, 1999 for the purpose of registration of trademarks. It provides alphabetical index of goods and services appearing in class headings and also sets forth the criteria to be adopted if a product or service cannot be classified with the aid of the List of Classes, the Explanatory Notes and the Alphabetical List.

The guide to classify a finished product which is a multipurpose composite material is that it may be classified in all classes that correspond to any

of its functions or intended purposes, in case of raw materials un-worked or semi-finished, it is to be classified in principle, according to the material it consists of. Classification of goods forming part of another product, cases adapted to a product, classification by analogy to comparable finished products when a finished product cannot be properly classified by function or purpose have also been discussed.

In respect of services, classification by analogy if classification under the given heading is not possible according to branches of activity specified therein, classification of rental services based on services provided by means of rented objects,

are set out. Further it is stated that services that provide advice, information or consultation should in principle be classified in the same classes as the services that correspond to the subject matter of the advice, information or consultation.

Guidelines for functioning under Madrid Protocol issued

The Controller General of Patents, Designs and Trademarks (India) has, on 17-12-2013, issued guidelines for functioning under the Madrid Protocol. After accession to the Madrid Protocol, India will receive international application as Office of Origin and as Office of Designated Contracting Party, it will be notified about international registrations where India has been designated and examine the same under Indian Trademark

Act as well as Rules. Guidelines are provided for receiving application, verification, certification and transmitting of international applications, publication of international registration in trademarks journal, opposition to international applications and also recording changes in trademarks, ownership etc.

As per the guidelines, applications for international registration must be submitted online, with level 3 Digital Signature Certificate of a competent authority recognised by the Intellectual Property Office (IPO) of India. Handling fee of Rs.2000 is payable for an international application. The format of acknowledgement and format for various communications like deficiencies, ceasing effect of basic application have also been given by the IPO.

Ratio Decidendi

Trademark registration in all 42 classes – IPAB rejects plea of bona fide adoption

Intellectual Property Appellate Board (IPAB) has allowed rectification applications to remove specific mark which was registered for all 42 classes. The IPAB while evicting the mark in respect of seven classes, held that there is no connection between the mark used by the respondent (manufacturer of hosiery goods) in relation to goods, when he buys various goods from the open market and stamps his brand on them before selling same to customers from his mall in the capacity of retail sale. Absence of registration of the mark for retail or wholesale service has also been noted by the Board in this regard. The Board rejected few stray bills furnished by the trademark owner, as evidence of use of the impugned mark in each of the class, as being merely done to save registration in relevant class.

Claim of bona fide adoption was also rejected by the Appellate Board observing that all the marks were filed on the same day and that even the best global brand cannot conceive of a business plan to use its trade mark for all the goods or products on the earth. It was noted that there was no record of infrastructure, skill speciality, quality control, etc. for the infinite variety of goods for which the mark was registered and trademark owner's admission of having licence agreement for all variety of goods raised suspicion.

Though the question of the mark being well-known was not adjudicated, the Board, while observing that the entire focus of the trademark owners' response revolved around their claim that the mark is a well known trade mark and so no one can use the same in Indian market in respect of any goods bearing same or similar mark, held

that there is no compulsion to secure registration in all 42 Classes if the mark is well known. [*Tageu Tec Limited v. Rikhab Chand Jain* – IPAB Common Order No. 269/2013 dated 21-11-2013 in ORA/123, 128-133 & 136/2008/TM/KOL]

Trademark - No automatic presumption of confusion for consumables

Reasoning that similar mark for consumable does not automatically lead to perception of confusion, the IPAB upheld the order of the Registrar dismissing opposition to application for trade mark GANESH. The goods at issue were edible oil including mustard oil (Appellant) and ghee products (respondent). The appellant raised the plea of dishonest adoption and confusion since both the goods are used a cooking medium. However, the IPAB was of the opinion that physical nature of goods was different and the goods were used by different strata of society and discriminating consumers will be able to distinguish the goods. Further any normal or fair use of the mark, given that the respondent had been in ghee trade for years would not lead to confusion. [*Prag Oil Mills Ltd. v. Giridhar Mimani*, IPAB Order No. 231/2013 dated 29-10-2013]

Copyright of design - Territorial jurisdiction of Court

Madras High Court has held that a copyright of a design, which is registered under the Designs Act,

2000, cannot claim protection under the Copyright Act, 1957. Reliance, in this regard, was placed by the court on Section 15 of the Copyright Act. While reversing the finding of the single judge, the court also held that amendment to Section 15 of the Copyright Act by Act 27 of 2012, which came into effect from 21-6-2012, was retrospective inasmuch as amendment is only a subrogation. It was held that, the words ‘Designs Act, 1911’ as they were in the statute in the un-amended Section 15 of the Copyright Act, 1957, have to be read as ‘Designs Act, 2000’ even for the period between 11-5-2001 to 21-6-2012. It was hence concluded that Section 15 and not Section 62(2) of the Copyright Act would be applicable for the purpose of deciding the question of territorial jurisdiction for filing suit relating to alleged passing off of copyright of a design.

However, the court upheld the finding of the single Bench and held that Madras High Court has territorial jurisdiction in the case where the plaintiff residing in Chennai, had filed suit against the defendants alleging sale of infringing goods (under Designs Act) in Chennai by the defendants passing them off as that of the plaintiff’s. The court in this regard found the said averments as sufficient to disclose a cause of action. [*Urooj Ahmed v. Preethi Kitchen Appliances Private Limited* – Madras High Court Judgment dated 25-9-2013 in Appeal No. 40 of 2009]

News Nuggets

IPRs – Filing shifts to middle income countries

WIPO released the 2013 edition of World Intellectual Property Indicators, earlier this month. It is based on data from national and regional offices, WIPO, World Bank and UNESCO. In general, it records that there is

a shift in filing activity from high income to middle income countries. Another interesting observation is that Asian countries were an important source of inventors.

The total number of patents granted exceeded the 1 million mark in 2012. The report records that patent filings grew by 9.2% in 2012. This is

the fastest growth in the past 18 years. Much of that growth has been powered by China both in terms of applications by residents as well as applications received, followed by New Zealand, Mexico and USA. Europe witnessed negative growth in France and Italy though Germany and UK were positive.

Going by areas in which filings were made, it found India, Belgium and Switzerland were into the field of organic fine chemistry while applications in computer and medical technologies were mostly by Israel and USA.

In respect of trademarks, China again, along with Turkey, led the list with Mexico and Russian Federation showing significant increase in class counts. Overall, agriculture and clothing sectors saw largest number of filings, while in India majority of applications related to health sector. Russia led the other in industrial design applications and China, Korea and India showed increase in design counts. The largest number of plant variety applications was from Netherlands, followed by USA and China.

The art of getting copyright

A postal slip has left the US Postal Department facing charges of copyright infringement. Earlier this year, in September, refusing to stamp the post office' efforts with fair use or transformative use, the US Court of Federal Claims had awarded damages of over USD 600,000 to a sculptor whose sculpture to commemorate veterans of the Korean war was photographed and used in the stamp. Interestingly the sculpture itself was commissioned by the Congress. The latest dispute is about the picture of Statute of Liberty

used by the post office. Instead of using the picture available in public domain, it is alleged that the photograph used in the stamp is of a replica which is situated in Las Vegas.

Meanwhile, efforts are also on in the US to extend protection to any marks consisting of or comprising of flag, coat of arms or other official insignia. Bill H R 3713, introduced on 12th December contains amendments to the Trademark Act, 1946 Lanham Act to enable local authorities and governments to also obtain registration under trademark laws.

CCI orders investigation into FRAND licensing of telecom equipment major

The Competition Commission of India issued an order on 12th Nov, 2013 directing its Director General (DG) to investigate the complaint made by Micromax (Informant) against Ericsson (Opposite Party OP)) under Section 26(1) of the Competition Act, 2002. It was alleged that OP had abused its dominant position in the relevant market for Standard Essential Patents (SEPs) in GSM compliant mobile communication devices in India.

The CCI observed that *prima facie*, OP is dominant in the relevant market of GSM and CDMA technologies as it holds a large number of patents, some of which are SEPs such that there is a lack of alternative technology. The CCI also observed that the royalty rates charged by OP are calculated on the final price of the product as opposed to the absolute value of the patented technology. This was considered as discriminatory and contrary to Free, Reasonable

and Non-Discriminatory (FRAND) terms that OP had undertaken to follow before the relevant telecommunications standards body. It was also the accusation of the complainant that the OP had subjected all of its licensees to NDA and therefore, it was suspected that the

royalty rates for other entities was different. In its conclusion, the CCI noted that refusal by the OP to share commercial terms of licenses with similarly placed licensees fortified its conclusion that *prima facie*, the licenses terms may be discriminatory and excessively priced.

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