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Article

Proof of right requirement for Indian patent applications

By Deepak Singh

Persons entitled to file application in India

Section 6 of the Patents Act, 1970 ('the Act') states that an application for patent can be made, either alone or jointly, by a true and first inventor, an assignee of the inventor, or a legal representative of the inventor or the assignee. The expression 'true and first inventor' has been defined under Section 2(y) of the Act as one which "*does not include either the first importer of an invention into India, or a person to whom an invention is first communicated outside India*".

The expression 'inventor' has not been defined under the Act. It, however, has been interpreted to generally mean a person who contributes any part of his ingenuity, skill or technical knowledge towards the invention. In *V.B. Mohd Ibrahim v. Alfred Schafrank* [AIR 1960 Mys 173 at 175], it was held that a person, such as a financial partner, who has not contributed any skill or technical knowledge towards the invention cannot be said to have any capacity to invent, and hence cannot be said to be the inventor. Further, in *Shining Industries v. Sri Krishna Industries* [AIR 1975 All 231 at 234], it was held that in the case of a person such as financial partner or employer or firm, an inventor or an employee of a firm may assign the rights to the firm for making an application for patent and in such case, the firm can apply for a patent only as an assignee.

The expression 'assignee' has been defined under Section 2(ab) of the Act as including

"an assignee of the assignee and the legal representative of a deceased assignee and references to the assignee of any person include references to the assignee of the legal representative or assignee of that person". In *Sethi Construction Company v. CMD, NTPC* [2002 (65) DRJ 732 at 9], it was held by the High Court of Delhi that "an assignment is in the nature of a transfer by one to another, of his interest or rights in one's property and vests in the latter the former's interests, rights and remedies in respect of the subject matter. In such a case, the latter by virtue of the assignment in his favour will be in position to enjoy the rights of the former in his own name."

Requirement of proof of right for assignee

In case an application for patent is made by an assignee, Section 7(2) of the Act read with Rule 10 of the Patent Rules provides that the proof of right to make the application should be furnished with the application, or within a period of six months of filing the application. This is necessary to establish that the applicant derives title in the patent from the true and first inventor or the rightful owner of the invention, and the applicant has the right to apply for and be granted a patent. Further, Section 68 of the Act states that assignment shall not be valid unless it is in writing and reduced to the form of a document embodying all the terms and conditions governing the rights and obligations.

Documents for establishing proof of right

For the purpose of the Indian Patent Office, the assignment document may take several forms. Usually, the application Form -1 of the Act contains an endorsement by the true and first inventor assigning the right to apply for the patent to the assignee. Otherwise, an original assignment deed or its notarized copy, clearly containing an assignment from the true and first inventor(s) to the applicant would suffice as the proof of right under the Act. This is true for both original applications and convention applications.

Even in case a convention application claims priority from a country, for example, U.K., Netherlands, Malaysia, Germany or France, where employee's invention belongs to employer, the proof of right is required to be submitted to the Indian Patent Office, under Section 7(2) of the Act read with Rule 10 of Patents Rules. Further, in respect of convention applications, the assignee can also submit a certified copy of the patent assignment recorded with the patent office in the convention country as the proof of right. For example, in the United States, once application for patent is filed, the inventors may assign the invention to their organization or any other firm by submitting a patent assignment to USPTO (United States Patent and Trademark Office). Now, in case the assignee seeks to file an application for patent in India, a certified copy of the patent assignment recorded with the USPTO would satisfy the proof of right requirement.

In respect of a PCT national phase application, no proof of right is required if there is no change in inventor(s) and/or assignee at national phase

filing and in case the applicant has furnished a declaration under Rule 4.17 of PCT Regulations. However, if there is a change of assignee which has occurred after the international filing date and has not been reflected in a notification from the International Bureau through Form PCT/IB/306, then the application has to be first filed in the name of the original assignee. The change in name of assignee may be effected by fulfilling requisite formalities, which includes submitting an acquisition or assignment or agreement document, once the PCT national phase application is filed.

In yet another scenario, where a PCT application is filed by an inventor and the inventor then assigns the invention to an assignee, the assignee can directly file a national phase application in India if the change in name of applicant is notified through Form PCT/IB/306. Otherwise, the formalities for recording of assignment will have to be fulfilled later along with assignment or agreement assigning the rights from the inventor to the assignee.

Conclusion

It can be seen that the proof of right is a mandatory requirement under the Patents Act in India. There may be certain flexibility in terms of the type of documents that can be submitted as proof of right. But acquiring the rights over an invention through a written assignment or agreement in order to establish the proof of right is an important part of the process of receiving a patent for the invention under the Patents Act and Patent Rules.

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STATUTORY UPDATE

One year of America Invents Act – New provisions come into force

Several provisions of the America Invents Act have come into force from 16-9-2012 i.e. one year after the law was enacted. The provisions, among others, relate to post grant review, inventor's oath or declaration, supplemental examination, inter partes review and priority examination for important technologies. Leahy-Smith America Invents Act was enacted in September, 2011 and will be coming into force partly every 6 months or so till September, 2015 when the provisions for submission of implementation report are brought into force. Most of the provisions however will be effective by March, 2013 when statute for first-inventor-to-file comes into force.

The new provision effective 16th September, 2012 streamlines the requirements for the

inventor's oath or declaration, and permits a substitute statement in lieu of an oath or declaration in certain circumstances and permits a person to whom the inventor has assigned, or is under an obligation to assign, the invention, or who otherwise shows sufficient proprietary interest in the matter, to make the application for patent. Hitherto, a person to whom the inventor had assigned an invention could file and prosecute an application for patent, but the inventor was considered the applicant. Rules of practice have also been revised to harmonize the practice regarding foreign priority claims with the practice regarding domestic benefit claims, by requiring that both foreign priority claims and domestic benefit claims be set forth in an application data sheet.

RATIO DECIDENDI

Copyrights – Slogans using combination of common words are not artistic/literary work

The Delhi High Court has held that the slogan "Shauq Badi Cheez Hai", being a combination of common words, would not fall within the scope of "Artistic/literary work" under the Copyright Act. It observed that the said slogan did not appear to be an outcome of great skill. Holding that slogans are not copyrightable, the court said that both the slogans i.e. the above mentioned slogan of the appellant as well as the slogan "Swad Badi Cheez Hai" of the defendant, are commonly spoken in Hindi language in day to day life. Refusing to grant relief in respect of passing off also, the court was

of the view that there was no similarity in both the advertisements so as to deceive unwary customers in as much as both the advertising campaigns depicted different ideas conveying different meanings, the background sound in the slogan of the defendant also referring to the name of the product "Tulsi Sada Pan Masala" at the end of slogan. It also rejected contention on confusion on the ground that products were clearly visible in the advertisements. [*Godfrey Phillips India Ltd. v. Dharampal Satyapal Ltd.* – Order dated 2-7-2012 in CS(OS) 865/2012].

Patents – Test of obviousness – Indian law to prevail

The Delhi High Court in its recent judgment has rejected the application alleging infringement filed by F. Hoffmann-La Roche Ltd. in respect of its product Erlotinib under the trademark and name of 'Tarceva' against Cipla Ltd. It also rejected the counter claim of the defendant for revocation of the patent. In the case for revocation, the court while applying its discretion under Section 64, declined to revoke the patent, even while observing that there was violation of Section 8 read with Section 64(1)(m) in as much as the plaintiff had not disclosed about similar US'221 patent. Rejecting the contention on lack of inventive step or non-obviousness raised in counter-claim, the court held that even when it is established that inspiration was taken from prior art [EP'226], the existence of the said fact, by itself did not denote obviousness, as substitution of methyl components with ethynyl was not arbitrary but purposeful. It noted that the test of obviousness as laid down by the Supreme Court in the case of *Biswanath Prasad* will hold good as far as Indian statute is concerned, and that the innovation or invention in the sense of chemical compound is not merely to innovate a new set of the compound per se but also making improvements in the existing state of the art by taking the aid of the already existing compound and working upon the same by way of experimentation. The court, therefore, held that the patent was not hit by Section 3(d) as the plaintiff was able to justify that their product Erlotinib was not the same as Gefitinib in EP'226.

On infringement, the court held that the plaintiff was not able to show by way of positive evidence as to the exact nature of the plaintiff's and defendant's products and whether the said products tallied exactly with the claim of the suit patent. The court noted that the plaintiff had not provided any evidence as to whether the polymorphic version if at all was included within the same patent claim, then what was the role of the reactants with which the claimed compound was made to react to arrive at the polymorphic version and whether the properties and characteristic of the polymorphic version matched with that of the suit patent. It was noted that defendant has been able to discharge the onus to show that the plaintiff's suit compound was a combination of A and B and the compound needed conversion or separation to arrive at the polymorphic version B. [*F. Hoffmann-La Roche Ltd. v. Cipla Ltd.* - Judgment dated 7-9-2012 in CS (OS) No.89/2008 and C.C. 52/2008].

Registration and prior use of trademark in India

The Delhi High Court has held that the rights of registered proprietor and prior user of trademark 'Exide' in India, cannot be allowed to be infringed by proposed sale of goods using the mark 'Exide', even if the latter has a transnational reputation, was part of the same parent company and has registered and used the mark outside India. Deciding on the suit for infringement and counter-claim by the Indian owner/user and the American parent company of the erstwhile predecessor-in-interest company of the plaintiff company, the Delhi High Court considered among others, the questions as to whether the present registered owner can stake a true claim

to the mark and of prior use.

The court held that, on facts, after separation from the parent company the UK subsidiary had obtained a valid registration and established a business in India where it manufactured and sold batteries using 'Exide'. The transferee plaintiff had obtained registration of the mark in India. The plea that the plaintiff and its predecessors were merely common law licensees was rejected as there was no evidence of any agreement to this effect or any license fee paid. The other ground of the defendant that it was prevented from using its trademark by special circumstances and hence non-use in India was not a case of abandonment of trademark, was rejected as no special circumstances or lack of commercial viability was proved.

As regards prior use, the court stated that tagging of prior use was permissible and that once trademark is assigned, the period of use would run from that of an earlier owner/transferor as otherwise the whole purpose of assignment would be lost. The Court also held that once the plaintiff was the owner of the trademark, no other person, particularly a legal entity can claim for saving of vested rights or 'Saving for use of name, address or description of goods' (Section 34 of Trade Marks Act, 1958). [*Exide Industries Ltd. v. Exide Corporation*, CS(OS) No. 812/1997 & Counter Claim No. 725/1998, Order of Delhi High Court dated 5-9-2012].

Product by process claim – Patentability

Examining the claims in respect of 'Ceramic based nanoparticles for entrapping therapeutic agents for photodynamic therapy and method of using the same', the IPAB held that when

the product based on process claims was not shown to be novel and unobvious, it was not patentable. The claims related to method of preparing the ceramic based particles in which photodynamic drug could be loaded. This could be administered so as to reach the target site (cancerous cells) without interference from the aqueous medium inside the body.

The appellant argued firstly that where the Examiner had not raised objections, there can be no further adjudication under Section 15 of the Patents Act, 1970. However the IPAB held that under Section 15, Controller is given the quasi-judicial duty to decide whether a patent should be granted and it means he must be satisfied. Hence this technical objection was brushed aside.

The appellant contended that when the process being novel and inventive, the product (composition claims) is entitled to be held novel and inventive being limited only to novel and inventive process. The IPAB stated that as cited in the impugned order itself, the method was inventive and not mentioned in the prior art. However, use of photo luminescent drugs for photodynamic therapy was already known and the only difference between prior art and the claims put forth was use a non-biodegradable carrier. The IPAB held that product-by-process claims must also define a novel and unobvious product, and its patentability cannot depend on the novelty and non-obviousness of the process limitations alone. Thus agreeing with absence of 'enhanced effect' as cited by the Controller, amended process claims were allowed by the IPAB. [*The Research Foundation of State University of New York v. Assistant Controller of Patents*, OA/11/2009/PT/DEL, IPAB order dated 10-8-2012]

NEWS NUGGETS

Single colour as trademark

Louboutin S A, secured a victory though not a complete one as it would have liked over Yves Saint Laurent when the United States Court of Appeals for the Second Circuit held that the red, lacquered outsole of the shoe was eligible for trademark protection. Louboutin had failed to get an injunction against Yves Saint Laurent which wanted to market its monochrome range of shoes. The completely red shoes in the monochrome range were said to infringe Louboutin's shoes with red outsole. However, there is no infringement when monochrome red shoes (with red out sole) are sold.

In its decision dated 5-9-2012, the United States Court of Appeals for the Second Circuit disagreed with the lower court that single colour cannot serve as a trademark, particularly in the fashion industry. Examining various points like advertising expenditure, consumer surveys and unsolicited media coverage, the Circuit Court held that the red outsole had acquired secondary meaning. The red sole when 'contrasted with another colour' had come to identify and distinguish Louboutin from other. The trademark as modified would be valid and enforceable.

IP currency

The Central Bank of Nigeria has to answer questions on IP besides economics in trying to restructure Naira. One of the reasons given by the bank for redesigning the currency is that presently the patent rights, in respect of it, are with foreign firms. Copyright in currency notes is prevalent in many countries in Europe and Canada. For instance, Bank of Canada and Bank of England protect currency with copyright laws as well as anti-counterfeiting laws.

Recently a Canadian singer who portrayed penny on the cover jacket of his album CD was said to have infringed the copyright in the penny. The sentimental ring of the songs being an ode to the penny to go out of circulation shortly, however, softened the stand of the Royal Canadian Mint which waived the fine due. On a slightly different note, an entity dealing in anti-counterfeiting technologies has claimed that the European Central Bank has infringed its patents by incorporating in the Euro certain features to protect against forgeries by digital scanning and copying devices.

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