

**Course : PGDIPR-02**



**Vardhaman Mahaveer Open University,  
Kota**

**Intellectual Property Rights**  
(Issues, Challenges and Internationa Regime)

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## **Vardhaman Mahaveer Open University, Kota**

### **Intellectual Property Rights**

### **(Issues, Challenges and Internationa Regime**

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# Unit – 1

## IPR as an Intangible Property

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### **Objectives:**

Intellectual property means the legal rights which result from intellectual activity in the fields like industrial, scientific, literary, and artistic. Intellectual Property aims to safeguard creators and other producers of intellectual goods and services by granting them certain rights to exploit the productions. After going through this unit, you should be able to understand the concept of IPR as Intangible property.

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### **Structure:**

- 1.1 Introduction: Objectives and Perspectives
- 1.2 Meaning and concept of Property
- 1.3 Kinds of Property
- 1.4 Origin of Property – A Theoretical Perspective
- 1.5 Objectives of Intellectual Property
- 1.6 Economic benefits of Intellectual Property
- 1.7 Philosophical justification of Intellectual Property
- 1.8 IPR as Intangible Property
- 1.9 Summary
- 1.10 Self-Assessment Test
- 1.11 Further Readings

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## **1.1 Introduction**

### **Objectives:**

This unit has been prepared to acquaint you with the meaning, concept and kinds of property. Secondly it will acquaint you with the concept of intangible property and the nature intellectual property as intangible property. This unit discusses the philosophical justification for the Intellectual property. It briefly describes the main kinds of intellectual property.

One of the main differences between Intellectual property and other forms of property is that intellectual property is intangible, that is, it cannot be defined or identified by physical parameters. It consists various distinct types of intangible property namely- patents, trademarks, copyrights, and trade secrets, which are collectively known as "intellectual property."

### **Perspective**

The concept of property has been from time immemorial. There have been various theories in support of Intellectual property. There is various perspectives over the intellectual property.

If we look into the early history of the concept of property one thing to be noted is that the concept of property was totally alien to the nomadic community. Later they came to recognize into movables and chattels as property. With the progress of human beings from eating the fruits available to the cultivation of agricultural land, land also came to be recognized as a form of property. Primitive man staying in isolation was a jack of all trades. With the development in science the need for publication of knowledge became inevitable. This had further necessitated some form of protection to be given to the creator. Early invention laid the foundation for the development of the modern technology. Industrial development could take place only through improvements in industrial techniques. Reward for disclosure was the method for encouraging. Thus the scientific knowledge was transferred into a form of property.

The historical development of the intellectual property can be traced back to the ancient days when monopolies existed in the Byzantine Empire. Ancient Greece in the 7<sup>th</sup> century BC granted monopoly to cooks for one year to exploit new recipes. But after a few centuries later Emperor Zeno in Rome rejected the concept of Monopoly. Emperor Zeno by a proclamation in 480 AD ordered that no one should exercise monopoly upon garment or fish or any kind of thing. Edward III in 1331 granted privileges for technology to Flemish weavers. In 1376 John Peeche was impeached in respect of a patent giving him a right to sell sweet wines in the city of London contrary to an ordinance of Parliament.

In 1432 the Senate of Venice enacted a Statue providing exclusively privileges to those inventing any machine or process to speed up skill making. The protection being provided was also extended to other devices. It has resulted into an idea of obtaining protection. The earliest enhancement made for the protection

of Intellectual property was with respect to patent protection. In 1474 the first Ordinance for Patent was voted by the Venetian Senate.

The law of intellectual property revolves around the conflict that exists between the need for the protection of investment and the need for social justice. What intellectual property statutes seek to do is to strike a compromise with a limited monopoly wherein protection is guaranteed-whereas at the same time having State control so that the objective of social justice will be served.

Important objective is to foster innovation and to prevent unjust enrichment. Protection of investment is the direct consequence of intellectual property and the indirect consequence is the social benefit which is derived on the long run.

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## **1.2 Meaning and Concept of Property**

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There is no specific definition of property. Property has been defined in a variety of senses. In its widest sense, property includes all the legal rights of a person of whatever description. According to Blackstone "the inferior has no kind of property in the company, care or assistance of the superior is held to have in those of the inferior".

According to Hobbes "of the things held in propriety, those that are dearest to man are his own life and limbs; and in the next degree, in most men, those that concern conjugal affection and after them riches and means of living."

According to Locke "Every man has a property in his own person." Every individual has a right to preserve his property. In narrower sense the property includes the proprietary rights of a person and not his personal rights. Proprietary rights constitute his estate or property and personal rights constitute his status or personal condition. While in another sense the term property includes only those rights which are both proprietary and real. The law of property is the law of proprietary in rem.

In the narrowest term property includes nothing more than corporeal property or the right of ownership in material things. As per Ahrens, property is a material object subject to the immediate power of a person.

According to Austin, the term property is sometimes used to denote the greatest right of enjoyment known to the law excluding servitudes. With the

passage of time in modern age Intellectual or intangible property has gained very much significance. Intellectual property includes properties of following kinds viz. copyright, patent, trademark, design etc. According to Erle J. "The notion that nothing is a property which cannot be earmarked and recovered in detenu or trover, may be true in an early stage of society when property is in its simplest form and the remedies for the violation of it are also simple, but it is not true in a more civilized state when the relations of life and the interests arising there from are complicated.

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### 1.3 Kinds of Property

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Generally property can be classified into two categories: corporeal and incorporeal. Corporeal property can be further divided into movable and immovable property and real and personal property. Incorporeal property is of two types: right in *re propria* and right in *re aliena*.

**(a) Corporeal Property:** Corporeal property is also known as tangible property as it has tangible existence in the world. The right of ownership of a material thing is the general, permanent and inheritable right of users of thing.

Corporeal property is of two types movable and immovable. In this regard the Salmond says about immovable piece of land that it has many elements which further determines portion of the surface of earth including the ground beneath the surface down to the centre of the world. It also includes the column of space above the surface as infinitum.

As per Coke the earth hath in Law a great extent upwards, not only of water as hath been said but of air and all other things even up to heaven. German Code provides the owner of land owns the space over it. He has no right to prohibit acts so remote from the surface that they do not affect his interests in any way.

Now we shall discuss the meaning provided by various statutes. As per the General Clauses Act of 1897 Immovable property includes land, benefits arising out of land and things attached to the earth or permanently fastened to anything attached to earth.

As per the Indian Registration Act " Immovable property includes land, building, hereditary allowances, right of way, lights, ferries, fisheries or any other benefit to arise out of land and things attached to earth or permanently fastened to

anything attached to the earth but not standing timber, growing crops or grass". While the movable property includes all corporeal property which is not immovable.

**(b) Real and Personal Property:** Real property means all rights over land recognized by Law. Personal property means all other .

"Property", is defined as a "*bundle of rights*" which include the rights of ownership, exclusion, possession, modification and transfer. These rights are subject to limitations [Ceiling on ownership; public policy on the use; lease on possession etc]. But it must be noted that there is a difference between 'matter' and property, since matter becomes property only with value addition. And only when such value is added either by innovation or by scarcity does protection becomes essential.

The right to exclusion implies that there must be no interference with the exploitation. The essential nature of intellectual property is that it is created out of the human intellect, but, if in the course of employment for consideration a product is created then the rights do not belong to the creator but to the employer. The product here is the physical manifestation of the "intellectual" property.

Locke theoretically justifies property based on this premise. Locke was of the view that the concept of private and property emerged thereafter. According to him, the producer of labour on this land became private property. Gradually, there is an increase in the labour by all individuals, including those responsible for initial value addition. In case of real property, the entire resource is depleted, thereby differentiating it from intellectual property.

Locke only permits the creation of private property so that there is no wastage, "good and sufficient". This is violated in modern intellectual property. [copyright, multiple patents, competition law]. Intellectual property indirectly uses the Lockesian appropriation theory-compulsory licensing-usage.

**Hegel's Personality Theory** - Every property created is a reflection of personality, and therefore one has ownership over the same. Art is the best example of the same is copyright. However, patented products in general are reflections of ability, rather than personality. These abilities may be contributing towards the end product, making it once again the reflection of personality.

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## 1.4 Origin of Property – A Theoretical Perspective

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Before entering into the concept of Intellectual property it is very important to ascertain the meaning and concept of property. The construction of the word "property" depends on the context with which it is used. Commonly, the word "property" is used in two different senses. First, it is applied to external things that are the objects of rights or estates; that is, things that are the object of ownership. Second, it is applied to the rights or estates that a person may acquire in or to things. In strict legal parlance, "property" is used to designate a right of ownership, or an aggregate of rights that are guaranteed and protected by the government. The word property may mean either the object of right of ownership or something proper to person or it may mean the right of ownership itself. Proprietary rights are extensions of the power of persons over the physical world. The essence of such rights lays down a relationship between the owner of the rights and the one who have been excluded.

The origin of property and private property specifically has always been a matter of philosophical enquiry. The concept of property has evolved over a period of time in a dynamic, flexible manner and has been construed in diverse manners across the societies and Legal systems. There have been significant variations in this regard even in similar societies and Legal systems.

The core of private property in the evolution of social political institution has encouraged a wide range of philosophical discourse. Irrespective of the conflicts on fundamental tenets among the various philosophies and philosophers, all of them unanimously agree on the origin of private property from a common pool . As per these theories the basic element of origin of property has been occupation, labour and contract. There various differences among the various schools of jurisprudence with regard to the property. The Natural Law school emphasis the justification of concreting the ground norms into property on the basis of innate human reasons. According to Grotius all things were originally *res nullis*. But mea divided the things in society by the agreement. Things not so divided were afterwards discovered by individuals and reduced to possessions. While the Pufendorf rests his theory upon an original pact Thus even in the most primitive social system the concept owes its origin through some primordial rules either established by individuals themselves or by the society. When we look into the

classic theory of property by John Locke in his "Two treatises on government, he attempts to give a solution to the problem of God given commons and private proprietarianism by the principle of labor that is "every man has property in his own person". So whatsoever man removes out from the state of nature that God provided by applying his labor is his property. In Locke an philosophy, even in state of nature there exists some kind of moral norms to regulate appropriation of property and it is when men enters into civil society through the compact that property as a legal phenomenon comes into existence. With the revival of natural law in recent years a justification based on man's economic nature has arisen. According to them property arose from the necessity of economic life of the individual in society.

While the Philosophical school lays emphasis over the human personality or an individual will. Metaphysical theories emphasis on the abstract nature of man or an assumed compact for the justification of property. Pioneer in this field Kant, begins with idea of inviolability of the individual human personality. A thing is ones, when he has got actual physical possession of the thing and aggression of the thing will constitute a wrong to that person or aggression of his personality. He also justifies the origin of private property from the commons by occupation and civil compact. Occupation as per Kant is a legal transaction involving a unilateral pact not to disturb others in respect of their occupation of things. The efficacy of the pact does not depend on the inherent moral force of a promise or on the nature of man but in a principle of reconciling wills by the universal law. He also preconceives the need of a civil society for the recognition and enforcement of civil law society. Hegel denies the idea of occupation of property and treats property as a realization of the idea of liberty. Property, Hegel says, "makes objective my personal, individual will". In order to reach the complete liberty involved in the idea of liberty, one must gave his liberty an external sphere. Hence a person has right to direct his will upon an external object and an object on which it is so directed becomes his. It is not an end in itself but gets the whole rational significance from his will and its recognition by the legal system

While the positivists He argues that there was in the beginning a negative community. That is all things were *res communes*. No one owned them. They were subject to use by all. Men abolished the negative community by mutual agreement and thus established private ownership. The positivist's school of thought denies

absolutely the occupational and labor theory of property. For them property was born with laws and will die with laws. For them the distinguishing character of property is not the relation between the individual and the object, but the right of the individual to exclude others from his physical relation with the object, or indeed from the object itself and this right has validity only in a legal platform recognized by a sovereign.

The Sociological School emphasized over the social element or social necessity. The Sociological school emphasizes the societal element in development of property. For them property arose to meet the societal demand and the values and interests of each of the societies exercised great influence on property norms.

The Historical school emphasizes the group element and evolutionary aspect. The jurists of this school says with respect to private property was that the individual ownership has grown out from the group rights.

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## **1.5 Objectives of Intellectual Property**

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### **The objective of intellectual property is threefold**

1. Innovation or enrichment of the domain of knowledge. However, this is not a strict or stringent justification with respect to artists, scientists etc. This justification is primarily for corporations who invest in research with the prospect of economic returns.
2. To maintain quality or brand loyalty (specifically with respect to trademarks)
3. Dissemination of new ideas and enrichment of the commons.

Article 1 (2) of the TRIPs (Trade Related Aspects of Intellectual Property Rights) agreement defines intellectual property for the purposes of the agreement. And it states that intellectual property refers to all categories of intellectual property which are the subject of Sections 1 through 7 of Part II. These include copyrights, trademarks, geographical indications, industrial designs, patents, layout designs or topographies of integrated circuits and the protection of undisclosed information. It must be noted that the TRIPs agreement does not include traditional knowledge within the types of intellectual property. It must be further noted that no Indian statute has any definition of intellectual property.

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## **1.6 Economic Benefit of Intellectual Property**

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The owner of the Intellectual property may exploit the property itself. This Intellectual property can be bought or sold. Beside purchase and sale various forms are also available viz licensing. Intellectual Property Rights are the Governments attempt to encourage the creativity by rewarding the creators with some privileges in the form of rights and exclude others from this property. The system of Intellectual Property Rights has been termed as one of the corner stone of the modern economic policy. Intellectual Property is the creation of human intellect and which should be rewarded. Intellectual Property Rights are accorded through various forms like patent, copyright, trade mark, trademark, Industrial design and others.

There have various theories with regard to the merits and demerits of the Intellectual Property. Supporters of demerits of Intellectual Property state that the Intellectual Property Rights crate a certain kind of monopoly. The monopoly is temporary on the basis of the knowledge which has been made public. The mechanism of Intellectual Property is a very flexible system which has developed as per the need of the hour. Inventors have progressed in making from steam engine to aerospace on the basis of Intellectual Property Rights provided to the creator/ Inventor as a reward.

The Legal regime for the protection for Intellectual Property has been coping with the advancement in the technology. With the advancement in technology there has been tremendous change in the Patent regime as the domain of the Patent protection has been widened. Now a days patents are granted to the Biotechnical Invention, Computer Related Inventions etc. There have been various developments in the plant breeding and manipulation. This has necessitated the need for protection of new plant varieties.

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## **1.7 Philosophical Justification of Intellectual Property**

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In the literal sense the term intellectual property means all those proprietary creation of human intellect. It ranges from all those rights pertaining to literary , artistic, and scientific works; performer's rights, broadcast; scientific inventions, industrial design, trade mark, service mark . Intellectual property is the branch of Law which is concerned with legal rights associated with creative effort or commercial reputation and goodwill.

In legal sense, intellectual property is an umbrella term for various legal entitlements which attach to certain names, written and recorded media, and inventions. The holders of these legal entitlements may exercise various exclusive rights in relation to the subject matter of the IP.

The word “intellectual” being an adjective reflects the fact that this term concerns a process of mind while the term “property” being a noun implies that ideation is analogous to construction of tangible objects. It means that the intellectual property rights are property rights. The monopoly granted to the holder of intellectual property has all the attributes of monopoly given to the owner of other proprietary interests like exclusive use, possession, alienation etc. However the intangibility of subject matter and limited nature of monopoly usually pulled out intellectual property from the general canons of property. All property rights are a bundle of rights recognized by an established legal frame work. Generally it is said that Intellectual property rights as intangible rights and other property rights as tangible. All property rights place the right holder in a juridical relation with others. Property provides the relationship between an individual and an object or resource. The property relationship confers a legally enforceable right or more accurately a bundle of rights entitling the holder to control an object or resource.

The philosophical development of intellectual property rights began during the European Enlightenment of the 17<sup>th</sup> and 18<sup>th</sup> centuries. Two British authors John Locke and Edward Young were instrumental in nurturing the concept. Locke’s theory of property can be regarded as a union of two basic theses. The first is that everyone has a property right in the labour of his own body. The second thesis is that the appropriation of an unowned object arises out of the application of human labour to that object. The idea is that mixing one’s own labour with an unowned thing confers upon one a property right in the whole thing. Applying this theory to intangible property does not appear to be farfetched. The notion of body as used in the first thesis, according to which everyone has a property right in his own body, clearly embraces the mind or the human genius or his personal skills. The second thesis according to which the mixing of labour with an unowned object creates a property right in the whole object, must extend to his intellectual labour. No labour is purely physical. Locke did not stressed upon the nature of labour is to be blended with the unknown objects. It seems plain that the notion of mixing relevant here is not material but legal economic: human labour is mixed with an

unowned object, be it abstract or material, in the sense that it becomes an essential factor in raising its economic value, either by changing the conditions of availability or by changing its nature.

In addition to these basic principles of property we can see a lot of theoretical underpinnings in his theory to support intellectual property and on comprehensive analysis of his writing we can see that it will be really fallacy to say that Locke does not think of intellectual property. When he speaks on labour, he speaks not simply about manual labour to improve land, but labour based on human reason to improve the amenities of life. He speaks about the labour of rational and industrious man different from and ordinary man's labour. Further he defines property in a very wide sense as "*lives, liberties, and estates which I call by the general name, property.*" The wide connotation of the term property included in its ambit intellectual property also. Apart from all this general principles, his statement that "through arts and inventions on commons men can improve the conveniences of life" definitely conceives the notion of intellectual property. Locke's philosophy provides an influential justification for intellectual property rights.

Another major philosophical justification towards intellectual property is the personality theory of Hegel. The Hegelian philosophy provides a strong justification for intellectual property at two levels.

At the first level there is justification of intellectual property relying on his general theory of property and at the second level Hegel makes a very specific and genuine account of characteristic of intellectual property. As per Hegel property is the external manifestation of human will or it is the embodiment of human personality. Hegel believed that each person posses both an internal and an external existence. The internal existence is the will of one's and one's external existence is his sphere of freedom. Hegel emphasized the importance of self actualization and lack of dependence on another. self-actualization and the extension of one's sphere of freedom are achieved, in Hegel's view, not by withdrawing from the external world but rather by "overcoming it," or putting one's will into external objects - into property.

Hegel's rationale suggests that the inventor has imbued the invention with his personality or will, making the process of creation an intensely individualistic one. For Hegel intellectual property need not be justified by analogy to physical

property. Hegel justifies the absolute right of copyright holder to multiply the copies of his work or recognizes the established principle of 'every calf to the cow' and at the same time recognizes the interest of public in having access to those works for personal use and development of the self. It reflects the most fundamental tenets of intellectual property jurisprudence. He is even conscious of the plagiarism which may occur in the intellectual property adversely affecting the economic benefit of the copyright owner.

Another philosophical justification for the protection of intellectual property has been utilitarianism. Utilitarian theorists generally endorsed the creation of intellectual property rights as an appropriate means to foster innovation providing the limitation of duration so as to balance the social welfare loss of monopoly exploitation. According to Jeremy Bentham, "without the assistance of the laws, the inventor would almost always be driven out of the market by his rival, who finding himself, without any expense, in possession of a discovery which has cost the inventor much time and expense, would be able to deprive him of all his deserved advantages, by the sale at lower rates.

While Locke and Hegel supports proprietary rewards from an individualistic angle, the utilitarianism justifies it because it is a social necessity. On a close perusal into the history of evolution of patent or copyright we can see that inevitability behind recognition of these privileges was of course a social stipulation, which could not have been accomplished without the risk of recognizing and rewarding the individual labour or the individual personality behind that genuinity. It is to be noted that that theory emphasis on individual effort has influenced the intellectual property framework to identify the true and genuine creator without which the balance of the system would have disturbed.

Apart from the extension of the traditional theories of private property, taking into account of the unique nature of intellectual property in particular a set of radical theories has also been developed in due course. One such view is the incentive justification. The incentive theory provides that too few inventions or creativity will be made in the absence of patent protection as inventions once made are easily appropriated by competitors of the original inventor who have not shared in the costs of invention. When successful inventions are quickly imitated by free riders, competition will bring prices down to a stage where the inventor receives no return on the original investment in research and development. Another opinion is

that intellectual property rights will optimize patterns of productivity. Another practical justification is that the system tries to eliminate or reduce the tendency of intellectual property rights to foster duplicative or uncoordinated activities.

A recent group of theorists like Palmer, Barlow and Netanel constructs a libertarian argument against intellectual property rights by critiquing the dominant philosophical perspectives used to justify intellectual property protection. They are of the opinion that intellectual property rights threaten to undermine free exchange of ideas and enable corporate interests to exercise substantial control over cultural and political expression.

After analyzing the philosophical justification we find two divergent and incompatible observations. On one side the justification for intellectual property grant is due to the product of individual and labour. While the other theories support the grant because it is a social, economic, and political compulsion. A modern justification for this grant gets support in its capability to shore up and sustain economic development and technological innovation.

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## 1.8 IPR as Intangible property

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Intellectual property is the property that stems from the exercise of the mind and enjoys legal protection. It is intangible property created by intellectual effort. It is a product of human intellect and accredited in various forms, namely, copyrights, patents, trademarks, service marks, geographical indications and designs.

**Intellectual property rights** : World Intellectual Property Organization (WIPO) defines Intellectual Property as legal rights that result from intellectual activity. The intellectual activity may include any activity in the industrial, scientific, literary and artistic fields. According to the Centre for Intellectual Property Rights in India, the major Indian Intellectual properties typically fall into 4 major buckets: Copyright, Patent, Trademark and Design Protection.

Intellectual Property Rights are temporary grants of monopoly aimed to give economic incentives for innovative activity. Intellectual property. The intellectual property is an asset and, as such, it can be bought, sold, mortgaged, licensed, exchanged or gratuitously given away like any other form of the property. Further, by acquiring a legal right over the property, the creator of the intellectual

property seeks to ensure that he has exclusive right over it and that the property can be put to use by others only with his consent. Ownership of IPR is a source of national wealth and mark of an economic leadership in the context of global market scenario. Intellectual property rights are a bundle of exclusive rights over creations of the mind, both artistic and commercial. The former is covered by copyright laws, which protect creative works, such as books, movies, music, paintings, photographs, and software, and give the copyright holder exclusive right to control reproduction or adaptation of such works for a certain period of time. The second category is collectively known as "industrial properties", as they are typically created and used for industrial or commercial purposes. A patent may be granted for a new, useful, and non-obvious invention and gives the patent holder a right to prevent others from practicing the invention without a license from the inventor for a certain period of time. A trademark is a distinctive sign which is used to prevent confusion among products in the marketplace.

An industrial design right protects the form of appearance, style or design of an industrial object from infringement. A trade secret is an item of non-public information concerning the commercial practices or proprietary knowledge of a business. Public disclosure of trade secrets may sometimes be illegal.

### **Significance of Intellectual Property Rights (IPR)**

The significance of Intellectual Property rights can be studied into following categories:

- (a) Financial Incentive
- (b) Economic Growth
- (c) Economics of IPR

#### **(a) Financial Incentives:**

The owners of intellectual property are provided with the exclusive rights and by virtue of these rights they draw profits. The profit is received by having monopoly rights on certain innovation in various fields. Further the kind of incentives being received encourages an individual to be motivated and to invest the reasonable proportion for further research and development.

#### **(b) Economic growth**

The monopoly grant provided by the Intellectual Property rights also aims toward the contribution toward the growth of the economy. In the various

economies the majority of business contribution is from the intangible assets in the form of intellectual property. The two thirds of the value of the maximum business in US could be attributed to intangible assets. In fact a “positive correlation between the strengthening of the IP system and subsequent economic growth” was obtained as evidenced by a joint research project of the WIPO and the United Nations University. This study has brought out the impact of IP and its contribution to the growth of economy in six Asian Countries.

### **(c) economics of IPR**

Intellectual property rights are temporary monopolies enforced by the state on use of expressions and ideas. The rights of the intellectual property are very limited for the non rival goods as they can be copied/multiplied simultaneously. The non rival intellectual property rights are usually limited to non-rival goods, that is, goods which can be used or enjoyed by many people simultaneously. The rights do not exclude any other person from using the ideas and expressions as the products derived are non rival. Whereas the goods that are considered as rival to one another shall have to be protected by the property rights laws. More over the Intellectual property rights can be applied to rival goods. The products which do not have any rivalry in terms of specification and configurations cannot be profitable to be covered by the rights.

The establishment of intellectual property rights, therefore, represents a trade-off, to balance the interest of society in the creation of non-rival goods '(by encouraging their production) with the problems of monopoly power.

Another important objective is to foster innovation and to prevent unjust enrichment. Protection of investment is the direct consequence of intellectual property and the indirect consequence is the social benefit which is derived on the long run.

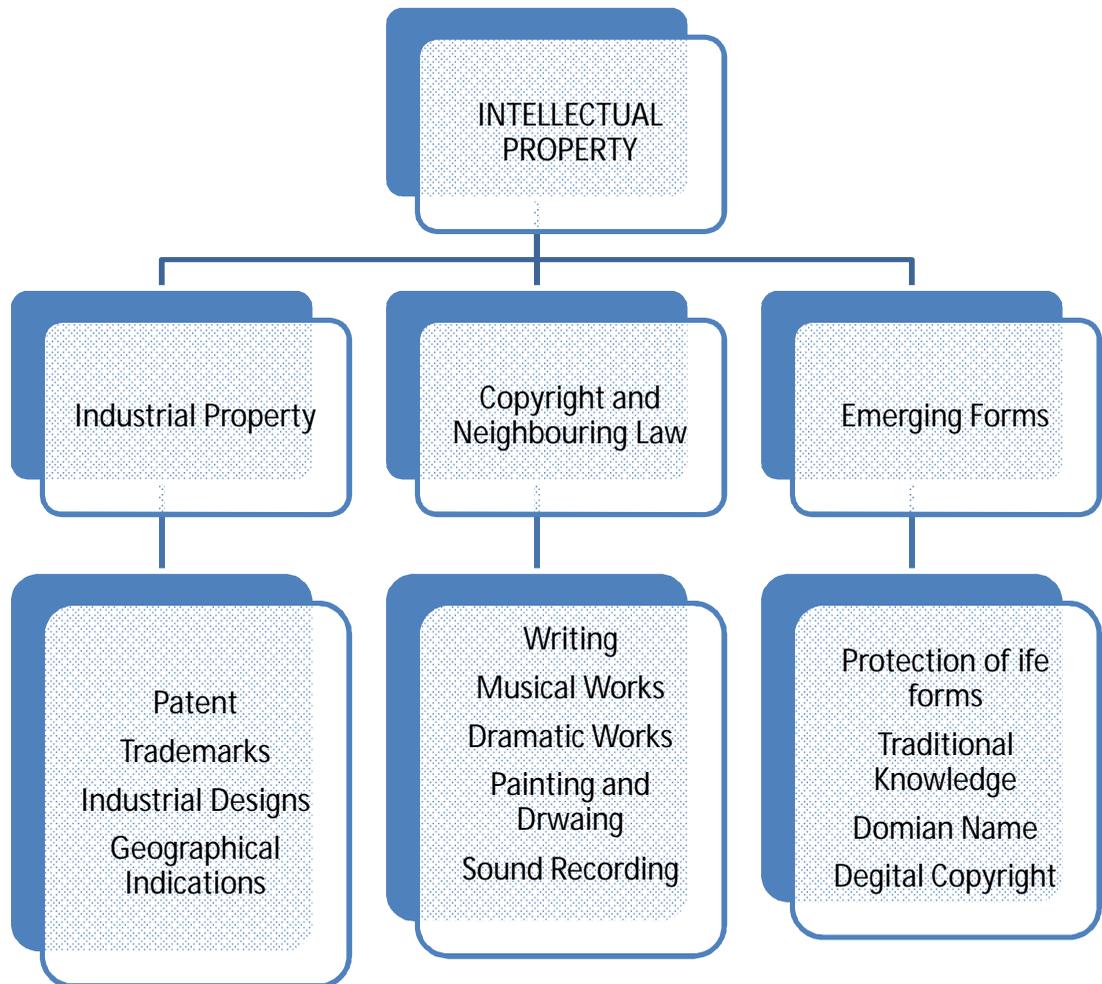
One of the important facets of intellectual property protection is that there is a rule against perpetuity which implies that the ownership is time barred. For patents it is 20 years, for copyright it is the life of the author and 60 years thereafter. But for trademark, it is 10 years but it may be renewed indefinitely. The purpose of this rule against perpetuity is for the purpose of social justice so that the "limited monopoly" that is created lapses.

The essential nature of intellectual property is that it is created out of the human intellect, but, if in the course of employment for consideration a product is

created then the rights do not belong to the creator but to the employer. The product here is the physical manifestation of the "intellectual" property.

### **Types of Intellectual Property**

- a) Patents
- b) Trademarks, Collective and Certification Marks
- c) Industrial Designs
- d) Copyright and Related Rights
- e) Geographical Indications
- f) Trade Secrets
- g) New Varieties of Plants



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## 1.9 Summary

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Thus the concept of property was there in human life and society even prior to the dawn of civilization whether it might have been appropriated by the act of first occupancy or by the employment of labour or it was divided by a set of contracts between the fellow beings.

"Property", is defined as a "*bundle of rights*" which includes the rights of ownership, exclusion, possession, modification and transfer. These rights are subject to limitations. But it must be noted that there is a difference between 'matter' and property, since matter becomes property only with value addition. And only when such value is added either by innovation or by scarcity does protection becomes essential.

In primitive society the emphasis was over possession. When human began to think in terms of certain rights attached to the things then we find the need for Law to regulate the property. Bentham says with reference to property that property , men and Laws were born together and will die together and not merely property and laws. Lastly it may be concluded that property is a relation created by Law and the proprietary norms are shaped according to the social system in which the legal systems operate aiming towards the norms and values of the social system.

In literal sense intellectual property refers to all those creation of human intellect. IPR ranges from all those rights relating to literary, artistic, and scientific works, performers rights.

Article 1 (2) of the TRIPs (Trade Related Aspects of Intellectual Property Rights) agreement defines intellectual property for the purposes of the agreement. And it states that intellectual property refers to all categories of intellectual property which are the subject of Sections 1 through 7 of Part II. These include copyrights, trademarks, geographical indications, industrial designs, patents, layout designs or topographies of integrated circuits and the protection of undisclosed information. It must be noted that the TRIPs agreement does not include

traditional knowledge within the types of intellectual property. It must be further noted that no Indian statute has any definition of intellectual property.

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### **1.10 Self Assessment Test**

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1. Discuss the meaning and concept of property.
2. Write a note on the Intellectual Property as intangible asset.
3. Discuss the philosophical justification for Intellectual Property.
4. Discuss the various kinds of Intellectual Property.

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### **1.11 Further Readings**

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1. R.S Bhalla the Institution of Property.
2. Dias and Hughes: Jurisprudence
3. Fitzgerald P.J(ed.): Salmond on Jurisprudence
4. B.L. Wadehra; Law relating to patents, Trademarks, copyright, designs & Geographical Indications.
5. P.S.Narayana; Intellectual Property law in India.

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## Unit – 2

# IPR vis-a-vis other Properties: Issues of Transfer and Alienation

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### **Objectives:**

“Property means the highest right, a man can have to anything, being that right which one has to land or tenements, goods or chattels which does not depend on another’s courtesy. It includes ownership, estates and interests in corporeal things, and also rights such as trademarks, copyrights, patents and even rights in person name capable of transfer.

With the development in science and technology one would often find himself amidst new inventions and novice ideas. History is evident that with the human, physical growth grows the ideas, conceptions entailing new inventions. Time and again, physical growth has paved way for yet another kind of growth vis-à-vis intellectual growth. Over the last few decades Intellectual Property rights have grown resulting into the development of global economy. The protection of Intellectual property has both its merits and demerit. The relevance of intellectual property in business environment is very vital. This unit aims to provide an in depth understanding of transfer and alienation of various forms of Properties vis-a- vis Intellectual Property.

### **Kinds of Intellectual Property**

Following are the main kinds of intellectual property:

- (a) Copyrights and related rights,
- (b) Trademarks,
- (c) Geographical Indications
- (d) Industrial Designs,
- (e) Lay out designs of integrated circuits and
- (f) Protection of undisclosed information (trade secrets)
- (g) Patents

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### **Structure :**

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- 2.1 Introduction
- 2.2 Overview of Intellectual Property Laws in India
- 2.3 Transfer and Alienation of Intellectual Property
- 2.4 Transfer and Alienation of Patent
- 2.5 Transfer and alienation of Copyright
- 2.6 Assignments and Transmission of trademarks**
- 2.7 Summary
- 2.8 Self-Assessment Test
- 2.9 Further Readings

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## **2.1 Introduction:**

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The concept of Intellectual property is not new as there have been protections available for different intellectual property. One of the first systematic attempts to protect inventions by a form of patent by A Venetian Law of 1474. The Invention of movable type and printing press by Gutenberg contributed to the origin of the first copyright system in the world. The Paris Convention for the Protection of Industrial Property in 1883 and the Berne Convention for the Protection of Literary and Artistic Works in 1886 gave the way towards the creation of International Intellectual Property Rights.

A specialized agency of United Nations was created with the name of World Intellectual Property Organization (WIPO). The Convention establishing the World Intellectual Property Organization (1967) gives the following list of the subject matter protected by intellectual property rights:

- literary, artistic and scientific works;
- performances of performing artists, phonograms, and broadcasts;
- inventions in all fields of human endeavor;
- scientific discoveries;
- industrial designs;
- trademarks, service marks, and commercial names and designations;
- protection against unfair competition; and

- “all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.”

With the establishment of World Trade Organization there was signing of various agreement and one of the agreement relating to Intellectual Property is TRIPS.

The TRIPS Agreement covers following kinds of Intellectual Property;

- i. Copyright and related rights (i.e. the rights of performers, producers of sound recordings and broadcasting organizations);
- ii. Trade marks including service marks;
- iii. Geographical indications including appellations of origin;
- iv. Industrial designs;
- v. Patents including protection of new varieties of plants;
- vi. The lay-out designs (topographies) of integrated circuits;
- vii. The undisclosed information including trade secrets and test data

### **International Organizations for Intellectual Property**

- Principal Organizations: WIPO & WTO
- Others :
  - Copyright and folklore: UNESCO
  - Plant varieties: UPOV
  - Access to genetic resources:FAO, CBD, UNEP
  - Medical technologies: WHO
  - Neighboring rights: ITU
  - Technology transfer: United Nations Industrial Development Organization [UNIDO]
  - Technology transfer and the impact of IP rights in developing countries: UNCTAD.
- ❖ Regional Organizations
  - European Patent Organization [EPO]
  - North American Free Trade Association [NAFTA]
  - Association of South East Asian Countries [ASEAN]

- African Regional Patent Organization [ARIPO]
- Eurasian Patent Office [EAPO]

### **Classification of Property:**

Property is mainly of two kinds, namely, (a) corporeal, and (b) incorporeal. Corporeal property is the right of ownership in material things, whereas incorporeal property is any other proprietary right in rem eg. Patent right, right of way, corporeal property is always visible and tangible while incorporeal property is not. Both are, however, valuable rights inasmuch as they are legal rights recognized and enforced by law. Corporeal property is of two kinds, movable and immovable.

Incorporable property is further divisible into two kinds, namely,

- a) jura in aliena or encumbrances, whether over material or immaterial things, eg. Lease, mortgages and servitude; and
- b) jura in re propria over immaterial things such as patents, trade marks, copyright etc.

Ownership of material things: the owner of a material object is he who owns a right to the aggregate of its uses. Thus ownership is the right of general use. This need not be absolute or unlimited use. He who has merely a specific limited right to use, such as right of way is not the owner of the thing but merely an encumbrance of it. The right of ownership is an inheritable right. In short, the right of ownership in a material thing may be defined as the general, permanent and inheritable right to uses of a thing.

- i. **Corporeal and incorporeal property:** as stated earlier, comparable property is also called tangible property because it has a tangible existence in the world. It relates to material things eg. Land, house, money, ornaments, gold, silver etc. are corporeal property the existence of which can be felt by the sense – organs. Incorporeal property is called intangible property because its existence is neither visible nor tangible eg. right of easement, copyright, patent, trademark etc. In Roman law corporeal property is termed *res corporalis* and incorporeal property is called as *res incorporalis*. Buckland, however, suggests that corporeal property under Roman law referred

Only to the ownership of the right of general user and all those things which could be valued in currency, fall under the category of incorporeal property.

ii. **Movable and immovable property**:-all corporeal property is either movable or immovable. In English law these are termed as chattels and land respectively. According to Salmond immovable property(i.e. land) has the following elements:-

- a) A determinate portion of the earth's surface;
- b) The ground beneath the surface down to the center of the earth;
- c) The column of space above the surface ad infinitum;
- d) All objects placed by human agency on or under the surface in its natural state e.g. minerals, natural vegetation, or stones lying loose upon the surface;
- e) All objects placed by human agency on or under the surface of the land with the intention of permanent annexation .e.g. houses, walls, fences, doors, etc. these become part of land and lose their identity as separate movable chattels. It must, however, be noted that physical attachment without the intent of permanent annexation does not make change in the nature of movable property. For example, carpets or ornaments nailed to the floor or wall of a house or money buried in the ground are as much a chattel (movable property) as money in the owner's pockets.

Immovable property has been defined in the general clauses act, 1897 to include land, benefits to arise out of land, and thing attached to the earth. The term is also defined in the Indian Registration Act, 1908, immovable property includes land, buildings, hereditary allowances, right to way, light, ferries, fisheries or any other benefits to arise out of land and things attached to the earth or permanently fastened to anything which is attached to the earth, but not standing timber, growing crops and grass from the definition of immovable property.

The following are judicially recognized as immovable property-

- a. right of way,
- b. right to collect rent of immovable property ,
- c. a right of ferry,
- d. a mortgagor's right to redeem the mortgage,
- e. the interest of a mortgagee in immovable property ,

- f. right of fishery,
- g. right to collect lac from trees.

- (iii) The following are not judicially recognized as immovable property –
- a) standing timber ,
  - b) growing crops ,
  - c) grass ,
  - d) a right to recover maintenance allowance even though it s charged though immovable property ,
  - e) right of purchaser to have the land registered in his name,
  - f) royalty
  - g) A decree of sale of immovable property on a mortgage.
  - h) Movable property, on the other hand, may be defined as any corporeal property which is not immovable property.

(iv) **Real and personal property**; - the distinction between real and personal property are closely connected with but not identical with the distinction between movable and immovable property. The distinction, however, has no scientific basis. It is mostly the product of history of the law of action in England. Real property means all rights over land recognized by law. Personal property, on the other hand, means all other proprietary right whether they are right in rem or rights in person name . Commenting on this distinction, salmond observed,“ the law of real property is almost equivalent to the law of land while the law personal property is almost identical with the law of movables. This distinction between real and personal property has been drawn from the Roman law. The real property and immovable property from intersecting circles which are very nearly though not quite coincident.

Movable property is commonly termed as chattel which has three different meanings :-

- a) Any movable physical object such as, table, money, dog etc.
- b) Incorporable proprietary right such as debt, share, and other rights in rem which are not rights over land.
- c) Personal property, whether movable or immovable, as opposed to real property.

### **Rights in re propria in immaterial things:-**

Proprietary rights are both in relation to material and immaterial things. Material things are physical objects and all other things which may be subject-matter of a right are immaterial things. They are various immaterial products of human skill and labour. These immaterial forms of property are as follows:-

- A. Patents- the subject matter of a patent right is an invention such as the idea of a new process, instrument or manufacture. The person by whose skill or labour the invention or a new process or manufacture is introduced has the exclusive right of patent in it. This is granted to the inventor by the state.
- B. Copyright- the subject matter of the copyright is the literary expression of facts or thoughts.

### **Right in re aliena (Encumbrances):**

Right in aliena also known as encumbrances. Encumbrances are the rights of specific or particular user as distinguished from ownership which is right of general user. The main categories of rights in re aliena or encumbrances are –

- i. Leases
- ii. Servitude
- iii. Securities
- iv. Trusts

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## **2.2 Overview of Intellectual Property Laws in India**

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Following are the major Legislations in India for Intellectual Property :

- The Patents Act, 1970
- The Copyright Act, 1957
- trademarks under Trade and Merchandise Marks Act 1958
- Designs Act, 1911
- Geographical Indications of Goods (Registration and Protection) Act, 1999,
- Protection of Plant Varieties and Farmers' Rights Act, 2001.
- The Semi Conductor Integrated Circuits Layout Design Act, 2000

## **Constitutional Aspect of Intellectual Property**

The Indian Constitution does not provide a mention of Intellectual Property anywhere in the constitution. While the American Constitution specifically protects the Intellectual Property. Article 1(8) of the U.S Constitution provides : “to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries”.

There are certain provisions under Indian Constitution with regard to private property under Article 19(1)(f) and Article 31(1).

**Article 19.** (1)(f) provides All citizens shall have the right to acquire, hold and dispose of property;

**Article 31(1)** No person shall be deprived of his property save by authority of law.

**Article 31(2)** No property, movable or immovable, including any interest in, or in any company owning, any commercial or industrial undertaking, shall be taken possession of or acquired for public purposes under any law authorising the taking of such possession or such acquisition, unless the law provides for compensation for the property taken possession of or acquired and either fixes the amount of the compensation, or specifies, the principles on which, and the manner in which, the compensation is to be determined and given.

**U.S Article 1 (8)(8):** “to promote the progress of science and technology by securing exclusive right for limited times to the authors and inventors with respect to their respective writings and discoveries.

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## **2.3 Transfer and Alienation of Intellectual Property**

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Intellectual Property is a combined term for various legal entitlements which are attached to various types of information, ideas or other intangibles in their expressed forms.

The holder of these rights is entitled to exercise certain exclusive rights in relation to the subject matter of Intellectual Property. The subject matter in the term intellectual property is the product of the mind or intellect and these Intellectual property may be protected by law in the same sense as any other kind of property is protected.

Intellectual Property is a private creation entitling for public protection. The creator of an Intellectual Property has a bond with that of creative work. So therefore such a creator should be able to prevent other persons from exploiting his or her invention without permission and be able to control its subsequent use. By acknowledging the economic and moral rights, the legal protection to creative works thus encourages creativity, innovation and investment.

Now we shall discuss the transfer and alienation of various Intellectual Property including Patent, Copyright and Trade Marks.

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## **2.4 Transfer and Alienation of Patent**

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What is a Patent? – Patent is a grant conferring exclusive right granted by State to exclude others for limited duration. Right is up to the extent of conditions provided under S.47.

In simple terms Patent can be understood to be ‘a government protection to an inventor, securing to him for a specific time the exclusive right of manufacturing, exploiting, using, and selling an invention.

Patents are granted for new processes as well as products. In one way, granting one patent right for the exclusive use and exploitation of his invention would mean providing him with negative rights to exclude others from using or exploiting the same.

During the existence of the patent term anyone who uses or exploits the patent without the express consent or license of the patentee would be liable for infringement of the patent.

### **Assignments of Patent Rights**

A patent is an exclusive monopoly right granted to the patentee for his invention. When the patent is for a product, the patentee has exclusive right to make, to use, to sell and to prevent other parties from doing all the above acts. While in the case of process patent, the patentee is provided with the exclusive right to use the patent process within the territory. The main right of the patentee is that he can transfer all those rights either wholly or partly to any other person for any other consideration. The patentee has a right to assignment or license.

An assignment may be a legal assignment, an equitable assignment, a mortgage involving transfer by operation of Law. A legal assignment patent is by a deed.

A patentee may by a license permit others to make use or exercise the invention. A license may be express, implied or statutory. Section 89 of the Patent Act 1970 provides for compulsory License.

Now we shall discuss the various provisions provided under the Act dealing with the transfer and other provisions of the Patent.

As per Section 2 (ab) "assignee" includes 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.

As per section (f) "exclusive license" means a license from a patentee which confers on the licensee, on the licensee and persons authorized by him, to the exclusion of all other persons (including the patentee), any right in respect of the patented invention, and exclusive licensee shall be construed accordingly.

**Rights of patentees: Section 48 of the Indian Patent Act 1970 provides Section 48.** Subject to the other provisions contained in this Act and the conditions specified in section 47, a patent granted under this Act shall confer upon the patentee— (a) where the subject matter of the patent is a product, the exclusive right to prevent third parties, who do not have his consent, from the act of making, using, offering for sale, selling or importing for those purposes that product in India; (b) where the subject matter of the patent is a process, the exclusive right to prevent third parties, who do not have his consent, from the act of using that process, and from the act of using, offering for sale, selling or importing for those purposes the product obtained directly by that process in India:

**Rights of co-owners of patents: Sec 50 of the Patent Act 1970 provides Section 50. Rights of co-owners of patents.**

- (1) Where a patent is granted to two or more persons, each of those persons shall, unless an agreement to the contrary is in force, be entitled to an equal undivided share in the patent.
- (2) Subject to the provisions contained in this section and in section 51, where two or more persons are registered as grantee or proprietor of a patent, then, unless an agreement to the contrary is in force, each of those persons shall

be entitled, by himself or his agents, to rights conferred by section 48 for his own benefit without accounting to the other person or persons.

- (3) Subject to the provisions contained in this section and in section 51 and to any agreement for the time being in force, where two or more persons are registered as grantee or proprietor of a patent, then, a license under the patent shall not be granted and share in the patent shall not be assigned by one of such persons except with the consent of the other person or persons.
- (4) Where a patented article is sold by one of two or more persons registered as grantee or proprietor of a patent, the purchaser and any person claiming through him shall be entitled to deal with the article in the same manner as if the article had been sold by a sole patentee.
- (5) Subject to the provisions contained in this section, the rules of law applicable to the ownership and devolution of movable property generally shall apply in relation to patents; and nothing contained in sub-section (1) or subsection (2) shall affect the mutual rights or obligations of trustees or of the legal representatives of a deceased person or their rights or obligations as such. (6) Nothing in this section shall affect the rights of the assignees of a partial interest in a patent created before the commencement of this Act.

Article 28 of the TRIPS confers right on the owner of the patent. It provides as under,

- “(1) A patent shall confer on its owner the following exclusive rights:
  - (a) where the subject matter of a patent is a product, to prevent third parties not having his consent from the acts of; making, using, offering for sale, selling, or importing for these purposes that product;
  - (b) where the subject matter of a patent is a process, to prevent third parties not having his consent from the act of using the process, and from the acts of: using, offering for sale, selling, or importing for these purposes at least the product obtained directly by that process.
- (2) Patent owners shall also have the right to assign, or transfer by succession, the patent and to conclude licensing contracts.

### **Surrender of Patents**

**Section 63. Surrender of patents.**—(1) A patentee may, at any time by giving notice in the prescribed manner to the Controller, offer to surrender his patent. (2)

Where such an offer is made, the Controller shall publish the offer in the prescribed manner, and also notify every person other than the patentee whose name appears in the register as having an interest in the patent. (3) Any person interested may, within the prescribed period after such publication, give notice to the Controller of opposition to the surrender, and where any such notice is given the Controller shall notify the patentee. (4) If the Controller is satisfied after hearing the patentee and any opponent, if desirous of being heard, that the patent may properly be surrendered, he may accept the offer and, by order, revoke the patent.

Restriction over assignment of Patent: Section 68 of the Patent Act 1970 provides the limitation over the assignment of patent in following word.

**Section 68. Assignments, etc., not to be valid unless in writing and duly executed.**—An assignment of a patent or of a share in a patent, a mortgage, license or the creation of any other interest in a patent shall not be valid unless the same were in writing and the agreement between the parties concerned is reduced to the form of a document embodying all the terms and conditions governing their rights and obligations and duly executed

**Section 69. Registration of assignments, transmissions, etc.—**

- (1) Where any person becomes entitled by assignment, transmission or operation of law to a patent or to a share in a patent or becomes entitled as a mortgagee, licensee or otherwise to any other interest in a patent, he shall apply in writing in the prescribed manner to the Controller for the registration of his title or, as the case may be, of notice of his interest in the register.
- (2) Without prejudice to the provisions of sub-section (1), an application for the registration of the title of any person becoming entitled by assignment to a patent or a share in a patent or becoming entitled by virtue of a mortgage, license or other instrument to any other interest in a patent may be made in the prescribed manner by the assignor, mortgagor, licensor or other party to that instrument, as the case may be.
- (3) Where an application is made under this section for the registration of the title of any person the Controller shall, upon proof to title of his satisfaction,—

- (a) where that person is entitled to a patent or a share in a patent, register him in the register as proprietor or co-proprietor of the patent, and enter in the register particulars of the instrument or even by which he derives title; or
- (b) where that person is entitled to any other interest in the patent, enter in the register notice of his interest, with particulars of the instrument, if any, creating it:

Provided that if there is any dispute between the parties whether the assignment, mortgage, license, transmission, operation of law or any other such transaction has validly vested in such person a title to the patent or any share or interest therein, the Controller may refuse to take any action under clause (a) or, as the case may be, under clause (b), until the rights of the parties have been determined by a competent court.

- (4) There shall be supplied to the Controller in the prescribed manner for being filed in the patent office copies of all agreements, licenses and other documents affecting the title to any patent or any license there under authenticated in the prescribed manner and also such other documents as may be prescribed relevant to the subject matter: Provided that in the case of a license granted under a patent, the Controller shall, if so requested by the patentee or licensee, take steps for securing that the terms of the license are not disclosed to any person except under the order of a court.
- (5) Except for the purposes of an application under sub-section (1) or of an application to rectify the register, a document in respect of which no entry has been made in the register under sub-section (3) shall not be admitted by the Controller or by any court as evidence of the title of any person to a patent or to a share or interest therein unless the Controller or the court, for reasons to be recorded in writing, otherwise directs.

### **Compulsory license**

The term 'compulsory' licensing, also known as 'non-voluntary' licensing refers to the practice by a government to authorize itself or third parties to use the subject matter of a patent without the authorization of the right holder for reasons of public policy. In other words, the patentee is forced to tolerate the exploitation of his invention by a third person or by the government itself. Compulsory licensing was introduced in the Paris Convention (Art. 5(3) of the Paris convention as revised at Hague in 1925). Section 84 provides for Compulsory Licenses.

### **Section 84. Compulsory licenses.—**

- (1) At any time after the expiration of three years from the date of the grant of a patent, any person interested may make an application to the Controller for grant of compulsory license on patent on any of the following grounds, namely:— (a) that the reasonable requirements of the public with respect to the patented invention have not been satisfied, or (b) that the patented invention is not available to the public at a reasonably affordable price, or (c) that the patented invention is not worked in the territory of India.
- (2) An application under this section may be made by any person notwithstanding that he is already the holder of a license under the patent and no person shall be stopped from alleging that the reasonable requirements of the public with respect to the patented invention are not satisfied or that the patented invention is not worked in the territory of India or that the patented invention is not available to the public at a reasonably affordable price by reason of any admission made by him, whether in such a license or otherwise or by reason of his having accepted such a license.
- (3) Every application under sub-section (1) shall contain a statement setting out the nature of the applicant's interest together with such particulars as may be prescribed and the facts upon which the application is based.
- (4) The Controller, if satisfied that the reasonable requirements of the public with respect to the patented invention have not been satisfied or that the patented invention is not worked in the territory of India or that the patented invention is not available to the public at a reasonably affordable price, may grant a license upon such terms as he may deem fit.
- (5) Where the Controller directs the patentee to grant a license he may, as incidental thereto, exercise the powers set out in section 88.
- (6) In considering the application filed under this section, the Controller shall take into account, —
  - (i) the nature of the invention, the time which has elapsed since the sealing of the patent and the measures already taken by the patentee or any licensee to make full use of the invention;
  - (ii) the ability of the applicant to work the invention to the public advantage;
  - (iii) the capacity of the applicant to undertake the risk in providing capital and working the invention, if the application were granted;

- (iv) as to whether the applicant has made efforts to obtain a license from the patentee on reasonable terms and conditions and such efforts have not been successful within a reasonable period as the Controller may deem fit:

Provided that this clause shall not be applicable in case of national emergency or other circumstances of extreme urgency or in case of public non-commercial use or on establishment of a ground of anticompetitive practices adopted by the patentee, but shall not be required to take into account matters subsequent to the making of the application.

**88. Powers of Controller in granting compulsory licenses :**

- (1) Where the Controller is satisfied on an application made under section 84 that the manufacture, use or sale of materials not protected by the patent is prejudiced by reason of conditions imposed by the patentee upon the grant of licenses under the patent, or upon the purchase, hire or use of the patented article or process, he may, subject to the provisions of that section, order the grant of licenses under the patent to such customers of the applicant as he thinks fit as well as to the applicant.
- (2) Where an application under section 84 is made by a person being the holder of a license under the patent, the Controller may, if he makes an order for the grant of a license to the applicant, order the existing license to be cancelled, or may, if he thinks fit, instead of making an order for the grant of a license to the applicant, order the existing license to be amended.
- (3) Where two or more patents are held by the same patentee and an applicant for a compulsory license establishes that the reasonable requirements of the public have not been satisfied with respect to some only of the said patents, then, if the Controller is satisfied that the applicant cannot efficiently or satisfactorily work the license granted to him under those patents without infringing the other patents held by the patentee and if those patents involve important technical advancement of considerable economic significance in relation to the other patents, he may, by order, direct the grant of a license in respect of the other patents also to enable the licensee to work the patent or patents in regard to which a license is granted under section 84.

- (4) Where the terms and conditions of a license have been settled by the Controller, the licensee may, at any time after he has worked the invention on a commercial scale for a period of not less than twelve months, make an application to the Controller for the revision of the terms and conditions on the ground that the terms and conditions settled have proved to be more onerous than originally expected and that in consequence thereof the licensee is unable to work the invention except at a loss: Provided that no such application shall be entertained a second time.

**89. General purposes for granting compulsory licenses.**—The powers of the Controller upon an application made under section 84 shall be exercised with a view to securing the following general purposes, that is to say,—

- (a) that patented inventions are worked on a commercial scale in the territory of India without undue delay and to the fullest extent that is reasonably practicable;
- (b) that the interests of any person for the time being working or developing an invention in the territory of India under the protection of a patent are not unfairly prejudiced.

### **Infringement of Patents**

The legislative framework does not provide a definition for infringement. But violation of any right of the patentee by an unauthorized third party would constitute infringement.

**Section 107A:** Certain acts to be considered as infringement: for the purposes of this Act, -

- (a) any act of making, constructing, using or selling a patented invention solely for uses reasonably related to the development and submission of information required under any law for the time being in force, in India, or in a country other than India, that regulates the manufacture, construction, use or sale of any product;
- (b) importation of patented products by any person from a person who is duly authorized by the patentee to sell or distribute the product, shall not be considered as a infringement of patent rights.

### **Jurisdiction**

**104. Jurisdiction.**—No suit for a declaration under section 105 or for any relief under section 106 or for infringement of a patent shall be instituted in any court inferior to a district court having jurisdiction to try the suit .

**108. Reliefs in suit for infringement.**—

(1) The reliefs which a court may grant in any suit for infringement include an injunction (subject to such terms, if any, as the court thinks fit) and, at the option of the plaintiff, either damages or an account of profits.

(2) The court may also order that the goods which are found to be infringing and materials and implements, the predominant use of which is in the creation of infringing goods shall be seized, forfeited or destroyed, as the court deems fit under the circumstances of the case without payment of any compensation.

**107. Defenses, etc., in suits for infringement.**—

(1) In any suit for infringement of a patent every ground on which it may be revoked under section 64 shall be available as a ground for defence.

(2) In any suit for infringement of a patent by the making, using or importation of any machine, apparatus of other article or by the using of any process or by the importation, use or distribution of any medicine or drug, it shall be a ground for defence that such making, using, importation or distribution is in accordance with any one or more of the conditions specified in section 47.

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## **2.5 Transfer and alienation of Copyright**

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Copyright is a property right in an original work of authorship (such as literary, musical, artistic, photographic, or film work) fixed in any tangible medium of expression, giving the holder the exclusive right to reproduce, adapt, distribute, perform, and display the work. The word “Copyright” derives from expression “copies of words”, first used in this context in 1586. It is an exclusive right, to dispose of, sell and commercially exploit an intellectual work, by means of printing, lithography, graphic production, copying, moulds, casts, photography, a cinematograph film, gramophone record, or rolls for mechanical instruments, concerts, oral delivery or recitation, transmission or any other form of reproduction, multiplication of copies or dissemination.

### **Works in which copyright subsists**

- a) literary, dramatic or musical works;
- b) artistic work;
- c) cinematograph film; and
- d) Sound recording

Rights of a copyright owner: rights of copyright owner can be classified into two categories like economic rights and moral rights. Economic rights provides various economic benefits as a result of exploiting them while moral rights of the author are those which the author possess because the author is the creator of the concerned work. Moral rights are independent of the economic rights. Rights also provide the granting the assignment and licensing of the copyright.

### **Section 18. Assignment of copyright**

- (1) The owner of the copyright in an existing work or the prospective owner of the copyright in a future work may assign to any person the copyright either wholly or partially and either generally or subject to limitations and either for the whole term of the copyright or any part thereof: Provided that in the case of the assignment of copyright in any future work, the assignment shall take effect only when the work comes into existence.
- (2) Where the assignee of a copyright becomes entitled to any right comprised in the copyright, the assignee as respects the rights so assigned, and the assignor as respects the rights not assigned, shall be treated for the purposes of this Act as the owner of copyright and the provisions of this Act shall have effect accordingly.
- (3) In this section, the expression "assignee" as respects the assignment of the copyright in any future work includes the legal representatives of the assignee, if the assignee dies before the work comes into existence

**Section 19. Mode of assignment:** No assignment of the copyright in any work shall be valid unless it is in writing signed by the assignor or by his duly authorised agent

**License of Copyright:**

**Section 30. Licenses by owners of copyright:** - The owner of the copyright in any existing work or the prospective owner of the copyright in any future work may grant any interest in the right by license in writing signed by him or by his duly authorised agent:

Provided that in the case of a license relating to copyright in any future work, the license shall take effect only when the work comes into existence.

**Explanation.**-Where a person to whom a license relating to copyright in any future work is granted under this section dies before the work comes into existence, his legal representatives shall, in the absence of any provision to the contrary in the license, be entitled to the benefit of the license.

**Section 31 Compulsory license in works withheld from public**

- (1) If at any time during the term of copyright in any Indian work which has been published or performed in public, a complaint is made to the Copyright Board that the owner of copyright in the work-----
  - (a) has refused to republish or allow the republication of the work or has refused to allow the performance in public of the work, and by reason of such refusal the work is withheld from the public; or
  - (b) has refused to allow communication to the public by radio-diffusion of such work or in the case of a record the work recorded in such record, on terms which the complaint considers reasonable; the Copyright Board, after giving to the owner of the copyright in the work a reasonable opportunity of being heard and after holding such inquiry as it may deem necessary, may, if it is satisfied that the grounds for such refusal are not reasonable, direct the Registrar of Copyrights to grant to the complainant a license to republish the work, perform the work in public or communicate the work to the public by radio-diffusion, as the case may be, subject to payment to the owner of the copyright of such compensation and subject to such other terms and conditions as the Copyright Board may determine; and thereupon the Registrar of Copyright shall grant the license to the complainant in accordance with the directions of the Copyright Board, on payment of such fee as may be prescribed.

**Section 32. License to produce and publish translations**

- (1) Any person may apply to the Copyright Board for a license to produce and publish a translation of a literary or dramatic work in any language.
- (2) Every such application shall be made in such form as may be prescribed and shall state the proposed retail price of a copy of the translation of the work.
- (3) Every applicant for a license under this section shall, along with his application, deposit with the Registrar of Copyrights such fee as may be prescribed.
- (4) Where an application is made to the Copyright Board under this section, it may, after holding such inquiry as may be prescribed, grant to the applicant a license, not being an exclusive license, to produce and publish a translation of the work in the language mentioned in the application, on condition that the applicant shall pay to the owner of the copyright in the work royalties in respect of copies of the translation of the work sold to the public, calculated at such rate as the Copyright Board may, in the circumstances of each case, determine in the prescribed manner:

Provided that no such license shall be granted, unless-

- (a) a translation of the work in the language mentioned in the application has not been published by the owner of the copyright in the work or any person authorised by him, within seven years of the first publication of the work, or if a translation has been so published, it has been out of print;
- (b) the applicant has proved to the satisfaction of the Copyright Board that he had requested and had been denied authorisation by the owner of the copyright to produce and publish such translation, or that he was unable to find the owner of the copyright;
- (c) where the applicant was unable to find the owner of the copyright, he had sent a copy of his request for such authorisation to the publisher whose name appears from the work, not less than two months before the application for the license;
- (d) the Copyright Board is satisfied that the applicant is competent to produce and publish a correct translation of the work and possesses the means to pay to the owner of the copyright the royalties payable to him under this section;
- (e) the author has not withdrawn from circulation copies of the work; and

- (f) an opportunity of being heard is given, wherever practicable, to the owner of the copyright in the work.

## **INFRINGEMENT OF COPYRIGHT**

**Section 51. When copyright infringed:** Copyright in a work shall be deemed to be infringed ---

- (a) when any person, without a license granted by the owner of the Copyright or the Registrar of Copyrights under this Act or in contravention of the conditions of a license so granted or of any condition imposed by a competent authority under this Act ---
- (i) does anything, the exclusive right to do which is by this Act conferred upon the owner of the copyright, or
  - (ii) permits for profit any place to be used for the performance of the work in public where such performance constitutes an infringement of the copyright in the work unless he was not aware and had no reasonable ground for believing that such performance would be an infringement of copyright, or
- (b) when any person ---
- i. make for sale or hire, or sells or lets for hire, or by way of trade displays or offers for sale or hire, or
  - ii. distributes either for the purpose of trade or to such an extent as to affect prejudicially the owner of the copyright, or
  - iii. by way of trade exhibits in public, or
  - iv. imports (except for the private and domestic use of the importer) into India, any infringing copies of the work.

## **Section 52. Certain acts not to infringement of Copyright**

- (1) The following acts shall not constitute an infringement of copyright, namely :
- (a) a fair dealing with a literary, dramatic, musical or artistic work for the purposes of ---
    - (i) research or private study ;
    - (ii) criticism or review, whether of that work or of any other work;
  - (c) a fair dealing with a literary, dramatic, musical or artistic work for the purpose of reporting current events ---

- i. in a newspaper, magazine or similar periodical, or
- ii. by radio-diffusion or in a cinematograph film or by means of photographs;
- (d) the reproduction of a literary, dramatic, musical or artistic work for the purpose of a judicial proceeding or for the purpose of a report of a judicial proceeding;
- (e) the reproduction or publication of a literary, dramatic, musical or artistic work in any work prepared by the Secretariat of a Legislature or, where the Legislature consists of two Houses, by the Secretariat of either House of the Legislature, exclusively for the use of the members of that Legislature;
- (f) the reproduction of any literary, dramatic or musical work in a certified copy made or supplied in accordance with any law for the time being in force;
- (g) the reading or recitation in public of any reasonable extract from a published literary or dramatic work;
- (h) the publication in a collection, mainly composed of non-copyright matter, bona fide intended for the use of educational institutions, and so described in the title and in any advertisement issued by or on behalf of the publisher, of short passages from published literary or dramatic works, not themselves published for the use of educational institutions, in which copyright subsists:
- (i) the reproduction of a literary, dramatic, musical or artistic work-
  - (i) by a teacher or a pupil in the course of instruction; or
  - (ii) as part of the questions to be answered in an examination; or
  - (iii) in answers to such questions;
- (j) the performance in the course of the activities of an educational institution, of a literary, dramatic or musical work by the staff and students of the institution, or of a cinematograph film or a record, if the audience is limited to such staff and students, the parents and guardians of the students and persons directly connected with the activities of the institution; the making of records in respect of any literary dramatic or musical work, if -
  - (i) records recording that work have previously been made by, or with the license or consent of, the owner of the copyright in the work; and
  - (ii) the person making the records has given the prescribed notice of his intention to make the records, and has paid in the prescribed manner to

the owner of the copyright in the work royalties in respect of all such records to be made by him, at the rate fixed by the Copyright Board in this behalf :

- (k) the causing of a recording embodied in a record to be heard in public by utilising the record, ---
  - ( i ) at any premises where persons reside, as part of the amenities provided exclusively or mainly for residents therein, or
  - ( ii ) as part of the activities of a club, society or other organisation which is not established or conducted for profit;
  
- (l) the performance of a literary, dramatic or musical work by an amateur club or society, if the performance is given to a non-paying audience, or for the benefit of a religious institution;
- (m) the reproduction in a newspaper, magazine or other periodical of an article on current economic, political, social or religious topics, unless the author of such article has expressly reserved to himself the right of such reproduction;
- (n) the publication in a newspaper, magazine or other periodical of a report of a lecture delivered in public;
- (o) the making of not more than three copies of a book (including a pamphlet, sheet of music, map, chart or plan) by or under the direction of the person in charge of a public library for the use of the library if such books is not available for sale in India;
- (p) the reproduction, for the purpose of research or private study or with a view to publication, of an unpublished literary, dramatic or musical work kept in a library, museum or other institution to which the public has access.
- (q) the reproduction or publication of ---
  - ( i ) any matter which has been published in any Official Gazette except an Act of a Legislature;
  - ( ii ) any Act of a Legislature subject to the condition that such Act is reproduced or published together with any commentary thereon or any other original matter;
  - ( iii ) the report of any committee, commission, council, board or other like body appointed by the Government if such report has been laid on the

- Table of the Legislature, unless the reproduction or publication of such report is prohibited by the Government ;
- ( iv ) any judgement or order of a court, tribunal or other judicial authority, unless the reproduction or publication of such judgement or order is prohibited by the court, the tribunal or other judicial authority, as the case may be;
  - (r) the production or publication of a translation in any Indian language of an Act of a Legislature and of any rules or orders made there under.
  - (s) the making or publishing of a painting, drawing, engraving or photograph of an architectural work of art;
  - (t) the making or publishing of a painting, drawing, engraving or photograph of a sculpture, or other artistic work falling under sub-clause ( iii ) of clause (c) of section 2, if such work is permanently situate in a public place or any premises to which the public has access;
  - (u) the inclusion in a cinematograph film of ---
    - (i) any artistic work permanently situate in a public place or any premises to which the public has access ; or
    - (ii) any other artistic work, if such inclusion is only by way of background or is otherwise incidental to the principal matters presented in the film.
    - (iii) the use by the author of an artistic work, where the author of such work is not the owner of the copyright therein, of any mould, cast, sketch, plan, model or study made by him for the purpose of the work.:
  - (w) the making of an object of any description in three dimensions of an artistic work in two dimensions, if the object would not appear, to persons who are not experts in relation to objects of that description, to be a reproduction of the artistic work ;
  - (x) the reconstruction of a building or structure in accordance with the architectural drawings or plans by reference to which the building or structure was originally constructed :

### **Section 55 Civil remedies for infringement of copyright**

Where copyright in any work has been infringed, the owner of the copyright shall, except as otherwise provided by this Act, be entitled to all such

remedies by way of injunction, damages, accounts and otherwise as are or may be conferred by law for the infringement of a right.

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## **2.6 Assignment and transmission of trademarks**

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A trademark whether registered or unregistered, is transferable either in connection with or separately from the goodwill of the business and in respect of either all or some of the goods or services in association with which it has been used. A trademark is assignable and transmissible. An '*assignment*' is an outright transfer of all of the owner's rights in intangible property, such as a trademark or service mark. The transferring party ("assignor") transfers to the receiving party ("assignee") his or her property rights in the mark.

As Per sec 2 (a) "assignment" means an assignment in writing by act of the parties concerned.

The following are the conditions necessary to effect an assignment

Following points are to be necessary for an assignment:

- a. The assignment must be for some consideration;
- b. The assignment must clearly identify the marks;
- c. The assignment must have clear identification of the assignor and the assignee;
- d. The assignment must clearly indicate the goodwill.

Rules 68 to 79 of the Trade Marks Rules contain the procedural rules.

### **Restrictions on the assignment and transmission of trademarks**

Trademark is not assignable or transmissible as to result in the availability of the exclusive rights in more than one person to the use of the trademarks in relation to the goods or services or description of the goods or services or the goods or services which are associated with each other if the use of the trademarks in exercise of these rights is likely to deceive or cause confusion, having regard to similarity of goods or services and of trademarks [section 40(1)].

#### **Sec 41. Conditions for assignment otherwise than in connection with the goodwill of a business-**

Where an assignment of a trade mark, whether registered or unregistered, is made otherwise than in connection with the goodwill of the business which the

mark has been or is used, the assignments shall not take effect unless the assignee, not later than the expiration of six months from the date on which the assignment is made or within such extended period, if any, not exceeding three months in the aggregate, as the Registrar may allow, applies to the Registrar for directions with respect to the advertisement of the assignment, and advertises it in such form and manner and within such period as the Registrar may direct.

### **Licensing of trademarks**

The term "Licensing means allowing someone to use your idea, trademark, or copyright in exchange for money. In other words "*licensing* of trade mark refers to the mode of transfer of an interest in a trade mark whereby the proprietor of a trade mark permits another to use the mark on his own goods or services. The law governing trade marks licensing and incidental matters is contained in a plethora of legislations, namely, the India Contract Act, 1872, the Trade Marks Act 1999, the Foreign Exchange Management Act 1999, the Income Tax Act, 1961 and the rules made there under.

**Reasons for licensing:** There are several reasons which lay down the fact as to why trademark licensing is necessary.

- a. Licensing broadens the scope and the strength of the mark.
- b. It increases its recognition factor, thereby increasing its value as a corporate asset.
- c. It creates new sources of revenue with minimum value.
- d. It reduces fluctuations in overall business.

### **Infringement of trade marks**

In a broad sense, infringement of a TM would mean the existence of three things:

- Use of a mark in the course of trade.
- The mark used must either be identical to, or deceptively similar to the trade mark in relation to goods or services in respect of which the trade mark is registered

S 29 (1) of the Indian Trade Marks Act 1999 states: (1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in

respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

S 2 (1)(h) of the Indian Trade Marks Act offers an explanation as to what constitutes deceptive similarity. It states:

A mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion.

**Remedies** : The law of TM usually provides for three kinds of civil remedies to the proprietor of trademarks. They are:

- Financial Remedies
- Search and Seizure
- Injunctions

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## 2.7 Summary

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The Intellectual property rights provide various rights to the holder of Intellectual Property like right to sell, to make, to distribute, assignment etc. A person who violates these rights is called to be infringing rights. In Patent there are various exceptions to the infringement of property. There is provision of compulsory licensing for patents which can be undertaken by the Government in a situation of emergency.

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## 2.8 Self-Assessment Test

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1. Discuss the meaning and concept of Transfer and Alienation of Intellectual Property.
2. Discuss the Meaning and Concept of Copyright Infringement
3. Discuss the remedies for the infringement of Copyright.
4. Discuss the essentials for licensing of trademark.
5. Discuss the concept of Compulsory License.

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## 2.9 Further Readings

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1. Dias and Hughes: Jurisprudence

2. Fitzgerald P.J(ed.): Salmond on Jurisprudence
3. Chisum Donald S., *Chisum on Patents-A treatise on the law of Patentability, Validity and Infringement.*, Vol. 5, Lexis Publishing.
4. Cornish W. R., *Intellectual Property: Patents, Copyright, Trade Marks, and Allied Rights*, (4<sup>th</sup> Edi.), Sweet and Maxwell, London, 1999
5. Narayan P *"Law of Trademark and Passing Off"* 2004, sixth edn, Eastern Law House, New Delhi.
6. Mc Carthy, J. Thomas, '*Trademarks and Unfair competition*,'Vol. 2, St. Paul, Minn: West Group.

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## **Unit 3**

# **Controversies between IPRs of Individual and Human Rights of Public**

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### **Objectives:**

The objective of this unit is to understand the Controversies between IPRs and Human Rights of Public. There is discussion over the meaning and concept of Intellectual property Rights and how these rights creates certain kinds of monopoly rights over the invention and creation. These monopoly rights give a conflict among the holders of Intellectual property and the Human rights of Public.

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### **Structure:**

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- 3.1 Introduction
- 3.2 Meaning and Concept of Human Rights
- 3.3 Controversy between Human Rights and Intellectual Property Rights
- 3.4 India and WTO
- 3.5 India's TRIPS compliance and Patent Law
- 3.6 Recent Trends in Intellectual Property and Public Health
- 3.7 Summary
- 3.8 Self Assessment Test
- 3.9 Further Readings

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### **3.1 Introduction:**

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Intellectual Property is a combined term for various legal entitlements which are attached to various types of information, ideas or other intangibles in their expressed forms.

The holder of these rights is entitled to exercise certain exclusive rights in relation to the subject matter of Intellectual Property. The subject matter in the term intellectual property is the product of the mind or intellect and these Intellectual property may be protected by law in the same sense as any other kind

of property is protected. The expression Intellectual Property was traditionally originated in the municipal law, has now taken deep roots in international law.

The creator of an Intellectual Property has a monopoly over the creative work. So therefore such a creator should be able to prevent other persons from exploiting his or her invention without permission and be able to control its subsequent use. By granting the economic and moral rights, the legal protection to creative works thus encourages creativity, innovation and investment.

There have been various steps for harmonizing the Intellectual property regimes due to result of international treaties such as the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). The TRIPS agreement came into force on 1<sup>st</sup> January 1995 making it as the most comprehensive multilateral agreement on intellectual property. TRIPS set out the minimum standards for intellectual property.

The establishment of intellectual property rights, therefore, represents a trade-off, to balance the interest of society in the creation of non-rival goods '(by encouraging their production) with the problems of monopoly power.

The end of all laws is "solus populi est suprema lex" which means welfare of people is supreme end. In modern era state is not police state which only protects the lives of people, but it is welfare state, which strives for the welfare of the people.

Before starting the debate between IPRs of Individual and Human Rights of public we should be well aware of the meaning and concept of Human Rights and IPR.

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## **3.2 Meaning and Concept of Human Rights**

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By virtue of being humans, they possess certain basic, inherent and inalienable rights which are commonly called as 'Human Rights'. Human rights are inherent in all human being irrespective of their caste, creed, religion, sex and nationality.

The term Human Right is generic in nature which consists of civil rights, civil liberties and social, economic and cultural rights.

The idea of Human Rights is fixed up with the idea of human dignity. It implies that all those rights which are essential for the maintenance of human

dignity are called Human Rights. These rights are essential for all individuals as they are consonant with their freedom and dignity and are conducive to their physical, moral, social and spiritual welfare.

Human Rights are generally defined as those rights which every human being is entitled to enjoy by virtue of being a member of human species. These are minimal rights which every individual possesses against the arbitrary actions of the state or other public authorities by virtue of his being a member of human family.

There are few leading definitions of Human Rights which can be discussed as:

**Richard Wasserstrom:** "one ought to be able to claim as entitlements (i.e. as Human Rights) those minimal things without which it is impossible to develop ones capabilities and to have life as human being.

**Tiber Macham:** "Human Rights are universal and irrevocable elements in a scheme of justice. Accordingly, justice is the primary moral virtue within human society and all rights are fundamental to justice"

Joel Feinberg: "Human Rights as moral rights held equally by all human beings, unconditionally and unalterably.

Kant Baier: "Human Rights as, those moral rights whose moral ground and generating factors are the same, namely being human in some relevant sense.

**Cranstan:** "Human Rights by definition is a universal moral right, something which all people, everywhere at all times ought to have, something of which no one may be deprived without grave affront to justice, something which is owing to every human being simply because one is human.

D.D. Basu: "Human Rights as those minimal rights which every individual must have against the State or other public authority by virtue of his being a member of the human family, irrespective of any other consideration.

The Universal Declaration of Human Rights, 1948, refers Human Rights as inalienable rights of all members of the human family.

The first documentary using the expression "Human Rights" can be found in the charter of United Nations which was adopted at Sanfrancisco on 25th June, 1945 and ratified by a majority of its signatories. The charter of the United Nations is a multilateral treaty and creates legally binding obligations for all the members of the United Nations. It contains a number of provisions concerning Human

Rights. Safeguarding the basic Human Rights is one of the main objectives of the United Nations.

In 1948, the General Assembly adopted the Universal Declaration of Human Rights (UDHR) . It is a basic declaration of the commitment of the International community to Human Rights and Fundamental Freedoms as a common standard of achievement for all people and for all Nations. It is a message to all who are committed to Liberty, Freedom, Equality, Justice, Peace and Tranquillity in the world. Although the declaration does not have the binding force of a treaty, it has acquired universal acceptability. Many countries have either cited the declaration or included its provisions in their basic laws or constitutions. Many Human Rights Instruments since 1948 have been built on its principles. The spirit of the Universal Declaration of Human Rights has also influenced various National constitutions, National Legislations, Regulations and Policies that protect and promote Human Rights and Fundamental Freedoms.

There cannot be an International Protection of Human Rights unless there is strong and effective machinery for its implementation. It is the key to making the system of International Protection of Human Rights effective. The major lacuna in the Universal Declaration of Human Rights is lack of the machinery for the enforcement of Human Rights. That deficiency was sought to be removed by adopting two International covenants namely International Covenant on Civil and Political Rights and International Covenant on Economic, Social and Cultural Rights for the observance of Human Rights in the year 1966, which were addressed to the states to implement them by legislation.

The General Assembly Resolution 60/251 mandates a Universal Periodic Review of each states fulfillment of its Human Rights obligations and commitment. The General Assembly and the Economic and Social Council have contributed much for the Protection of Human Rights through its various commissions and bodies.

Various human Rights treaties have established bodies to oversee the implementation of the treaty provisions by the State parties and to examine the reports submitted by the signatory members. These are, The Human Rights Committee, the Committee on Economic, Social and Cultural Rights, the Committee on Elimination of Discrimination Against Women, the Committee Against Torture, the Committee on the Rights of the Child, the Committee on the

Elimination of Racial Discrimination, the Committee on the Protection of all Migrant Workers and Members of Their Families and the Committee on the Rights of Persons with disabilities.

### **Machinery for the protection of Human Rights in India**

The human Rights law in India can be summarized into following heads:

- (i) Human Rights and the Indian Constitution.
- (ii) Human Rights under the protection of Human Rights Act 1993.
- (iii) Other Measures for the protection of the Human Rights

#### **(i) Human Rights and the Indian Constitution.**

The Fundamental rights are enumerated in Part II of Indian Constitution which are in consonance with the universal Declaration of human Rights . Fundamental rights provided under Indian Constitution can be classified into following categories:

- a) Right to Equality (Articles 14 to 18)
- b) Right to Freedom (Articles 19 to 22)
- c) Right against Exploitation (Articles 23 and 24)
- d) Right to Freedom of Religion (Articles 25 to 28)
- e) Cultural and Educational Rights (Articles 29 and 30)
- f) Right to Constitutional Remedies (Articles 32 to 35)

**The Protection of Human Rights under the Protection of Human Rights Act 1993:** The PHRA was enacted by the Govt. of India for a speedy and fair redressal to the victims of the violation of Human Rights and to discharge its Constitutional and international obligations. This Act was enacted in the context of International Covenant on Civil and Political Rights, 1966 and International Covenant on Economic, Social and Cultural Rights, 1966.

PHRA 1993 sets out the legal framework of 1. The National Human Rights Commission. 2. The State Human Rights Commission and 3. Human Rights Courts. The PHRA 1993 also states that the Constitution of these institutions is for the better protection of Human Rights and for the matters incidental thereto.

The Parliament has enacted various legislations which seek to protect and promote the rights of the vulnerable sections of the society:

## **Human rights enforcement machinery in India**

- I. Human Rights Enforcement Machinery under the constitution of India:
  - (a) The Supreme Court of India
  - (b) High Courts in India
- II. Human Rights Enforcement Machinery under the protection of Human Rights Act, 1993:
  - (a) The National Human Rights Commission
  - (b) The State Human Rights Commissions
  - (c) The Human Rights Courts in Districts
- III. Other Specific National Commissions for the promotion and protection of Human Rights in India:
  - (a) The National Commission for Women
  - (b) The National Commission for Children**
  - (c) The National Commission for Minorities**
  - (d) The National Commission for Scheduled Castes**
  - (e) The National Commission for Scheduled Tribes**
  - (f) The National Commission for Backward classes.**
- IV. The Non-Governmental Organizations for the promotion and protection of Human Rights

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### **3.3 Controversy between Human Rights and IPRs**

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Legal regime of the Intellectual Property regimes are facing the most difficult task of striking balance between the individual rights and the society's interest at large.

For the benefits derived from the creator's addition to the public domain and its subsequent utilization by the public at large, the legal systems confers certain monopolistic rights for a given time period to the creator so that he can enjoy the economic benefits out of his invention or creation. The conflict between the interest of the society and the monopolistic rights is visible in case of an invention which is of significance to public health at large.

The drugs are not available due to the reason as the patentee is not ready to license it to other manufacturer within the country or if it is available at high price

making it unaffordable. Legal systems of various countries are trying to balance these conflicting interests.

To understand the controversy we have to study the requirement under the TRIPS for Intellectual Property Legislations. Under the following headings we shall discuss how the India has made TRIPS compliance more specifically the Patent Law. There is further discussion how far the policy has been able to balance the conflicting interests it also discusses the judicial interpretations.

### **WTO- TRIPS and Public Health**

The emergence of the world trade organisation makes a watershed in international law and its impact on the international trade and business. The organisation and its agreements have set off unprecedented changes not just in the domain of international trade laws but also significant changes in the domain of the national laws of the member states. The WTO has set differential deadlines and continuous deliberation for the member states to comply with the agreements. A member joining WTO has to adhere to the 18 specific agreements establishing the WTO. Out of these TRIPS have the largest impact on the pharmaceutical sector. The WTO agreement is a treaty that creates in international obligations among its members. These obligations include refraining from taking actions that are inconsistent with the agreement. The various parts of the WTO agreement, including the TRIPS Agreement, require that such national legislation embodies certain specific standards.

### **TRIPS and public health**

The Doha Ministerial Declaration extended the deadline for least developed country members to apply the TRIPS Agreement provisions on pharmaceutical patents until January 1, 2016. In Doha Ministerial conference there was discussion of compulsory licensing options for countries with insufficient production capabilities.

### **Developing Countries and TRIPS Compliance**

The World Trade Organization is an international, multilateral organization which sets the rules for the global trading system and resolves disputes between its member states. . As part of the TRIPs various laws on Intellectual Property Rights have to be enacted and implemented.

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### **3.4 India and WTO**

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On April 15, 1994, the signatory nations of the General Agreement on Tariffs and Trade (GATT) signed an Agreement of Trade Related Aspects of Intellectual Property (TRIPS). As the name suggests, this agreement is aimed at harmonizing national laws on protection of intellectual property and strengthening the overall IP regime for better protection and enforcement of intellectual property rights. However, the most contrasting feature of this agreement is that via this agreement, WTO introduced for the first time interlinking of trade and IP rights, which until now were being practiced on parallel plains. Before the WTO, the World Intellectual Property Organization (WIPO) was governing the IP rights. The world trade regime and intellectual property movement were so disconnected that in fact, the 1947 GATT mentioned intellectual property rights only in passing. However, as the WTO Agreement was being negotiated, the U.S. and other developed nations insisted that the new trade institution link IP rights to the terms of trade for goods and services. As a result, the WTO Final Act included the new TRIPS Agreement as part of a newly conceptualized trade regime.

The TRIPS Agreement is unlike other agreements in WTO because it establishes a minimum degree of protection for IP rights. Under the TRIPS Agreement, WTO members may enact more stringent IP standards than the WTO stipulates, but they cannot fall below the required floor. On the face of it, the Agreement deals with different forms of IP, including the patents. The agreement provides for in a separate chapter (chapter-V), patent protections for innovations in all fields of technologies. Article 27-34 are the most pertinent parts of the agreement in terms of patent protection. Those Articles require Members to provide a minimal standard of protection for inventions for twenty years from the patent application filing date. Importantly, they also require Members to make patent protection available for inventions, whether products or processes. Pharmaceutical products and processes being one such field of technology, therefore, qualify for patent protections under the agreement and all the patent related privileges and protections also extend to these products and process. In this scheme of patent protection, Article 28 of the agreement confers a pharmaceutical patentee with certain exclusive rights in relation to his/her patented inventions which, includes the right to exclude others from the use of patented product or

process. Therefore, barring exceptional situations as expressly recognized by the agreement, no one can exercise those rights, related to a patented invention without the permission of patentee. Further, in relation to pharmaceutical patents, in addition to general protections and privileges conferred on all categories of patentees, all WTO members are required to maintain the confidentiality of clinical drug test data submitted in order to gain marketing approval ("marketing approval data") under certain conditions defined in Article 39.3 of the TRIPs Agreement. The effect of this provision is that even though the patent has not been granted applicants are given protections for intermediate phase through the secrecy maintenance. Under the mandate of Article 39.3, the competitor drug manufacturer, who can otherwise rely on different trial data submitted by the applicant are excluded from such use and therefore the applicant maintains his edge in terms of time. Further, under article 70.8 and 70.9, all WTO Members were required to implement the so-called mailbox system and the exclusive marketing rights (EMR) provision embodied in the above two articles starting as of the date of entry into force of the TRIPs Agreement (1 January 1995). This means establishing systems for receiving and filing pharmaceutical and agricultural chemical product patent applications for later review (mail-box rule) as well as providing exclusive marketing rights for those products that are the subject of the mailbox rule. EMRs appear to be very similar to patent rights under the obligation of the TRIPs Agreement and are possibly even stronger than patent rights. Article 7 of the agreement provides that the protection and enforcement of intellectual property rights should contribute not only to the promotion of technological innovation but also to the transfer and dissemination of technology to the mutual advantage of producers and users of technological knowledge in a manner conducive to social and economic welfare and which balances rights and obligations. Further, Article 8(1) provides that, when Members implement the TRIPs Agreement, they may adopt measures necessary to protect public health and nutrition and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided such measures are consistent with the provisions of the Agreement. Still further, Article 27.2 recognizes the conflict between intellectual property and public health when it ambiguously states that a patent is not required for an invention, product, or process which is necessary to protect public health. It has been argued that under

this Article such medicines as drugs for AIDS should not be subject to TRIPS at all since these products are necessary to protect public health, however, rejoinders have been voiced arguing that 27(2) simply means that dangerous products should be excluded from patentability.

Similarly, Article 30 provides for granting members the right to legislate for limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties. Some commentators assert that considering the administrative compliances involved in application of Article 31, even with the Article 31(f) solution implemented, compulsory licensing of pharmaceuticals for export to needy developing countries will rarely, if ever, occur. It would have been more feasible therefore, to have exporting countries make the one-off amendments to their domestic patent laws to enable the implementation of an Article 30 exception than to grant compulsory license under Article 31. However, it is not apparent how an Article 30 exception, consistently invoked with respect to pharmaceuticals, is to be reconciled with the Article 27.1 requirement that "patents shall be available and patent rights enjoyable without discrimination as to . . . the field of technology" of the invention.

Above all and most importantly, TRIPS Article 31 permits Members to grant compulsory licenses for patented products and processes under limited circumstances and upon satisfying certain conditions. Under a compulsory license, a government is empowered to allow the production of a patented product without the necessary permission from the patent holder. In terms of pharmaceutical products and public health, the aim of the practice is to allow countries to produce low-cost generic equivalents of the patented product in certain circumstances and under certain guidelines.

Before the enactment of the TRIPs Agreement, virtually there being no international agreement providing for harmonization of patent laws, as such countries were free to decide whether or not they want to protect a particular product or process under patent under their domestic legislation. This flexibility came in handy for the developing and least developed countries for addressing their public health needs in so far as the patent protection for pharmaceutical products was virtually nonexistent in many poor, developing countries. In pre-

WTO membership era, developing countries were able to avoid paying the exorbitant prices charged by multinational pharmaceutical companies by purchasing or manufacturing comparable generic products for a small percentage of the market price

The TRIPS agreement introduced global minimum standards for protecting and enforcing nearly all forms of intellectual property rights, including those for pharmaceuticals. The agreement covers basic principles, standards and use of patents, enforcements. Members must provide patent protection minimum for 20 years from the filing date of a patent application, for any invention, including of a pharmaceutical product or process:

**Transitional agreements:** All WTO members were generally given one year time that is up to January 1996, to phase in these changes into their intellectual property rights or other laws and regulations. Developing and other countries in transition were given an additional four years, i.e. up to January 2000 and least developed countries ten years that is up to 2006, to do so. A further period of five years up to 2005 was given too developing countries to introduce product patent in field of technology excluded thus far in their patent laws.

TRIPS provides transitional period during which countries are required to bring their national legislation and practices into conformity with its provisions. TRIPS specifically recognize the economic, financial, administrative and technological constraints of the least developing countries. It therefore provides the possibility for further extension of the transitional period.

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### 3.5 India's TRIPS compliance and patent Law

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India signed the WTO in 1995 and automatically became a signatory of the Agreement on trade related aspects of intellectual property rights (TRIPS) in 1995. Under its requirements India needed to amend its patent law subject to transitional allowances provided for developing countries under article 65, i.e., it needed to amend the law by 1<sup>st</sup> January 2005. In order to make the Indian patent law, trips compliant, the following amendments were required:

- Extended patent to microorganisms
- Introduce TRIPS compliant compulsory licensing provisions
- Introduce product patents.

- Bring all inventions under patent coverage and extend the term of protection to 20 years.
- Remove discrimination between local production and importation.
- Shift the burden of proof in process patent related infringement proceedings to the defendant.

In 1999, the first amendment was made in the patents act 1970, introducing the requirements under the transitional arrangements through section 5(2) of the act of 1970, which allowed product patent applications to be filed, while chapter IVA provided for the grant of Exclusive Marketing Rights (EMRs).

The patent act 1970 underwent a second amendment through the patent (Amendment) Act 2002. The Act of 2002 was introduced for bringing in conformity with all the substantive provisions of the TRIPS agreement, barring those related to the introduction of product patents. The key issues included in the second amendment were, redefining patentable subject matter, extension of the term of the patent protection to 20 years and amending the compulsory licensing system.

The third amendment was brought by January 1, 2005 to introduce product patent regime in areas, including pharmaceuticals that were hitherto covered by process patents.

**Compulsory licensing:** Another protectionist aspect of the Indian law is the compulsory licensing system. This is a system where the nation selects a firm to make the drugs and sell them at low cost. The patent holder is given a small royalty for the losses that he incurs. Compulsory licensing is allowed by TRIPS under Article 31, subject to twelve conditions that are put forth in the same Article. Most importantly, before compulsory licensing is used, voluntary licensing must be sought for, and also, to impose compulsory licensing on a particular drug, there must be an established independent or judicial review. The Indian Patent Act provides that an application for the grant of compulsory licensing can be made only after three years from the date of grant of the patent unless exceptional circumstances like national emergency or extreme emergency can be used to justify the grant of a license on an earlier date. Three broad grounds for the grant of the compulsory licensing have been spelt out thus:

- (a) Reasonable requirements of the public with respect to the patented inventions have not been satisfied:
- (b) The patented invention is not available to the public at a reasonably affordable price, and
- (c) The patented invention is not worked in the territory of India.

The Patent Act also sets out the circumstances under which “reasonable requirements of the public” would not have been met. Such circumstances would arise if the patent holder refuses to grant a license on reasonable terms, and which in turn, affects:

- i. development of new trade or industry in the country, and
- ii. establishment or development of commercial activities in India, and
- iii. development of the export market for a patented article manufactured in India

The provision under sec 84(7) clause (a) (iii) of the patent act relating to “a market for export of the patented article manufactured in India is not being supplied or developed” is adapted from the Doha round, which now allows the drugs manufactured under the compulsory licensing to be exported to countries which are unable to produce at a cheaper price. This provision is aimed at ensuring that India has the option to export the products that have been produced using the licenses from the patent holders. However, the act also stipulates that the relevant authority have to take into consideration four additional factors before the license can be granted. Royalty payment is a critical issue for the implementation of the compulsory licensing system as in provided in the patent act. Therefore, the TRIPS agreement, through the amendments of the patent act 1970 has changed the conditions which gave helped the in Indian pharmacy industry take into its roots.

**Doha round:** In November 2001, the member nations of the WTO met at Doha, Qatar to discuss certain ambiguities that existed in the TRIPS agreement and to reach a conclusion some of the more contentious issues such as compulsory licensing, public health and parallel trading. Many countries claimed that they were uncertain about the scope of these exceptions and that many of them had not implemented them because they were worried about the trade sanctions that might be imposed on them in case they interpreted the scope of these provisions wrong. The Doha Conference reaffirmed the ‘public health’ exception, especially to

further free access of medicines to all. Further, with respect to compulsory licensing, the Declaration said that the member nations are allowed to decide on their own as to what a 'national emergency' is or what constitutes 'circumstances of extreme urgency'.

### **WTO TRIPS Indian context**

India as a signatory to the WTO was given the mandate to change its legislations relating to intellectual property related legislation in compliance with TRIPS. In respect of patent Law, the TRIPS agreement provides a three stage time frame for developing countries to comply with the obligations. This provides:

- (i) Introduction of a facility ("*mail box*") from January 01, 1995 to receive and hold product patent application in the fields of pharmaceuticals and agricultural chemicals till January 01, 2005. Further, on fulfilment of certain conditions, to grant exclusive marketing rights (EMR) for a period of five years or till the product patent is granted or patent application is rejected, whichever is earlier.
- (ii) Compliance, from January 01,2000, with other obligations of the trips agreement, namely, those related to rights of patentee, term of patent protection, compulsory licensing, reversal of burden of proof, etc.; and
- (iii) introduction of product patent in all fields of technology from January 01,2005.at this stage, the application for product patents filed and held in mail box from January 01,1995 area also to be taken up for examination. India has complied with the obligations in respect of the above in the following manner –
  - (a) In respect of obligations effective from January 01, 1995, India has amended the Patents Act 1970 through the patents (Amendment) Act, 1999 effective respectively from January 01, 1995.This act provides for a "mail box" to receive and hold product patent applications in the field of pharmaceuticals and agricultural chemicals and also on fulfilment of certain conditions specified in the law, for grant of exclusive marketing rights (EMRs). It has also been provided in the law that product patent applications received shall not be referred for examination till december31, 2004.
  - (b) In respect of obligations from January 01, 2000 India has further amended the patent act through the patents amendment act 2002, passed

by parliament in may2002 and notified in June 2002. The act has been effective from May 20, 2003.

- (c) The third amendment to the patent act was promulgated as ordinance in December 2004 and later tabled in both the houses which was passed as patent amendment act 2005 in March 2005.

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### **3.6 Recent trends in IP and Public Health**

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In the world where rich and poor live, there is little voice of the poor. Various developing and underdeveloped countries are facing public crisis. On April 15, 1994 the signatory nations of the General Agreement on Tariffs and Trade (GATT) signed an Agreement of Trade Related Aspects of Intellectual Property (TRIPS). Prior to the TRIPS, WIPO was governing the intellectual property rights. Under the TRIPS Agreement WTO members may enact stronger Intellectual Property standards than the WTO stipulates but they cannot fall below the required level.

Various developing countries were facing crisis due to the HIV/AIDS due to lack of access to drugs that combat HIV/AIDS. . In addition, two other major infectious diseases, tuberculosis and malaria, were on the rise.

#### **The South African Medicines Act Litigation**

In the midst of a catastrophic HIV/AIDS epidemic, in November 1997, the South African Government introduced the Medicines and Related Substances Control Amendment Act in order to promote the availability of affordable HIV/AIDS-related drugs via parallel imports and compulsory licensing under the TRIPS Agreement. The aim of this amendment was to implement key elements of the South African national drug policies, including generic substitution, greater competition in public drug procurement, improved drug quality, and more rational use of medicines. In February w998 drug companies files a complaint to the Pretoria High Court in South Africa challenging the constitutionality of the Act as well being inconsistent with the TRIPS provisions.

Second incident was when in February 2001, the United States filed a complaint before the WTO dispute settlement body challenging the compatibility of Article 68 of Brazil's Industrial Property Law with the TRIPS Agreement. The United States argued that this provision for the granting of compulsory licenses in

the event that a patented invention was not in manufacture in Brazil within three years of the issuance of the patent ('local working' requirement), was a protective industrial policy measure and inconsistent with the provisions of the TRIPS Agreement. Brazil and the United States reached into a mutually agreed solution.

There was spread of anthrax attacks in the US resulting into illness and deaths. To combat this situation the US and Canadian Government decided to have adequate supply of CIPRO and antibiotic to treat anthrax. This situation again stressed over the relationship between patent protection and access to essential drugs. This scare revealed that every nation in the world, even being the most powerful they could be trapped in a situation of public health emergency. This situation triggered a number of questions like: Firstly what constitute public health emergency. To deal with public health emergency can a Government grant compulsory license on the ground of protecting national public health. Other than compulsory license what member governments can use to combat public health crisis. All these questions were required to be discussed in the Doha Ministerial Conference.

On 20 June 2001, the TRIPS Council held a special discussion on intellectual property and access to medicines at the request of the African Group. The aim was to initiate discussions on the interpretation and application of the relevant provisions of the TRIPS Agreement with a view to clarifying the flexibilities that Members are entitled to and, in particular, to establish the relationship between intellectual property rights and access to medicines.

TRIPS has to carve out a mechanism so that the developing nations may wriggle out of their obligations under to deal with public health crisis. In this background the Ministerial Conference on Public health was held at Doha.

## **NOVARTIS CASE**

*AG represented by it's Power of Attorney Ranjna Mehta Dutt vs. Union of India(UOI) through the Secretary, Department of Industry, Ministry of Industry and Commerce,(2007) 4 MLJ 1153.*

Novartis had challenged the validity of Section 3(d) of Patent Act, 1970 in Chennai High Court, which is intended to prevent ever greening of existing drugs, after its patent plea for a new use for its cancer drug, Gleevec was rejected by the Indian patents office in January last year. The section states that patents would not

be given for new forms, uses or minor modifications of existing drugs unless they differ significantly from each other with regard to the efficacy. Two Writ Petitions were filed by Novartis in High Court of Madras praying to issue a writ of declaration that section 3(d) of the Patents Act, 1970 as substitute by the Patents (Amendment) Act, 2005 is non-compliant with the TRIPS Agreement and/or is unconstitutional being vague, arbitrary and violative of Article 14 of the Constitution of India and consequently to direct the Patent Office, Chennai to allow the patent application filed by the petitioner.

The Division Bench of the Madras High Court held that s. 3(d) is TRIPS compliant. It said that when TRIPS mandates such a comprehensive dispute settlement mechanism, then the court may not go into the validity. The court also held that the provision was added to curb ever greening. Art. 14 may be invoked only when it is shown that in the exercise of a discretionary power there is a possibility of a real and substantial discrimination and such exercise interferes with the fundamental right guaranteed by the Constitution.

The High Court said that it was not the proper forum to decide whether Section 3 (d) is in conformity with India's WTO obligation

### **NATCO v BAYER**

#### **Recent development in India for right to health: an Analysis of NATCO vs BAYER**

It has been always debated that a stronger Intellectual Property protection in pharmaceutical patents shall hamper the production and distribution of essential drugs to the common masses. Stronger Intellectual protection shall give a free hand to the powerful drug companies to hamper access to affordable health care for a large section of ailing population. The pharmaceutical companies try to recover their cost of research and development by selling the drugs.

The TRIPS within provides a mechanism by which a State has been empowered to maintain a balance between the interest of the Intellectual Property Rights and the interests of the society. The Case of NATCO vs. BAYER discusses the debate between the Intellectual Property Rights and Public health.

#### **Facts of the Case**

M/s Bayer Corporation is a multinational company based in United States of America, invented a drug termed as SORAFENIB (Carboxy Substituted Diphenyl Ureas) used in the treatment of liver and kidney cancer. The drug with brand name

NEXAWAR has been patented in US in 1999 and in 2008 in India. NEXAWAR is a very effective drug as it extends the life for 4-5 years for liver and kidney cancer patients.

An Indian Pharmaceutical company NATCO filed an application for compulsory license after its voluntary license application for selling the drug was rejected by Bayer on 6/12/2010. Marketing approval was received by Natco for manufacturing and marketing SORAFENIB in the tablet from April 2011. A compulsory License application was filed with the office of Controller of Patent to sell drugs.

Main contentions from the part of Natco were:

- (a) NEXAVAR is not affordable to the public as being priced at Rs2,80,428/ per month.
- (b) there is no balance of the demand and supply (i.e demands of patients' ad supply of bottles).
- (c) Bayer has failed to manufacture the medicine in India despite having patent grant in 2008.

While the contentions of the Bayer were defensive in nature and as a result the decision went against it.

**Decision:**

The Controller of Patents granted license NATCO for manufacturing the drug with following conditions agreed by NATCO:

- (i) Providing the drugs at a monthly cost of Rs. 8,800
- (ii) Providing a certain number of drugs free of cost.
- (iii) Giving a quarterly percentage of profit to Bayer as royalty.

This decision is has recognized the balancing of Intellectual property rights vs. Public for much wider benefit of human. The Indian Patent Act was having provision for compulsory licensing even prior to the TRIPS which highlights the concern of the Legislator for the public health at large.

**Utility Model:**

A utility model is an exclusive right granted for an invention, which allows the right holder to prevent others from commercially using the protected invention, without his authorization for a limited period of time. This utility model may vary from country to country depending upon the protection available. A utility model is similar to a patent. Due to this nature utility models are referred as "petty patents

or innovation patents. One of the difficulties is the lack of Legislations in various Jurisdictions as only a small number of countries are providing the option of utility model protection. India is also not having any Legislation on utility models.

The requirement for acquiring a utility model are less stringent than the patents. Protection for utility models are often sought for innovations of a rather incremental nature which may not meet the patentability criteria. The term for the protection of utility model is between 7 to 10 years without the possibility of extension or renewal. In utility model the registration process is simpler. Utility models are best suited to SMEs that make improvements in the existing products.

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### **3.7 Summary**

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The end of all laws is “solus populi est suprema lex” which means welfare of people is supreme end. In modern era state is not police state which only protects the lives of people, but it is welfare state, which strives for the welfare of the people.

The term Human Right is generic in nature which consists of civil rights, civil liberties and social, economic and cultural rights. By virtue of being humans, they possess certain basic, inherent and inalienable rights which are commonly called as ‘Human Rights’. Human rights are inherent in all human being irrespective of their caste, creed, religion, sex and nationality.

Legal regime of the Intellectual Property regimes are facing the most difficult task of striking balance between the individual rights and the society’s interest at large.

For the benefits derived from the creator’s addition to the public domain and its subsequent utilization by the public at large, the legal systems confers certain monopolistic rights for a given time period to the creator so that he can enjoy the economic benefits out of his invention or creation. The conflict between the interest of the society and the monopolistic rights is visible in case of an invention which is of significance to public health at large.

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### **3.8 Self-Assessment Test**

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1. Write a note over the debate of Intellectual Property and Human rights.
2. Discuss the impact of TRIPS over Indian Patent Regime.

3. Critically analyze the Impact of pharmaceutical patent in India
4. Discuss the Novartis Case.

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### **3.9 Further Readings:**

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- (1) Jayashree Watal, Intellectual Property Rights in the WTO and Developing Countries.
- (2) Resource Book on TRIPS and development Cambridge University Press.
- (3) Patent Act 1970
- (4) Text of TRIPS Agreement.

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# **Unit – 4:**

## **Emerging IPRs:**

### **Industrial Lay Outs, Designs, Integrated Circuits, Software and their Legal Protections**

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#### **Objectives :**

There have been various advancements in the field of science and technology and as a result there have been various changes in the Legal framework. There are various emerging intellectual property like Industrial Lay Out, Design and integrated circuit. There is a debate going on with regard to providing a stronger kind of protection to software as traditionally the software have been held to be literary works. The objective of this unit is to have an insight of the Emerging Intellectual Property Rights.

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#### **Structure:**

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- 4.1 Introduction
- 4.2 Industrial Lay Out
- 4.3 Procedure for registration of Lay out design
- 4.4 Design
- 4.5 Subject Matter of Design
- 4.6 Procedure for registration of design
- 4.7 Integrated Circuit
- 4.8 Software and their Legal protection
- 4.9 Summary
- 4.10 Self-Assessment Test
- 4.11 Further Readings

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#### **4.1 Introduction**

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With the advancement in science and technology one would find him amidst new inventions and ideas. Historically it is evident that with the growth of human ideas there have been growths in the inventions. What matters more and is worth drawing attention is one's novel and innovative idea transformed into some kind of tangible 'utility' product.

This unit aims to acquaint you with the emerging trends in the Intellectual Property. There are various emerging Intellectual properties like Industrial Lay Outs, Designs, Integrated Circuits, Software and their legal protections.

This unit further aims to acquaint you with the legal framework for the protection of emerging Intellectual property. It further analyses whether the existing model is able to address the advancement in science and technology.

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## 4.2 Industrial Lay Outs

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### (1) Meaning of Industrial Lay Outs

*As per Section 2 (h) "layout-design" means a layout of transistors and other circuitry elements and includes lead wires connecting such elements and expressed in any manner in a semiconductor integrated circuit;*

*As per section (n) "registered layout-design" means a layout-design which is actually on the register;*

### **Prohibition of registration of certain layout designs:**

2. (1) A layout-design—

(a) which is not original; or

(b) which has been commercially exploited anywhere in India or in a convention country; or

(c) which is not inherently distinctive; or

(d) which is not inherently capable of being distinguishable from any other registered layout-design, shall not be registered as a layout-design.

Provided that a layout-design which has been commercially exploited for not more than two years from the date on which an application for its registration has been filed either in India or in a convention country shall be treated as not having been commercially exploited for the purposes of this sub-section.

- (3) A layout-design shall be considered to be original if it is the result of its creator's own intellectual efforts and is not commonly known to the creators of layout-designs and manufacturers of semiconductor integrated circuits at the time of its creation:  
Provided that a layout-design consisting of such combination of elements and interconnections that are commonly known among creators of layout-designs and manufacturers of semiconductor integrated circuits shall be considered as original if such combination taken as a whole is the result of its creator's own intellectual efforts.
- (4) Where an original layout-design has been created in execution of a commission or a contract of employment, the right of registration to such layout-design under this Act shall belong, in the absence of any contractual provision to the contrary, to the person who commissioned the work or to the employer

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### **4.3 Procedure for registration of Layout-Design**

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#### **Procedure for registration of layout-design:**

- (1) Any person claiming to be the creator of a layout-design, who is desirous of registering it, shall apply in writing to the Registrar in the prescribed manner for the registration of his layout-design.
- (2) Every application under sub-section (1) shall be filed in the office of the Semiconductor Integrated Circuits Layout-Design Registry within whose territorial limits the principal place of business in India of the applicant or in the case of joint application the principal place of business in India of the applicant whose name is first mentioned in the application, as having a place of business in India, is situate:

Provided that, where the applicant or any of the joint applicant does not carry on business in India, the application shall be filed in the office of the Semiconductor Integrated Circuits Layout-Design Registry within whose territorial limits the place mentioned in the address for service in India as disclosed in the application is situated.

#### **Withdrawal of acceptance:**

Where after the acceptance of an application for registration of layout-design, but before its registration, the Registrar is satisfied that the layout-design is prohibited of registration under section 7, the Registrar may, after hearing the applicant if he so desires, withdraw the acceptance and proceed as if the application had not been accepted.

Advertisement of application: When an application for registration of a layout-design has been accepted, the Registrar shall, within fourteen days after the date of acceptance, cause the application as accepted to be advertised in the prescribed manner.

(2) Where after advertisement of an application—

(a) an error in the application has been corrected; or

(b) the application has been permitted to be amended under section 12, the Registrar may in his discretion cause the application to be advertised again or, in any case falling under clause (b), may, instead of causing the application to be advertised again, notify in the prescribed manner the correction or amendment made in the application

### **Opposition to registration.**

(1) Any person may, within three months from the date of the advertisement or re advertisement of an application for registration or within such further period, not exceeding one month in the aggregate, as the Registrar, on application made to him in the prescribed manner and on payment of the prescribed fee, allows, give notice in writing in the prescribed manner to the Registrar of opposition to the registration.

(2) The Registrar shall serve a copy of the notice on the applicant for registration and, within two months from the receipt by the applicant of such copy of the notice of opposition, the applicant shall send to the Registrar in the prescribed manner a counter-statement of the grounds on which he relies for his application and if he does not do so, he shall be deemed to have abandoned his application.

(3) If the applicant sends such counter-statement, the Registrar shall serve a copy thereof on the person giving notice of opposition.

(4) Any evidence upon which the opponent and the applicant may rely shall be submitted in the prescribed manner and within the prescribed time to the

Registrar, the Registrar shall give an opportunity to them to be heard, if they so desire.

- (6) The Registrar shall, after hearing the parties, if so required, and considering the evidence, decide, after taking into account any ground of objection whether relied upon by the opponent or not.
- (7) When a person giving notice of opposition or an applicant sending a counterstatement after receipt of a copy of such notice neither resides nor carries on business in India, the Registrar may require him to give security for the costs of proceedings before him and, in default of such security being duly given, may treat the opposition or application, as the case may be, as abandoned.

**Registration:** when an application for the registration of the layout-design has been accepted and either—

(a) the application has not been opposed and time for notice of opposition has expired; or

(b) the application has been opposed and the opposition has been decided in favor of the applicant, the Registrar shall register the said layout-design in the register and the layout-design shall be registered as of the date of the making of the said application and that date shall be deemed to be the date of registration.

- (2) On the registration of a layout-design, the Registrar shall issue to the applicant a certificate in the prescribed form of the registration thereof sealed with the seal of the Semiconductor Integrated Circuits Layout-Design Registry

**Duration of registration.**

The registration of a layout-design shall be only for a period of ten years counted from the date of filing an application for registration or from the date of first commercial exploitation anywhere in India or in any country whichever is earlier.

Rights conferred by registration: the registration of a layout-design shall, if valid, give to the registered proprietor of layout-design the exclusive right to the use of the layout-design and to obtain relief in respect of infringement in the manner provided by this Act.

**Infringement of layout-design:**

A registered layout-design is infringed by a person who, not being the registered proprietor of the layout-design or a registered user thereof,—

- (a) does any act of reproducing, whether by incorporating in a semiconductor integrated circuit or otherwise, a registered layout-design in its entirety or any part thereof, except such act of reproducing any part thereof which is not original within the meaning of sub-section (2) of section 7;
- (b) subject to the provisions of sub-section (5), does any act of importing or selling or otherwise distributing for commercial purposes a registered layout-design or a semiconductor integrated circuit incorporating such registered layout-design or an article incorporating such a semiconductor integrated circuit containing such registered layout-design for the use of which such person is not entitled under this Act

Where a person, on the basis of scientific evaluation or analysis of a registered layout-design, creates another layout-design which is original within the meaning of subsection (2) of section 7, that person shall have the right to incorporate such another layout design in a semiconductor integrated circuit or to perform any of the acts referred to in subsection (1) or sub-section (5) in respect of such another layout-design and such incorporation or performance of any act shall not be regarded as infringement within the meaning of subsection(1).

Power of Registered Proprietor to assign and give receipts.: The person for the time being included in the register as proprietor of a layout design shall, subject to the provisions of this Act and to any right appearing from the register to be vested in any other person, have power to assign the layout-design, and to give effectual receipts for any consideration for such assignment.

Assign ability and transmissibility of registered layout-design.: registered layout design shall be assignable and transmissible whether with or without the goodwill of the business concerned.

**Conditions for assignment otherwise than in connection with the goodwill of a business:** Where an assignment of a registered layout-design is made otherwise than in connection with the goodwill of business in which such layout-design has been or is used, the assignment shall not take effect unless the assignee, not later than the expiration of six months from the date on which the assignment is made or within such extended period, if any, not exceeding three months in the aggregate, as the Registrar may allow, apply to the Registrar for directions with respect to the

advertisement of the assignment, and advertises it in such form and manner and within such period as the Registrar may direct.

Penalty for infringement of layout-design: Any person who contravenes knowingly and willfully any of the provisions of section 18 shall be punishable with imprisonment for a term which may extend to three years, or with fine which shall not be less than fifty-thousand rupees but which may extend to ten lakhs rupees, or with both.

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## **4.4 Design**

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### **Meaning and Concept of Design**

Those who are willing to purchase an article for use are often influenced in their choice solely not by the practical utility but also by its appearance. Design of a particular item attracts the end-user for its usage. Therefore it is always profitable to have a design which is attracting. The object of the registering design is to protect the registered design being applied by the others without the permission.

The concept of design gained relevance in the post industrialization period when the textile industry was at its pinnacle. Generally a design is displayed by the means of lines, images, configuration and others. These were created with an object of commercial aspects as these will create an impression in the eye of the observer. Most of the customers are often influenced in their choice not merely by the practical efficiency but with appearance also. One of the essential of design is that it should be appealing to the eye.

Being a creation of intellect mind, the design needs to be protected. All the shapes, configuration, patterns etc are outcome of the human intellect. There has been investment of time, effort and expenses in a design. So there is a need for the protection of designs in order to promote the design element in the article of production.

### **Historical Overview**

In ancient time period many designs were used of consisting various features, but the concept of protecting it came only in the context of industrial designs. Statutory attempts were made from the 18<sup>th</sup> century for the protection of design, specifically industrial designs.

The textile designs received the legal protection for the first time in England. In 1797 the first Act for the protection of design was enacted in Britain aiming for the encouragement of arts or design and printing linens, cotton and Muslin's by vesting properties thereof in the designers, printers and proprietors for a limited period. It was an experimental measure extending protection for a limited duration. Later its life was extended and soon it was made perpetual too. In 1839 the protection was widened to cover designs for printing woven fabrics. In the same year another Act was passed for design protection for articles of manufacture generally. A consolidating and updating Legislation was enacted in 1842 which repealed all the earlier statutes. The Patent and Designs Act 1907 consolidated the enactment's relating to patent and designs. Later The Registered Designs Act 1949 was enacted to provide protection to designs. The Law relating to industrial design was changed by the Copyright, Designs and Patents Act 1988.

The Law protecting design was governed by the Design Act 1911 which was passed by the then British Government in India. Since then various amendments have been made in the Design Act. With the advancements in science and technology there was need to provide more effective protection to the designs. As a result the Design Act 1911 was replaced by the Design Act 2000 which has been brought into force with effect from 11<sup>th</sup> May 2001. The act has enlarged the scope of definition of 'article' and 'design' and introduced the definition of 'original'.

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## **4.5 Subject Matter of Design**

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The subject matter protected by the design system is the application of the designs to an article. There are two features of designs Law i.e. first one being the visual aspect of the articles and the second feature is the application of design to the article. The Design Act provides protection only for the visual appearance of an article. As per the Design Act a design is not an article made according to a particular shape or pattern, nor it is the manner of making the article. Design is the visual features of shape, configuration, pattern or ornamentation which are applied to the article.

### **Definition of "Design" and "Article"**

The definition of Article is provided under section 2(a) of the Design Act 2000. It provides that: "Article means any article of manufacture and any substance, artificial, or partly artificial and partly natural; and includes any part of an article capable of being made and sold separately.

**Section 2(d) of the Act provides:**

A Design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, whether in two or three dimensional (or both) forms. This may be applied by any industrial process or means (manual, mechanical or chemical) separately or by a combined process, which in the finished article appeals to and judged solely by the eye. Design does not include any mode or principle of construction or anything which is mere mechanical device. It also does not include any trade mark or any artistic work. In *Marico Ltd v. Raj Oils Mills Limited*, AIR 2008 BOM111, the Court held that the phrase, therefore, "capable of being made and sold separately" includes not only that an article upon which a design article can be made but also sold separately.

*Bharat Glass Tubes Ltd. v. Gopal Glass Works Ltd.* AIR2008 SC2520, the Supreme Court held that 'Design' means that a feature or a pattern which is registered with the registering authority for being produced on a particular article by any industrial process whether manual, mechanical, or chemical or by any other means which appears in a finished article and being judged by eye appeal.

**Benefits of design registration**

- The registration of a design confers upon the registered proprietor the exclusive right to apply a design to the article in the class in which the design has been registered.
- A registered proprietor of the design is entitled to a better protection of his intellectual property.
- He can sue for infringement, if his right is infringed by any person. He can license or sell his design as legal property for a consideration or royalty.

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## **4.6 Procedure for registration of design**

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### **Registration of Design**

## Requirements for registration

A design should:

- Be new or original
- Not be disclosed to the public anywhere by publication in tangible form or by use or in any other way prior to the filing date, or where applicable, the priority date of the application for registration.
- Be significantly distinguishable from known designs or combination of known designs.
- Not comprise or contain scandalous or obscene matter.
- Not be a mere mechanical contrivance.
- Be applied to an article and should appeal to the eye.
- Not be contrary to public order or morality

### **Exclusion from the scope of design:**

Designs that are primarily literary or artistic in character are not protected under the Designs Act. These will include:

- books, jackets, calendars, certificates, forms and other documents, dressmaking patterns, greeting cards, leaflets, maps and plan cards, postcards, stamps, medals.
- labels, tokens, cards, cartoons.
- any principle or mode of construction of an article.
- mere mechanical contrivance.
- buildings and structures.
- parts of articles not manufactured and sold separately.
- variations commonly used in the trade.
- mere workshop alterations of components of an assembly.
- mere change in size of article.
- flags, emblems or signs of any country.
- layout designs of integrated circuits

Who can apply for registration of design?

Any person or the legal representative or the assignee can apply separately or jointly for the registration of a design. The term "person" includes firm, partnership and a body corporate. An application may also be filed through an agent in which case a power of attorney is required to be filed. A design can only be registered when it is new or original and not previously published in India. The expression "new or original" means that it had been invented for the first time.

### **Procedure for registration of a design**

The procedure for registration involves of following steps:

- (a) Submission of Application
- (b) Acceptance/ objections/refusal
- (c) Removal of objections
- (d) Decision
- (e) Registration of the Design

**(a) Submission of Application:** The proprietor of the design has to file application for the registration of the design. As per section 5 (1) the controller may on the receipt and register the application received from the any person claiming to be proprietor of any new or original design not previously published in any country and which is not contrary to the public order and morality. The application has to be accompanied with the prescribed fee and in prescribed form and in prescribed manner.

**(b) Acceptance/objection:** On the receipt of an application for registration the controller may accept it if he considers that there is no lawful objection in the report of examiner to the design being registered. If on the consideration of the report of the examiner on the application for registration of designs, any objection appear to the controller is adverse to the applicant or requires any amendment of the application, a statement of such objection shall be sent to the applicant or his agent in writing.

**(c) Removal of objection / appeal to the central Government :**The applicant has to remove the objection within one month of communication of the objection to him failing which the application shall be deemed to have been withdrawn.

**(d) Decision of the Central Government:** the decision of the Central Government with regard to the registration of design shall be final.

**(e) Registration of the design:** when the design is accepted , it shall be entered into the Register of Design . On the completion of the procedure as prescribed the controller shall grant a certificate of registration to the proprietor of the design.

**Cancellation of registration:**

Section 19 of the Design Act 2000 provides for the cancellation of design. Any interested person can file a petition to the Controller seeking the cancellation of a registered design at any time after the registration of the design. An application for cancellation is admissible on the following grounds :

- that the design has been previously registered in India : or
- that it has been published in India or in any other country prior to the date of registration ; or
- that the design's not a new or original design ; or
- that the design is not register able under this Act ; or
- it is not a design as defined under of section 2(d).

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## 4.6 Integrated Circuits

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### Integrated Circuits

As per Sec2(r) "semiconductor integrated circuit" means a product having transistors and other circuitry elements which are inseparably formed on a semiconductor material or an insulating material or inside the semiconductor material and designed to perform an electronic circuitry function;

### Conditions of registration

3. (1) The Central Government may, by notification in the Official Gazette, appoint a person to be known as the Registrar of Semiconductor Integrated Circuits Layout-Design for the purposes of this Act.

(2) The Central Government may appoint such other officers with such designation as it thinks fit for the purpose of discharging, under the superintendence and direction of the Registrar, such functions of the Registrar under this Act as he may from time to time authorize them to discharge.

There shall be established a Registry which shall be known as the Semiconductor Integrated Circuits Layout-Design Registry. The head office of the Semiconductor Integrated Circuits Layout-Design Registry shall be at such place as the Central Government may specify and for the purposes of facilitating the registration of layout-designs, there may be established, at such places as the Central Government may think fit, branch offices of the Semiconductor Integrated Circuits Layout-Design Registry. The Central Government may, by notification in the Official Gazette, define the territorial limits within which an office of the Semiconductor Integrated Circuits Layout- Design Registry may exercise its functions. There shall be seal of the Semiconductor Integrated Circuits Layout-Design Registry.

**Prohibition of registration of certain layout designs:**

4. (1) A layout-design—

(a) which is not original; or

(b) which has been commercially exploited anywhere in India

(c) which is not inherently distinctive; or

(d) which is not inherently capable of being distinguishable from any other registered layout-design, shall not be registered as a layout-design:

**Duration of registration:** The registration of a layout-design shall be only for a period of ten years counted from the date of filing an application for registration or from the date of first commercial exploitation anywhere in India or in any country whichever is earlier

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## 4.8 Software and their legal protection

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The first statutory form of protection to attract the attention of software developers was copyright since the writing of code was similar to any other form of writing, computer languages being regarded as just one other form of language. Moreover, in the 1970's the case law in the patent field was showing some doubts as to whether computer programs could constitute patentable inventions. The early application of copyright law to computer software gave fairly broad protection. However, as the copyright case law developed, the application of traditional copyright limitations on the scope of protection to the new field of protection for computer programs led to a narrowing of the scope of protection afforded by

copyright. The courts pointed out that the purpose of copyright was to protect particular expressions of an idea not the idea itself. Any broader protection had to meet the standards of novelty and non obviousness required by the patent law.

At about the time that these decisions started to come down, case law relating to patentability of software-related inventions also started to change, this time in a liberalizing direction opening up the way to patent protection for software-related inventions. Part of the focus for protection therefore started to shift to patents, although the simplicity of securing copyright protection as compared with patent protection and the fact that for copyright protection there is no need to establish the inventively of the work in question means that copyright protection remains of major importance in this field. Indeed, although it has become clear that traditional inhibitions on the grant of software related inventions have now been jettisoned in respect of inventions relating to business methods as well, as the Patent and Trademark Office develops its expertise in examining patent applications relating to software and business methods, it may become more difficult to obtain patents in this field and the focus may swing back to copyright protection.

### **Software Protection in United States**

Under U.S. patent law “Whoever invents or discovers any new and useful process, machine, manufacture of composition of matter [...] may obtain a patent therefore [...]” (35 U.S.C. Sec 101). Section 102 sets out the novelty requirement, whereas Section 103 clarifies that patents are granted only for non-obvious subject matter. Unlike the EPC, the U.S. Patent Act does not comprise a list of subject matter that is excluded from patentability. Also, under U.S. law there is no statutory requirement of “technical character”.

In the United States, a person is entitled to a patent if:

- i. the person is the inventor;
- ii. the invention is the proper subject matter for a patent: machines, articles of manufacture, compositions of matter, and processes; and
- iii. the invention is "useful", "new", and "unobvious".

The U.S. Supreme Court has held that Congress intended to allow patents for “anything under the sun made by man” The courts have clarified that “laws of nature, natural phenomena and abstract ideas” are not patentable. Such subject matter should be “free to all men and reserved exclusively to none”. Business

methods originally were considered not patentable, as they would represent “abstract ideas”.

The first U.S. Supreme Court decision in the area of computer-program related inventions was *Gottschalk v. Benson*. The Court found that the computer program in fact implemented a mathematical algorithm. By granting a patent the algorithm would effectively be monopolized.

In the case of *Diamond v. Diehr* the Supreme Court for the first decided time that under certain conditions patents could indeed be granted for computer programs. The mere use of a mathematical algorithm or computer program would not prevent an invention from being patented. The decisive test is whether the invention involves the “transformation and reduction of an article into a different state or thing”. That criterion was met by the invention at hand; it involved a computer-controlled process to cure synthetic rubber.

In a series of later cases the so-called Freeman-Walter-Abele test was developed, involving two steps:

1. Is a mathematical algorithm recited directly or indirectly in the claim?
2. If so: is the claimed invention as a whole no more than the algorithm itself, i.e. is the algorithm not applied to physical elements or process steps?

If the answer to both these questions is affirmative, then no patent can be granted. Recently, this test has been criticized by the courts. In particular, the requirement of “physicality” was found to be inappropriate. In *re Alappat* the invention involved a software program for the transformation of numerical values in a manner that creates a smooth display of data on an oscilloscope screen, so there are no “physical elements or process steps”. According to the Court of Appeal for the Federal Circuit the decisive test is whether an invention as a whole concerns a “disembodied mathematical concept”. If so, the invention is not patentable. If on the other hand the invention produces a “useful, concrete and tangible” result, there is no objection against patentability. In other words the dependency of software-related invention on a mathematical algorithm by itself is no longer an impediment to patentability.

Another long-standing rule in U.S. patent law was the judicially created “business method exception”. Both this exception and the “mathematical algorithm exception” previously discussed were addressed in the *State Street Bank and Trust Co. v. Signature Financial Group Inc.* case. The *State Street* case involved a patent

for a computer-based system for the pooling of mutual funds into a common investment fund, yielding economies of scale and tax benefits. A computer program implemented a number of complicated algorithms for the assignment of assets and expenses to the individual participants.

The District Court found that the invention could not be patented, as both the mathematical algorithm and the business method exceptions would apply. With regard to the former exception the Court of Appeals for the Federal Circuit again emphasized that the Freeman-Walter-Abele test no longer applies. Instead, the decisive criterion is whether a “useful, concrete and tangible” result is produced.

With regard to the business method exception the Court noted that this is not really an exception by itself. Business methods may be more likely not to pass the tests of novelty or non-obviousness. But really “since the 1952 Patent Act, business methods have been, and should have been, subject to the same legal requirements for patentability as applied to any other process or method”. In addition, the Court noted that neither itself nor its predecessor had ever recognized the business method exception. Whether certain subject matter is patentable is to be decided on the basis of Section 101, which does not provide for any exception for business methods.

In *AT&T v. Excel Communications Inc* The Court confirmed that in the case of process claims the scope of Section 101 is to be interpreted in the same way as in *State Street*, which involved only apparatus claims.

### **Software Protection in European Union**

European patents shall be granted for any inventions which are susceptible of industrial application, which are new and which involve an inventive step.

There is no definition of what an invention is or is not. However, article 52(2) provides a list of things that “in particular” shall not be regarded as inventions (suggesting there might also be other things that are not inventions):

- a) discoveries, scientific theories and mathematical methods;
- b) aesthetic creations;
- c) schemes, rules and methods for performing mental acts, playing games or doing business, and programs for computers;
- d) presentations of information.

The law usually does not define explicitly what constitutes an invention. According to Art. 52 (1) of the European Patent Convention, “European patents

shall be granted for any inventions which are susceptible of industrial application, which are new and which are not obvious." Subsequent subsections of Art. 52 EPC list subject matter that cannot be the object of an invention. Some subject matter is inherently unpatentable, such as discoveries and scientific theories (Art. 52(2)(a) EPC). There is also subject matter that is excluded for reasons of social policy, such as medical methods in Art. 52(4) EPC.

Computer programs are explicitly mentioned on the exclusion list of Subsection (2). Subsection (3) however specifies that subject matter listed in Subsection (2) is only excluded from patentability "as such". Chemical theories for instance cannot be patented "as such", but a chemical theory leading to a new medicine can indeed be patented in the context of a pharmaceutical patent claim. Similarly, a computer program can be patented if it is part of diagnostic equipment patent claims.

From Art. 52 it follows, that a statutory invention must meet other requirements in order to qualify for a patent. Firstly, the invention must involve what is called an inventive step - which makes it non-obvious. The requirements for an invention to be novel are further set out in Article 54. The requirement of inventive step is elaborated in Article 56, which states that an invention must not be "obvious to a person skilled in the art". "Industrial application" is clarified in Article 57, which requires that an invention must be "made or used in any kind of industry".

In addition, it is generally assumed that an invention must also be technical in order to qualify for a patent. This requirement is not mentioned explicitly in the EPC, but rather derived from European Patent Convention Rule 27, which explains that the description of the invention shall specify the technical field to which the invention relates. There is no generally agreed legal definition of the word "technical" within this context. In particular, there is considerable debate to what extent computer software is to be considered "technical" for the purpose of the patent law.

Either way, it is generally assumed that the decisive factor for patentability is whether a computer program has a "technical character".

In the VICOM case image processing was considered to lead to a result sufficiently technical to qualify for patentability, even though it is based on a mathematical method. In the Koch & Sterzel decision like wise a computer

program was considered to be used for a technical purpose, in this case controlling X-ray equipment. Software that was used for the co-ordination and exchange of data between interconnected processors was also considered to have a sufficiently technical character. Even a business problem solution requiring “technical considerations” was held to be technical in the SOHEI case. In particular, it was emphasized that an otherwise statutory invention would not become non-statutory because of the fact that a business method is involved. Software to be used in conjunction with the display of special (e.g. Arabic) characters was, however, not considered sufficiently technical. As a last example, we mention a decision holding that a method for interactive rotation of displayed graphical objects was, once again, sufficiently technical. This case demonstrates an important point: the way a patent claim is worded is often decisive. Initially the application was rejected, but after redefinition of the claims it was accepted.

In several of these cases, the technical character was derived in a straightforward manner from the involvement of traditional “hardware” technology. Other decisions are less convincing. Is there really a relevant difference between the display of graphical objects and the display of special characters? Isn’t systems control software really a computer program “as such” and “technical” software at the same time? The delimitation between patentable and non-patentable inventions as shown by these decisions seems rather arbitrary.

Two recent decisions of the EPO Technical Board of Appeal, both involving IBM patent applications, mark a change in policy of the EPO. In these decisions the Board expressed the following opinion:

“In the view of the Board, a computer program claimed by itself is not excluded from patentability if the program, when running on a computer or loaded into a computer, brings about, or is capable of bringing about, a technical effect which goes beyond the “normal” physical interactions between the program (software) and the computer (hardware) on which it is run.”

“Furthermore, the Board is of the opinion that with regard to the exclusions under Article 52(2) and (3) EPC, it does not make any difference whether a computer program is claimed by itself or as a record on a carrier.”

The Board explains that every computer program “as such” causes a “technical effect” when run on a computer in the form of electrical currents in the electronic circuits of the computer’s processor. As the EPC excludes computer

programs “as such” from patentability, this technical effect by itself is apparently insufficient for patentability. Consequently, some other, “further” technical effect is required. Such an effect would obviously be present if the computer program controls, for instance, a conventional (“technical”) piece of machinery, such as x-ray equipment in the case mentioned above. In the present cases, the further technical effect was found in the control of computer system resources, distinguishing systems control software from application programs.

The Board’s decisions in the IBM cases indicate that patents may be obtained for computer program products. The Board considers that “it would seem illogical to grant protection for a technical process controlled by a suitably programmed computer but not for the computer itself when set up to execute the control”. To be sure, the notion of a “computer program by itself” is not to be confused with the notion of a “computer program as such”. The former notion relates to the packaging and distribution of software, while the latter relates to its functionality. Understandably, the Technical Boards of Appeal only considers the functionality a relevant criterion for patentability.

The Pension Benefits System decision involved a business method executed by a computer system. The Board found that “the improvement envisaged by the invention is essentially an economic one i.e. lies in the field of economy, which, therefore, cannot contribute to the inventive step”, and ruled that a patent could not be granted. In this case the technical contribution rather than the technical character of the invention was considered decisive.

Computer Program as such patentable if it provides a further technical effect beyond a simple functioning of computer. The required technical character cannot reside in the physical modification of the hardware, but need to be looked elsewhere. It could be found in the further effects deriving from the execution (by the hardware) of the instructions given by the computer program.

### **Protection of Software in India**

Very much like the European Convention, the Patents Act of 1970 specifically excludes “a computer program per se” from patentability. Pursuant to the Patents (Amendment) Ordinance of 2004, the relevant clause (k) of S. 3 of the Act was amended to exclude “a computer program per se other than its technical application to industry or a combination with hardware”, but following protests

from the Left parties, among others, that this would harm Indian industry, the amendment was omitted from the Patents (Amendment) Act of 2005.

It is not clear whether India is under an international obligation to include computer programs within the category of patentable invention. TRIPS lays down that patent protection should be available for all areas of technology, but it does not specifically make computer program patentable.

### **Inventions not patentable**

**Section 3.** What are not inventions: -The following are not inventions (hence non patentable under the Act) within the meaning of this Act,-

(k) a mathematical or business method or a computer program *per se* or algorithms;

The words "as such" or "*per se*" narrow the scope of excluded subject matter and increase the probability of an invention to get patent protection, subject to some conditions. The condition is to get a technical effect when performed on some hardware.

So that means computer program as such or mathematical algorithms can be patented if they are guided towards solving of a technical problem prevailing in a particular prior art.

The Indian Patent office has issued draft guidelines for the examination of Computer Related Inventions (CRI).

The guidelines incorporate various provisions of the patentability of computer program and related inventions. It discusses the procedures which are adopted by the examiners while examining such applications and jurisprudence evolved in granting or rejecting process of Patents in these fields of technology. However, these guidelines does not constitute rule making. In case of any conflict between these guidelines and the provisions of the Patents Act, 1970 and the rules made hereunder, the said provisions of the Act and rules will prevail over these guidelines. The guidelines are subject to revision from time to time based on interpretations by a court of law, statutory amendments and valuable inputs from the stakeholders.

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## **4.9 Summary:**

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With the advancement in science and technology one would find him amidst new inventions and ideas. Historically it is evident that with the growth of human ideas there have been growths in the inventions. What matters more and is worth drawing attention is one's novel and innovative idea transformed into some kind of tangible 'utility' product.

Over the last few decades, the computer software industry has grown quickly; but so, unfortunately, has the controversy surrounding the patentability of computer programs. Traditionally, 'algorithms', or sets of instructions, have been treated as abstract ideas, and not patentable inventions.

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#### **4.10 Self-Assessment Test:**

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- 1) Discuss the meaning and concept of the design.
- 2) Discuss the comparative Legal protection with regard to the computer related inventions.
- 3) Discuss the process for registration of design.
- 4) Critically analyze the emerging trend in Intellectual property regime with reference to the advancement in the technology.

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#### **4.11 Further Readings:**

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1. Chris Reed and John Angel, *Computer Law*, Oxford University Press, 2004.
2. Nuno Pires de Carvalho, *The TRIPs Regime of Patent Rights*, Kluwer Law International.
3. Shreya Matilal, *IP in Computer Software- Images, Objections & Future* Kamal Law House, 2004.
4. B.L Wadhera, *Law Relating To Patents Trademarks Copyright Designs And Geographical Indications* (Delhi: Universal Publishing Co. Pvt .Ltd
5. Manual of patent office practice and procedure  
<http://www.ipindia.nic.in/ipr/patent/manual/main%20link.htm>

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# Unit-5

## Issues in Management of IPRs

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### **Objectives :**

The aim of this unit to understand the concept of management of various Intellectual Property Rights. "Property", is defined as a "*bundle of rights*" which includes the rights of ownership, exclusion, possession, modification and transfer. One of the unique features of intellectual property protection is that there is a rule against perpetuity which implies that the ownership is time barred. For patents it is 20 years, for copyright it is the life of the author and 60 years thereafter. But for trademark, it is 10 years but it may be renewed indefinitely. So the intellectual property provides a monopoly right to the creator or inventor for a period. The management of Intellectual Property rights is very crucial.

The management of intellectual property is s a continuous process which shall revolve throughout the life of Intellectual property. There is further discussion in the unit with regard to the management of Intellectual property including the details of various kinds of Intellectual property.

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### **Structure:**

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- 5.1 Introduction
- 5.2 Patent
- 5.3 Trade Mark
- 5.4 Design
- 5.5 Copyright
- 5.6 Geographical Indication
- 5.7 Trade Secret
- 5.8 Judicial Decisions
- 5.8 Management of Intellectual Property
- 5.9 Summary
- 5.10 Self-Assessment Test
- 5.11 Further Readings

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## 5.1 Introduction:

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Intellectual Property is a combined term for various legal entitlements which are attached to various types of information, ideas or other intangibles in their expressed forms.

The holder of these rights is entitled to exercise certain exclusive rights in relation to the subject matter of Intellectual Property. The subject matter in the term intellectual property is the product of the mind or intellect and these Intellectual property may be protected by law in the same sense as any other kind of property is protected.

The expression Intellectual Property was traditionally originated in the municipal law, has now taken deep roots in international law. Intellectual Property Rights (IPRs) are private rights in respect of which the international community has taken steps to achieve uniformity as to the nature of the rights, combined enforceability and sanctions for breaches thereof.

Intellectual Property is a private creation entitling for public protection. The creator of an Intellectual Property has a bond with that of creative work. So therefore such a creator should be able to prevent other persons from exploiting his or her invention without permission and be able to control its subsequent use. By acknowledging the economic and moral rights, the legal protection to creative works thus encourages creativity, innovation and investment

### **Objectives of intellectual property**

The objective of intellectual property can be clubbed as :

1. Innovation or enrichment of the domain of knowledge. This justification is primarily for corporations who invest in research with the prospect of economic returns.
2. To maintain quality or brand loyalty.
3. Dissemination of new ideas and enrichment of the commons.

Article 1 (2) of the TRIPs (Trade Related Aspects of Intellectual Property Rights) agreement defines intellectual property for the purposes of the agreement. And it states that intellectual property refers to all categories of intellectual property which are the subject of Sections 1 through 7 of Part II. These include copyrights, trademarks, geographical indications, industrial designs, patents, layout designs or topographies of integrated circuits and the protection of undisclosed

information. The TRIPs agreement does not include traditional knowledge within the types of intellectual property.

### **Kinds of Intellectual Property**

Following are the main kinds of intellectual property:

- (a) Copyrights and related rights,
- (b) Trademarks,
- (c) Geographical Indications
- (d) Industrial Designs,
- (e) Lay out designs of integrated circuits and
- (f) Protection of undisclosed information (trade secrets)
- (g) Patents

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## **5.2 Patents**

The term "*patent*" originates from the Latin word *patere* which means "to lay open" i.e. make available for public inspection. It is a set of exclusive rights granted by a state to a person for a fixed tenure in exchange for public disclosure of his invention which is new, inventive and useful or industrially applicable. Basically it permits a patentee a negative right to *exclude others* from making, using or selling the invention. It does not grant the affirmative right to make, use or sell on the patentee who may have to comply with other laws and regulations to make use of the claimed invention. Patent is granted for inventions, products or processes. A patent for an invention grants a property right to the inventor that will exclude anyone else from making, using or selling and invention. The term of patent is generally 20 years from the date application was filed.

The idea of granting exclusive rights to the inventors is old. As early as 500 B.C., the Greek colony of Sybaris granted such rights. In 14<sup>th</sup> century, certain special privileges were requested by a section of water millers who had a unique set for the purpose of using it before mining. The grant of those special privileges to those water millers can be taken as birth of the patent system. In 1323, a German Engineer was granted the first known privilege for the construction of a model grain mill, which could cater the storage needs of entire Venice. The Venetian Senate Act, 1474 is the first patent statute formulated followed by the Statuto

Mineraria in 1488. As stated by Abraham Lincoln, who was a patentee: "*The patent system added the fuel of interest to the fire of genius.*"

In simple terms Patent can be understood to be 'a government protection to an inventor, securing to him for a specific time the exclusive right of manufacturing, exploiting, using, and selling an invention.' A patent is a set of exclusive rights granted by a state to the inventor for a fixed period of time in exchange for the regulated, public disclosure of certain details of a device, method, process or composition of matter (known as an invention) which is new, inventive, and useful or industrially applicable. The concept of patent is considered to be the most important legal incentive to promote the innovations, creativity and healthy competitions otherwise the investors will not take risk in creating new technology or new inventions in general.

Thus the three characteristic features for any patentable invention is:

- novelty,
- non-obviousness and
- Capable of industrial application.

The exclusive right granted to a patentee in most countries is the right to prevent or exclude others from making, using, selling, offering to sell or importing the claimed invention.

### **Rationale behind Patent**

Following are the justifications behind the grant of Patent:

- Incentive to invent
- Incentive to disclose the invention
- Incentive to invest in R&D
- Incentive to invest in manufacture - commercial use
- Encourage industrial and economic growth
- Need for private property protection

### **Subject Matter of Patent**

Subject Matter of Patent:

- Article 27 of TRIPS provides with regard to the subject matter
  - Any invention in all fields of technology

- Invention may be a product or process
- Invention must be *new*, involve *inventive step* and *capable of industrial application*
- No discrimination based on field of technology and whether products are imported or locally produced

A patent gives an inventor the exclusive right to make use, and sell the invention for a period of twenty years. For getting patent protection, the invention must meet several general requirements:

- a) it should not fall in the list of inventions that are not patentable, i.e., the subject matter requirement;
- b) the invention must be a new product or process involving an inventive step and capable of industrial application.
- c) the patent specification should fully and particularly describe the invention and its operation or use and method by which it is to be performed.
- d) Disclose the best method of performing the invention which is known to the inventor.
- e) The invention should be distinctly claimed, so others in the field will be able to ascertain the bounds of protection.

While the US position is like as: “Anything under the sun that is made by man is patentable Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter or any new and useful improvement thereof, may obtain a patent therefore, subject to the conditions and requirements of this title- Section 101 of Title 35 of the United States Code.

Patentability is determined by several criteria like novelty, inventive step, utility, disclosure and originality. These criteria are congruent with the theories of patentability. It is the objective of patent system to provide monopolistic right in exchange for a benefit of common good.

### **Who may entitled to apply for a patent**

Any person may make an application for a patent, either alone or jointly with another. The only restriction is that the person who makes the application should be the inventor or joint inventor. There is one major exception that, in preference to the inventor, any person who at the time of the making of the

invention was entitled to the property in the patent other than the equitable interest or any successors in title may apply for the patent.

### **Advantages of Patent**

- Patent protection has advantages which make it attractive in protecting inventions which meet the criteria of patent law:
- Patents deter competitors who otherwise might be tempted to copy – especially as to inventions that can be reverse-engineered. Avoids duplication of research.
- Patents avoid the need to maintain complete security for inventions to be kept as an internal trade secret – and still allow for relief even if others independently develop the same innovation and “innocently” infringe.
- It is usually far easier to establish the value of patents than trade secrets. Moreover, because they lack.
- Keep abreast with latest technology in various fields of science and technology.

### **When the patent is granted**

A patent may be granted only for an invention in respect of which the following conditions are satisfied, that is to say-

- a) the invention is new,
- b) it involves an inventive step,
- c) it is capable of industrial application,
- d) invention which is excluded from section 3 of the Patent Act, 1970.

### **The Patent Application Process**

The patent procedure comprises four main steps, namely

1. Application for the patent
2. Examination of the application
3. Opposition to the grant of patent and finally
4. Grant of patent

### **What is an invention:**

The Section 3 of the Patent Act, 1970 does not define inclusively what an invention is, rather it exemplifies those things which are not to be considered as an

invention for the purpose of the Act. It means that something, which are not invention as per section 3 excluding that all are invention. The Statute of Monopolies in 1623 to the Patent Act of U.K, invention was defined as 'any manner of new manufacture.

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- b) it involves an inventive step,
- c) it is capable of industrial application,
- d) invention which is excluded form section 3 of the Patent Act, 1970.

Any person claiming to be the true and first inventor of the invention or any person being an assignee or legal representation of any deceased person are entitle to make an application. It is not mandatory that only an inventor can apply for and get a patent over an invention. An application for obtaining the patent must contain the fact of the invention and shall mention the name of the owner claiming to be the true and first inventor. An application for grant of the patent shall be filed in accordance with Form 1 of the Patent (Amendment) Rules, 1999. An application for the patent can be made for only one invention. An application must be accompanied by a provisional or complete specification. An application for a patent is accompanied by a provisional specification, a complete specification shall be filed within twelve months from the date of filing the application. If the complete specification is not so filed the application shall be deemed to be abandoned. The specification is a complete disclosure of the subject matter of the invention claimed in the patent. It should describe the invention and should begin with a title and should end with the claim defining the scope of the invention. There shall be a priority date for each claim of a complete specification. The application for patents shall not be open to the public for a period of 18month from the date of filing the patent application or the date of priority, whichever is earlier.

The patent application shall be examined on the request of the applicant in the prescribed manner made within forty-eight month from the date of filing of the application for a patent. No patent application shall be examined unless the applicant makes a request for the examination. When the request for examination

has been made the application shall be referred to an Examiner by the Controller for making a report. The examiner is required to make his report within 18 months from the date of reference. The Comptroller shall consider the report of the examiner. If the report of the examiner is adverse to the applicant or requires any amendment of the application or of the specification, then such objections is communicated to applicant and give the applicant the opportunity of the hearing. If the objections cannot be overcome, the application may be abandoned or the examiner's refusal may be appealed to the Appellate Board. Alternatively, the examiner will accept the responses to the office action and allow the application. Once the application is accepted, the Comptroller has to give notice to the applicant and has to be advertise the accepted application with the complete specification. From then the document is open to the public inspection.

The Act, provides for an opportunity to an interested person in the patent to give notice of opposition to the grant of patent to the Controller at any time within four months from the date of advertisement of the acceptance of a complete specification or within the time extended by the Controller. The opposition can be based on the following grounds:

that the claimed invention

- Has been obtained wrongfully.
- The specification has been published previously before the priority date of the claim.
- The specification has been published on or after the priority date of the claim and filed in pursuance of a patent application
- The specification was publicly known or publicly used in India before the priority date of the claim.
- Is obvious and does not involved any inventive step
- The claimed invention is not an invention nor patentable under the Act.
- The complete specification does not sufficiently or clearly describes the invention or the method by which it is to be performed.
- The applicant has failed to disclose the information or has furnished information, which is not material.

- The application is not made within the 12 month from the date of the first application
- The complete specification does not disclose or wrongly mentions the source or geographical origin of biological material used for the invention
- The claimed invention is anticipated by the knowledge, oral or otherwise, available within any local or indigenous community in India or elsewhere.

The notice of the opposition to the grant of a patent shall be filed in accordance with Form 7 of the Second Schedule of the Patent (Amendment) Rules, 1999. In case of any such opposition the Controller should give both the applicant and the opponent an opportunity to be heard before giving a decision on the case.

After accepting the patent application together with the complete specification and if either the application has not been opposed and the time for the filing of the opposition has expired, or the application has been opposed and the opposition has been decided in favor of the applicant or the application has not been refused by the Controller or the application is not found to be in contravention of any of the provisions of the Act, the application shall be sealed with the seal of the patent office and granted and date on which the patent is sealed shall be entered in the register.

The request for the sealing of a patent shall be filed in accordance with Form 9 of the Second Schedule and the request for granting the patent shall be filed in accordance with Form 12 of the Second Schedule. The Patent shall be granted in accordance with the Form of Patent given in the Third Schedule.

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## 5.3 Trademark

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In India, the first law relating to trade mark is Trademarks Act, 1940. Prior to this enactment, trade marks were governed by on common law.

### **Trade Marks Act, 1999**

This Act replaces the Trade and Merchandise Marks Act, 1958, it stands replaced from 15.9.2003. The Act introduced one fundamental change that it provides for registration of service marks for the first time. The Act is a consolidated effort to bring the law at par with international practices.

**Sec-2(zb) of the Trade Marks Act 1999 defines Trade Mark as :-**

A mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of those of others and may include shape of goods, their packaging and combination of colours, includes service mark, collective mark or certification trade mark.

**Collective Mark:** As per section 2(g) "collective marks" means a mark distinguishing the goods or services of members of an association of persons which is the proprietor of the mark from those of others.

**Mark:** As per Sec-2(m) 'Mark' Includes a device, brand, heading, label, ticket, name, signature, work, letter, numeral, shape of goods, packaging or Combination of colour or any Combination thereof.

**Sec-2(z) "Service":-** means service of any description which is made available to potential users and includes the provision of services in connection with business of any industrial or commercial matter such as banking, communication, education, financing, insurance, chit funds, real estate, transport, storage, material treatment, processing, supply of electrical or other energy, boarding, lodging, entertainment, amusement, construction, repair, conveying of news or information and advertising.

**Registered trade mark :** As per Sec -2(w) registered trade mark means which is actually on the register & remaining in force.

**Trade Mark:** As per Sec 2 (zb) "trade mark" means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours.

**Well Known trade mark:** As per Section 2 (zg) "well Known trade mark", in relation to any goods or services, means an mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services.

In general, a trade mark is a sign which serves to distinguishes the goods of an industrial or commercial enterprise from those of other enterprise.

**Functions of Trade Mark:-**

The function of a trade mark is to give an indication to the purchaser or possible purchaser as to the manufacture or quality of the goods, to give an indication to trade source from which the goods come. Under modern business conditions a trade mark performs 4 functions:-

- a) It identifies the product and its origin.
- b) It guarantees its unchanged quality.
- c) It advertises the product
- d) It creates an image for the product.

In addition to these four functions, it must also be kept in mind that a trademark is also the objective symbol of the good will that a business has built up. Without the identification function performed by trademarks, buyers would have no way of returning to buy products that they have used and liked. If this consumer satisfaction and preference is labelled "good will," then a trademark finds its value in allow customers to develop affinity to a particular good or service and recognize this preference in the form of a positive feedback loop (i.e., increased and repeated purchases. That being the case, it is really the good will that is represented in the trademark that is valuable. In order to tap into this positive feeling a recognizable trademark must exist, but the key ingredient is having a product or service that customers like.

### **Sec – 9 :- Absolute grounds for refusal of registration**

1) the Trade Marks –

- a) which are devoid of any distinctive character, that is to say not capable of distinguishing the goods or services of one person from those of another person;
- b) which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service;
- c) which consist exclusively of marks or indications which have become customary in current language or in the bona-fide and established practices of the trade shall not be registered.

Provided that, a trade mark shall not refused registration if before the date of application for registration if before the date of application for registration it has

acquired a distinctive character as a result of the use made of it or is a well known trade mark.

- 2) A mark shall not be registered as a trade mark is –
  - a) it is of such nature as to deceive the public or cause confusion;
  - b) it contains or comprises of any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India;
  - c) it comprises or contain scandalous or obscene matter (prevention of improper use) Act, 1950
- 3) A mark shall not be registered as a trade mark if it consists exclusively of
  - a) the shape of goods which results from the nature of the goods themselves; or
  - b) the shape of goods which is necessary to obtain a technical result; or
  - c) the shape which gives substantial value to the goods.

#### **Sec – 11:- Relative grounds for refusal of registration**

- 1) A trade mark shall not be registered if, because of
  - a) its identity with an earlier trade mark and similarity of goods or services covered by the trade mark, or
  - b) its similarity to an earlier trade mark and the identity or similarity of the goods or services covered by the trade mark; T

There exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

- 2) A trade mark which -
  - a) is identical with or similar to an earlier trade mark;
  - b) is to be registered for goods or service which are not similar to those for which the earlier trade mark is registered in the name of a different proprietor,

#### **Provisions of the 'Trade Marks Act, 1999' dealing with assignment and transmission:**

1. The right of registered proprietor to assign a trademark and to give effectual receipts for any consideration for such assignment is recognized.
2. A registered trademark is assignable or transmissible with or without goodwill in respect of all goods/services or of some only of those goods/services for which the mark is registered.

3. A significant change introduced in the law is that it allows an unregistered trademark to be assigned or transmitted with or without the goodwill of the business concerned. Under the former law there was an express prohibition to the effect that unregistered is not assignable or transmissible except along with the goodwill of the business concerned except in specified circumstances.
4. The law continues to retain the restrictions on assignments or transmissions of trademark where multiple exclusive rights would be created in more than one person who would be likely to deceive or cause confusion. Nevertheless such assignment is deemed to be invalid if having regard to the limitations imposed the goods are to be sold in different-markets-either within India or for exports.
5. Restriction on assignment or transmission so as to prevent splitting of rights on a territorial basis and creating rights in different persons in different parts of India, which existed in the old Act are continued to be retained in the present law. Registrar empowered to approve assignment where he is satisfied that it would not be contrary to the public interest.
6. Assignment without goodwill of business will not take effect unless assignor obtains directions of the Registrar and advertises the assignment as per directions and as prescribed. This old approach is not consistent with the present day reforms in the law relating to trademark.
7. Assignment of certification trademark can only be done with the consent of the Registrar. The only change introduced relating to this provision is the substitution of the word " Registrar" for the word " Central Government", consequent on the change of law vesting final authority for disposal of the applications for certification trademark on the Registrar.
8. Associated trademarks will continue to be assignable and transmissible only as a whole, as under the previous law.
9. Registration of assignment and transmission is governed by the same old procedure. If the validity of the assignment is in dispute, Registrar may refuse to register, unless the rights of the parties are determined by the competent court. If there is in force any law regulating the transmission of the moneys outside India, the Registrar shall not register the title of a person who becomes entitled to a trademark by the assignment which involves such

transmission, except on production of the permission of the authority specified in such law for such transmission. Rules 68 to 79 of the Trade Marks Rules contain the procedural rules.

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## 5.4 Design

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Those who are willing to purchase an article for use are often influenced in their choice solely not by the practical utility but also by its appearance. Design of a particular item attracts the end-user for its usage. Therefore it is always profitable to have a design which is attracting. The object of the registering design is to protect the registered design being applied by the others without the permission.

The concept of design gained relevance in the post industrialization period when the textile industry was at its pinnacle. Generally a design is displayed by the means of lines, images, configuration and others. These were created with an object of commercial aspects as these will create an impression in the eye of the observer. Most of the customers are often influenced in their choice not merely by the practical efficiency but with appearance also. One of the essential of design is that it should be appealing to the eye.

Being a creation of intellect mind, the design needs to be protected. All the shapes, configuration, patterns etc are outcome of the human intellect. There has been investment of time, effort and expenses in a design. So there is a need for the protection of designs in order to promote the the design element in the article of production.

### **Historical Overview**

In ancient time period many designs were used of consisting various features, but the concept of protecting it came only in the context of industrial designs. Statutory attempts were made from the 18<sup>th</sup> century for the protection of design, specifically industrial designs.

The textile designs received the legal protection for the first time in England. In 1797 the first Act for the protection of design was enacted in Britain aiming for the encouragement of arts or design and printing linens, cotton and Muslin's by vesting properties thereof in the designers, printers and proprietors for a limited period. It was an experimental measure extending protection for a limited duration. Later its life was extended and soon it was made perpetual too. In 1839

the protection was widened to cover designs for printing woven fabrics. In the same year another Act was passed for design protection for articles of manufacture generally. A consolidating and updating Legislation was enacted in 1842 which repealed all the earlier statutes. The Patent and Designs Act 1907 consolidated the enactment's relating to patent and designs. Later The Registered Designs Act 1949 was enacted to provide protection to designs. The Law relating to industrial design was changed by the Copyright, Designs and Patents Act 1988.

The Law protecting design was governed by the Design Act 1911 which was passed by the then British Government in India. Since then various amendments have been made in the Design Act. With the advancements in science and technology there was need to provide more effective protection to the designs. As a result the Design Act 1911 was replaced by the Design Act 2000 which has been brought into force with effect from 11<sup>th</sup> May 2001. The act has enlarged the scope of definition of 'article' and 'design' and introduced the definition of 'original'.

### **Subject Matter**

The subject matter protected by the design system is the application of the designs to an article. There are two features of designs Law i.e. first one being the visual aspect of the articles and the second feature is the application of design to the article. The Design Act provides protection only for the visual appearance of an article. As per the Design Act a design is not an article made according to a particular shape or pattern, nor it is the manner of making the article. Design is the visual features of shape, configuration, pattern or ornamentation which are applied to the article.

### **Definition of "Design" and "Article"**

The definition of Article is provided under section 2(a) of the Design Act 2000. It provides that: "Article means any article of manufacture and any substance, artificial, or partly artificial and partly natural; and includes any part of an article capable of being made and sold separately.

### **Section 2(d) of the Act provides :**

A Design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, whether in two or three dimensional (or both) forms. This may be applied by any industrial process or means (manual, mechanical or chemical) separately or by a combined

process, which in the finished article appeals to and judged solely by the eye. Design does not include any mode or principle of construction or anything which is mere mechanical device. It also does not include any trade mark or any artistic work.

### **Registration of Design**

Following are the conditions for the registration of design :

A design should:

- Be new or original
- Not be disclosed to the public anywhere by publication in tangible form or by use or in any other way prior to the filing date, or where applicable, the priority date of the application for registration.
- Be significantly distinguishable from known designs or combination of known designs.
- Not comprise or contain scandalous or obscene matter.
- Not be a mere mechanical contrivance.
- Be applied to an article and should appeal to the eye.
- Not be contrary to public order or morality

### **Exclusion from the scope of design**

Designs that are primarily literary or artistic in character are not protected under the Designs Act. These will include:

- books, jackets, calendars, certificates, forms-and other documents, dressmaking patterns, greeting cards, leaflets, maps and plan cards, postcards, stamps, medals.
- labels, tokens, cards, cartoons.
- any principle or mode of construction of an article.
- mere mechanical contrivance.
- buildings and structures.
- parts of articles not manufactured and sold separately.
- variations commonly used in the trade.
- mere workshop alterations of components of an assembly.

- mere change in size of article.
- flags, emblems or signs of any country.
- layout designs of integrated circuits

### **Who can apply for registration of design**

Any person or the legal representative or the assignee can apply separately or jointly for the registration of a design. The term "person" includes firm, partnership and a body corporate. An application may also be filed through an agent in which case a power of attorney is required to be filed.

**Originality and Novelty:** A design can only be registered when it is new or original and not previously published in India. The expression "new or original" means that it had been invented for the first time .

### **Procedure for registration of a design**

The procedure for registration involves of following steps:

- (a) Submission of Application
- (b) Acceptance/ objections/refusal
- (c) Removal of objections
- (d) Decision
- (e) Registration of the Design

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## **5.5 Copyright**

The first Copyright Act in the world was the Statute of Anne which was enacted in 1709. Gutenberg's invention of the printing press was a significant landmark in the development of Copyright law.

Article 9 of the TRIPs Agreement deals with Copyright and related rights. Article 9 (2)states that Copyright protection shall extend to expressions and not to ideas, procedures, methods of operation of mathematical concepts as such.

Section 14of the Copyright Act defines Copyright. The Section states that Copyright is the exclusive right (subject to the provisions of the act) to do or authorize to do any of the following acts in respect of a work

**Section 14 (a)** -If it is a literary, dramatic or musical work (not a computer program) the rights are

1. To reproduce

2. To issue copies of the work to the public
3. To perform a work in public or communicate to the public
4. To make any cinematograph film or sound recording
5. To make any translation
6. To make any adaptation.

### **Section 13 Works in which copyright subsists**

Section 13 deals with the works in which Copyright subsists. Section 13 (1) states that Copyright and subsist in the following classes of works

- a. Original literary, dramatic, musical and artistic works;
- b. Cinematograph Films; and
- c. Sound recordings.

- (2) Copyright shall not subsist in any work specified in subsection (1), other than a work to which the provisions of section 40 or section 41 apply, unless,
  - (i) in the case of a published work, the work is first published in India, or where the work is at the date of such publication, or in a case where the author was dead at that date, was at the time of his death, a citizen of India;
  - (ii) in the case of an unpublished work other than an architectural work of art, the author is at the date of the making of the work a citizen of India or domiciled in India; and
  - (iii) in the case of an architectural work of art, the work is located in India.

**Explanation.**-In the case of a work of joint authorship, the conditions conferring copyright specified in this sub-section shall be satisfied by all the authors of the work.

### **(3) Copyright shall not subsist**

- (a) in any cinematograph film if a substantial part of the film is an infringement of the copyright in any other work;
- (b) in any record made in respect of a literary, dramatic or musical work, if in making the record, copyright in such work has been infringed.
- (4) The copyright in a cinematograph film or a record shall not affect the separate copyright in any work in respect of which or a substantial part of which, the film, or as the case may be, the record is made.

- (5) In the case of an architectural work of art, copyright shall subsist only in the artistic character and design and shall not extend to processes or methods of construction.

### **Literary Work**

**A literary work** is not defined under the Act. The definition of a literary work under this Act is an inclusive definition which includes computer programs, tables and compilations including computer databases.[**Section 2 (o)**]. The TRIPs agreement does not define a literary work. The only definition is available under **Article 2 of the Berne Convention** which states that any work which is literary, artistic and scientific whatever be the mood of expression irrespective of literary value is considered to be a literary work.

### **An artistic work**

As per **Section 2 (c)** of the **Copyright Act, 1957**.

(c) "artistic work" means---

- (i) a painting, a sculpture, a drawing (including a diagram, map, chart or plan), an engraving or a photograph, whether or not any such work possesses artistic quality;
- (ii) an architectural work of art; and
- (iii) any other work of artistic craftsmanship;

**Author** : As per Section 2(d) of the Copyright Act 1957

"author" means,-

- (i) in relation to literary or dramatic work, the author of the work;
- (ii) in relation to a musical work, the composer;
- (iii) in relation to an artistic work other than a photograph, the artist;
- (iv) in relation to a photograph, the person taking the photograph;
- (v) in relation to a cinematograph film, the owner of the film at the time of its completion; and
- (vi) in relation to a record, the owner of the original plate from which the record is made, at the time of the making of the plate;

**Dramatic Work:** As per section 2 (h) of Indian Copyright Act

"dramatic work" includes any piece for recitation, choreographic work or entertainment in dumb show, the scenic arrangement or acting form of which is fixed in writing or other wise but does not include a cinematograph film;

## **Meaning of copyright : Section 14 of the Copyright Act**

- (1) "copyright" means the exclusive right, by virtue of and subject to the provisions of, this Act,-----
- (a) in the case of a literary, dramatic or musical work, to do and authorise the doing of any of the following acts, namely:-
    - (i) to reproduce the work in any material form;
    - (ii) to publish the work;
    - (iii) to perform the work in public;
    - (iv) to produce, reproduce, perform or publish any translation of the work;
    - (vi) to communicate the work by radio-diffusion or to communicate to the public by a loud-speaker or any other similar instrument the radio-diffusion of the work;
    - (vii) to make any adaptation of the work;
    - (viii) to do in relation to a translation or an adaptation of the work any of the acts specified in relation to the work in clauses (i) to (vi);
  
  - (b) in the case of an artistic work, to do or authorise the doing of any of the following acts, namely:-
    - (i) to reproduce the work in any material form;
    - (ii) to publish the work;
    - (iii) to include the work in any cinematograph film;
    - (iv) to make any adaptation of the work;
    - (v) to do in relation to an adaptation of the work any of the acts specified in relation to the work in clauses (i) to (iii).
  
  - (c) in the case of a cinematograph film, to do or authorise the doing of any of the following acts, namely:-
    - (i) to make a copy of the film;
    - (ii) to cause the film, in so far as it consists of visual images, to be seen in public and, in so far as it consists of sounds, to be heard in public;
    - (iii) to make any record embodying the recording in any part of the sound track associated with the film by utilising such sound track;
    - (iv) to communicate the film by radio-diffusion;

(d) in the case of a record, to do or authorise the doing of any of the following acts by utilising the record, namely:-

(i) to make any other record embodying the same recording;

(ii) to cause the recording embodied in the record to be heard in public;

(iii) to communicate the recording embodied in the record by radio-diffusion.

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## **5.6 Geographical Indications**

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A geographical indication is any noun or adjective that designates geographical location and would tend to be regarded by buyers as descriptive of the geographical location of origin of goods. Reputation may attach to a geographical name that remains purely descriptive so that the right to attach it may form part of the goodwill of those who are duly associated with the place or area. In that case, wrongful or dishonest use of that name will be actionable. Geographical indications are part and parcel of the culture and traditions of a country. India is governed by the Geographical Indications of Goods (Registration and Protection) Act, 1999 and the Geographical Indications of Goods (Registration and Protection) Rules, 2002.

Article 22 of the TRIPs Agreement defines Geographical Indications as indications which identify a good as originating in the territory of a member or a region or locality in that territory, where a given quality reputation or other characteristics of the goods is essentially attributable to its geographical origin.

### **Who may apply for registration?**

Section 11 of the Act provides

- 1) Any association of persons or producers or any organization or authority established by or under any law for the time being in force
- 2) They must be representing the interest of the producers of the concerned goods
- 3) They are desirous of registering a geographical indication in relation to such goods.

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## **5.7 Trade Secret**

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The Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) under the auspices of the World Trade Organization lays down the following three criteria for regarding any information as undisclosed information (or trade secrets):

- It must not be generally known or readily accessible by people who normally deal with such type of information
- It must have commercial value as a secret
- The lawful owner must take reasonable steps to keep it secret.

A trade secret refers to data or information relating to the business which is not generally known to the public and which the owner reasonably attempts to keep secret and confidential. Trade secrets generally give the business a competitive edge over their rivals. Almost any type of data, processes or information can be referred to as trade secrets so long as it is intended to be and kept a secret, and involves an economic interest of the owner.

**Trade Secret:**

Trade secret protection can apply to any formula, pattern, device or compilation of information which is used in one's business, and which gives one's business an opportunity to obtain an advantage over competitors who do not know or use it. The owner of the invention derives independent economic value which is actual or potential, and others can obtain economic value from its disclosure or use; and it is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

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## **5.8 Management of Intellectual Property**

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Now a day there is paradigm shift in the economies which are headed towards knowledge driven economy. In knowledge driven economy the Intellectual Property is a key driver in the economy. New products, brands, designs are result of human intellect and creation.

Intellectual Property is vital strategic, financial asset which is very essential for every organization. Due to its different nature there is need for carefully management of Intellectual property.

The strategy for an organization needs to be in an appropriate framework which should be as per the policy framework of the organization. The management consists of various components. The first component is the establishment of an Intellectual Property management framework needs detailed overview of the organizational objective, practices and resources and an understanding of where IP related issues need to be addressed. Later the issues may be varied due to the change in the situation. The senior management should be well aware with the internal as well as external factors. The framework of the intellectual property must be reviewed from time to time and there need a consistent supervision.

The organization should have an impetus with regard to the creativity and innovation. Innovation among employees can be promoted by rewarding their contributions by the help of rewards in the various forms like financial rewards, public recognition, certificates, and development opportunities.

In today's world intellectual property is the central resource for creating wealth in almost all industries. The foundation of commercial power has shifted from 'capital power' to 'intellectual property'. Capital resources are now dominated by intellectual property such as technological knowhow, patent, trade mark, copyrights and trade secrets.

We can understand the process of management of intellectual property by the following representation



**Step-1 Identification of Commercial goals of an organization:** every organization shall have a well developed and explicit commercial objective. In order to develop the IP strategy feasible with your organization there has to be development of plan to achieve the target. It may be used for following purposes:

- block competing products
- revenue generation from commercialization
- deter potential infringers
- defend an infringement action
- attraction of investment
- raising of organization's profile, or
- increase the sale price of your organization's shares or business

**Step 2 Identification of Organization's Intellectual Property Rights:** next step is the identification of the IP held by the organization and the strength within these IP. When the information is not readily available then the data collection has to be done through IP audit. There can be a comparative analysis between the strategy of different organizations in this regard.

**Step 3 Aligning the organizational Intellectual property rights with its business goals:** after the identification of the organizational goals and IP assets organization should be able to consider how IP may assist a particular strategy or evaluate how valuable a particular IP assets is for organization. Various points may be considered like as

**Revenue Contribution:** there has to be assessment which of the IP product shall be maximizing contribution in revenue. What is the alone contribution of IP assets in the revenue share.

**Margin Contribution:** to assess that to what an extent IP products give an advantages over your competitors. How much these factors may be crucial in revenue generation.

**Organizational Value:** to assess how much it shall contribute to the organization.

**Step-4 Formulation of an IP strategy for organization:** the organization has to finalize the IP strategy for the organization. The strategy shall include various components.

**Strategies for effective IP Management:** the effective management of Intellectual property requires a comprehensive plan for asset management. During this process one of the key step is the review of the existing intellectual property assets so as to identify and locate the company's key intellectual property assets such as patents, patentable subject matter, copyrights, trademarks, designs, trade secrets, domain names, mask works, inventions, works of authorship, hardware and devices, depending as per the nature of business. After the identification of IP assets there is the determination of nature and scope of the company's rights in intellectual property assets.

**Risk Management and Intellectual Property:** there is various inherent risks with the intellectual property and there should be a strategy to reduce the risks. One of the risks is the infringement of IP. One of the important IPR risk management techniques, in respect of trade secrets, is to put in place a system requiring all new employees and consultants to execute a confidentiality agreement. It shall allow business entity to establish ownership in IPRs developed by the employees during their employment. Organization should have an effective strategy to minimize the infringement of various intellectual property assets.

**Valuation of Intellectual Property:** There should be proper valuation of the intellectual property at regular intervals. Accounting standards are not helpful in valuation of IP asset as results in most of the cases the IP assets are undervalued. Proper valuation would reveal the assets and liabilities of the organization which would be further helpful in preparation of further strategy. Valuations shall bring together the economic concept of value and the legal concept of property. Valuation involves four main value concepts, namely, owner value, market value, fair value and tax value. Acceptable methods for the valuation of identifiable intangible assets and intellectual property can be classified into three broad categories. They are market based, cost based, or based on estimates of past and future economic benefits. There is also one of the methods called as Discounted Cash Flow (DFC) Analysis. This is one of the appraisal techniques.

The methods of valuation involves various streams like law, economics, finance, accounting, and investment.

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## 5.9 Summary

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Right to own Private property is an inalienable right of a person which had been recognized in Universal declaration of human rights itself.. Right to own private property is also an essential part of economic justice without which the human tendency to work will get deteriorated, which in turn will have an advance impact on the national growth. Property helps a person to Maintain his dignity in the society and it assures him a sought of freedom and security.Art.300A. of our constitution says that “No person shall be deprived of his property save by authority of law.”

One of the difficulties in India has been that most of the small and medium size enterprises are not aware with the intellectual property protections and they do not get profit out of it. As the intellectual property is one of the assets to the enterprises in the form of Intangible assets. As a result it is very crucial to protect the intellectual property from the various infringements. Companies who are investing so much in research and development they should take every step to prevent competitors from copying or closely imitating a company’s product or services.

In last few years, the concept of intellectual asset management (IAM) has received growing attention from the business community as firms seek to more effectively exploit their intellectual assets – their patents in particular.

Due to lack of Intellectual Property Management profits are low, growth is lacking and ultimately there is devaluation of corporate entity. Now managers have to realize that access to Intellectual Property is very essential for their long term survival.

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## 5.10 Self-Assessment Test

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1. Discuss the meaning and concept of management of Intellectual Property.
2. Discuss strategies for effective management of Intellectual Property.
3. Discuss the strategy of an organization with regard to the expolitaion of Intellectual property in a better way.
4. Discuss the remedies available with regard to the infringement of Copyright.

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## 5.11 Further Readings

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1. B L Wadehra : Law Relating to Patents, Trademarks, Copyright, Designs and Geographical Indications.
2. G.V.G Krishnamurthy : The Law of Trademarks, Copyright, Patents and Design.
3. Satyawrat Ponkse : The Management of Intellectual Property.
4. Lathe R Nair& Rajendra Kumar; Geographical Indications-A Search for Identity; Lexis Nexis

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# Unit – 6

## IPR and International Legal Regime

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### **Objectives :**

After going through this unit, you will be able to understand the International Legal Regime for the protection of Intellectual Property Rights. The understanding of the International Legal Regime is of vital importance.

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### **Structure:**

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- 6.1 Introduction
- 6.2 Paris Convention for the Protection of Industrial Property (1883)
- 6.3 Berne Convention for the Protection of Literary and Artistic Works (1886)
- 6.4 Patent Cooperation Treaty (PCT)
- 6.5 TRIPs Agreement, 1994
- 6.6 WIPO Performances and Phonograms Treaty (WPPT), 1996.
- 6.7 Summary
- 6.8 Self-Assessment Test
- 6.9 Further Readings

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### **6.1 Introduction**

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The understanding of the International regime for the intellectual property is very essential to have an understanding of the emergence of Intellectual Property. The international conventions in different fields of intellectual property rights have provided a framework for stronger and clear regime for the intellectual property. These international conventions have also effected the various intellectual property regime in various municipal jurisdictions.

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### **6.2 The Paris Convention for the protection of Industrial Property**

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The Paris Convention for the protection of Industrial Property is said to be the starting point of the International Intellectual Property in general and the patent in particular. Paris Convention uses the term “Industrial Property” rather than Intellectual Property.

There are 30 Articles in the Paris Convention. The provisions of the Paris Convention can be divided into following headings:

- (a) Substantial Provisions
- (b) Provisions relating to organizational setup
- (c) Procedural provisions
- (d) Substantial Provisions

### **Definition of Industrial Property**

The Paris convention constitutes a Union for the purposes of protection of industrial Property popularly known as Paris Union for the protection of the Industrial property. These Union functions under the auspicious of an UN specialized agency known as WIPO

The term “Industrial Property” is described in the convention as “Industrial property” includes all the categories of intellectual property rights example: patents, trademarks, industrial designs and others. The convention further provides that “Industrial property shall be understood in the broadest sense and shall apply not only to industry and commerce proper, but likewise to agricultural and extractive industries and to all manufactured or natural products, for example, wines, grain, tobacco leaf, fruit, cattle, minerals, mineral waters, beer, flowers and flour.

### **Subject Matter**

The convention provides the following aspects of patent

- a) Product Patent
- b) Process Patent
- c) Patent of addition
- d) Patent of improvement
- e) Inventors certificate
- f) Priority right
- g) Compulsory license
- h) Revocation

i) Forfeiture

**Industrial Designs:** It also protects industrial designs, right of priority, compulsory license relating to industrial designs and others.

With regards to the trade mark the convention provides the following kinds of protections:

1. Trademarks
2. Service marks
3. Well-known marks
4. Trade names

It also prevents counterfeiting of trademarks by the means of "false indications".

## **ORGANIZATIONAL SETUP**

### **ASSEMBLY**

- The Assembly is the top most decision making body.
- It meets at least once in two years.
- All member countries are represented in the Assembly known as delegates,
- One half of the total strength of the members of the Assembly is the quorum of the

### **Assembly**

- Decisions have to be taken on the basis of 2/3 majority.
- Every delegate carries one vote.
- It appoints director general of the Union.
- It elects the members of the executive committee. It can appoint committees and other authorities to carry out the function
- It has power to amend the agreement. It has the power to review, monitor implementation and operation of the provision of the convention.

### **EXECUTIVE COMMITTEE**

- It is the executive wing of the Union
- It is a permanent body
- It is accountable and answerable to the Assembly

- One half of the total strength of the committee will constitute the quorum of the meeting of the committee
- Decisions have to take on the basis of 2/3 majority

## **SECRETARIAT**

- International bureau functioning under the WIPO, serves as a secretariat for the Paris union
- It is headed by a Director General
- Director General serves as the chief executive officer (CEO) as well as the president of the organization
- It performs various functions including coordination of various wings
- It provides secretarial services to Paris Union.
- It publishes the journal containing various information relating to industrial property

There are various provisions within the convention exclusively dealing with the Patent.

Objective clause expressly deals with the patent, the provision reads as: “ it should be noted the word patent and utility model has been used. It is interesting to note that the Paris convention protects various kinds of industrial properties. It provides top most priority to the patent. That is why the word patent appears at the very beginning of the objective clause. It is to be noted the concept of utility models closely associated with the patent”.

With regard to the types of patent the convention provides: “Patents shall include the various kinds of industrial patents recognized by the laws of the countries of the union, such as patents of importation, patents of improvement and certificates of addition etc”.

The Paris Convention lays down the procedures and conditions relating to right to priority in the case of Patent:

- The convention uses the word “any person who has filed the application for the patent” has been used.
- The date of priority starts form the date of the filing date.

- The convention also allows the multiple priority.
- The exploitation of the invention within a period of one from the filing date ipso facto will not invalidate the right of priority.
- The right of priority cannot be refused only on the ground that certain elements of the invention has not been specifically claimed provided the whole claim and the documents associated with which discloses the invention clearly and sufficiently.
- It treats equally the applicant of the patent and the applicant of the inventor's certificate in the case of right of priority and it should be noted that the consequences are same.

The Paris Convention makes clear that that the nature of the goods or the products for which the patent is applied shall in no case form an obstacle for obtaining patent. The Paris convention provides not only rights to right holders but also lays down reasonable restriction upon the exercise of the rights of the patentee. The convention provides preventive measures in the form of Compulsory License, Revocation, and Forfeiture.

#### **Measure to prevent abuse of patent**

The Paris convention provides not only rights to right holders but also lays down reasonable restriction upon the exercise of the rights of the patentee. It should be noted that it prohibits the member countries from unreasonable interference or unjustifiable intervention by the state in the exercise of the rights of the right holders

It provides the following preventive measures:

1. Compulsory license
2. Revocation
3. Forfeiture

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### **6.3 Berne Convention for the Protection of Literary and Artistic Works (1886)**

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This convention aims to protect in as effective and uniform a manner as possible the rights of authors over their literary and artistic works. The Berne

Convention as it stands now contains the revised Articles 1 to 20 of the original draft with an Appendix dealing with developing countries which replaces the Protocol regarding developing countries. The rights of the authors recognized under the Berne Convention are the moral rights which includes the right to publication, the right to paternity and the right to integrity, the right to translation, right of reproduction, right to broadcast, right to adaptation, the recording rights with respect to the sound recordings

Article 1 provides to constitute a Union for the protection of the rights of authors over the literary and artistic works.

**Literary and artistic works** : the term literary and artistic work has been provided under Article 2 as "The term "literary and artistic works" shall include every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression, such as books, pamphlets and other writings; lectures, addresses, sermons and other works of the same nature; dramatic or dramatico-musical works; choreographic works and entertainments in dumb show, the acting form of which is fixed in writing or otherwise; musical compositions with or without words; cinematographic works and works produced by a process analogous to cinematography; works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works and works produced by a process analogous to photography; works of applied art; illustrations, geographical charts, plans, sketches and plastic works relative to geography, topography, architecture or science.

- (1) Translations, adaptations, arrangements of music and other alterations of a literary or artistic work shall be protected as original works without prejudice to the rights of the author of the original work. It shall, however, be a matter for legislation in Countries of the Union to determine the protection to be granted to translations of official texts of a legislative, administrative and legal nature.
- (2) Collections of literary or artistic works such as encyclopedias and anthologies which by reason of the selection and arrangement of their contents constitute intellectual creations shall be protected as such without prejudice to the rights of the authors in respect of each of the works forming part of such collections.

- (3) The works mentioned in this Article shall enjoy protection in all countries of the Union. This protection shall operate for the benefit of the author and his legal representatives and assignees.
- (4) It shall be a matter for legislation in the countries of the Union to determine the extent of the application of their laws to works of applied art and industrial designs and models, as well as the conditions under which such works, designs and models shall be protected.

Works protected in the Country of origin solely as designs and models shall be entitled in other Countries of the Union only to such protection as shall be accorded to designs and models in such Countries

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## **6.4 PATENT COOPERATION TREATY (PCT)**

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Patent Cooperation Treaty (PCT) is one of the vital treaties relating to the international patent system. PCT is a WIOPs sponsored treaty administered by WIPO. There has been modification and revision in this treaty to accommodate the changing requirement of time. The PCT consists of a Preamble and 69 Articles. The objects of PCT can be studied as :

- Protection and promotion of science and technology
- To promote the perfection of legal system for the protection of the invention
- Simplification of the procedure relating to the patents
- Making the patent system more economy friendly
- Framing of uniform procedures
- Promotion of access
- To the information relating to know how and technology development
- Creation of uniform and effective procedure relating to the international filling, international search and international preliminary examination relating to patent.
- To obtain the desired objects establishment of the union called Patent Cooperation Union (IPCU).

### **Substantive provisions**

Various definitions have been provided in the convention like the definition of the prior art, definition of the test of Novelty, utility, non obviousness, inventive step, capable of industrial application , industry, drawing, description, claim, priority date.

### **Procedure for filing international application**

The convention provides procedure regarding to the filing of International Application. The convention further provides the content to be mentioned in an application for patent. The application must be in the prescribed format, prescribed language along with the request for international patent in the specified designated countries. It should indicate the details relating to the inventor. The convention provides the list of documents to be furnished while accompanying the application. Further the application shall be processed and examined..

**Contents of Application:** the following contents should be there in an application: The application must be in the prescribed format, prescribed language along with the request for international patent in the specified designated countries.

- a) It should indicate the details relating to the inventor
- b) It should furnish the information relating to the applicant including name of the applicant, residence, nationality and others.
- c) Information relating to the agent should also be furnished, if any
- d) It should be duly signed by the applicant or his agent<sup>67</sup>
- e) It should duly accompany the prescribed fee<sup>68</sup>
- f) It should specify the designated offices for the purpose of securing patent protection in the relevant countries.
- g) It should specify the elected office for the purposes of usage of international preliminary examination results.

### **Documents to be furnished:**

The application should accompany the following document

- a) There shall be a description
- b) It should accompany a drawing
- c) There should be a precise, specific and concise claim.
- d) There shall be abstract and other necessary supporting documents.

### **Processing of application**

- a) The receiving office must keep a copy with it, that copy is popularly known as "home copy"

- b) It should send a copy to the international bureau; this copy is known as “record copy”. Thereafter it will be sent for international search by the international bureau to the international searching authority.

**International Search:** The international searching authority will make a thorough international search relating to the prior art relating to the invention claimed in the application. If it is successful it will send a report called international search report otherwise it send a declaration that the application is not fit for international search.

**Procedure of International Examination:** the procedure for international examination shall begin with the demand made for international preliminary examination by the applicant in the prescribed form along with prescribed fee. If the international preliminary examination is successful it will send the report certifying that the invention claimed complies the Novelty, Utility and Non Obviousness test and fulfill the criteria for patentability like as novelty, inventive step and capable of industrial application. International search reports as well as international preliminary examination reports are highly confidential in nature. Nobody can reveal it without the consent of the applicant.

### **ORGANIZATIONAL SETUP**

It has the following organizational setup bases upon following hierarchy,

1. Assembly
2. Executive committee
3. International bureau
4. Technical assistance committee

### **ASSEMBLY**

- The assembly has the biennial meeting
- It is the top most decision making body
- It has the power to carryout amendments and review the working of the treaty
- It elects executive committee members’
- It appoints members for the technical assistance committee
- It approves the budget of the union.

- It recognizes and approves a constitution of international searching authority, international preliminary examination authority.

#### **EXECUTIVE COMMITTEE:**

This is the executive wing of the union. Its members are elected by the assembly. It prepares the draft agenda for the meeting of the assembly and makes draft proposal including budget for the approval of the assembly International bureau:81

1. It acts as the secretariat wing of the union
2. It is headed by the director general
3. It performs various functions under this treaty including facilitating the access of technical information's to the member countries
4. It publishes international research report and international preliminary examination report.
5. It transmits the copies and the necessary communication to the elected office, designated office and applicant.

#### **AUTHORITIES FUNCTIONING UNDER THIS TREATY:**

The following authorities are functions under this treaty

1. International searching authority
2. International preliminary examination authority
3. Receiving office
4. Elected office
5. Designated office

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## **6.5 TRIPs Agreement, 1994**

TRIPS is an agreement which is a part of the World Trade Organisation agreement signed in Marrkesh in April 1994. TRIPS deals with all aspects of intellectual property, including patents. It represents an important step in the evolution of a single set of intellectual property standards for the whole world.

On April 15, 1994, the signatory nations of the General Agreement on Tariffs and Trade (GATT) signed an Agreement of Trade Related Aspects of Intellectual Property (TRIPS). As the name suggests, this agreement is aimed at harmonizing national laws on protection of intellectual property and strengthening the overall IP regime for better protection and enforcement of intellectual property

rights. However, the most contrasting feature of this agreement is that via this agreement, WTO introduced for the first time interlinking of trade and IP rights, which until now were being practiced on parallel plains. Before the WTO, the World Intellectual Property Organization (WIPO) was governing the IP rights. The world trade regime and intellectual property movement were so disconnected that in fact, the 1947 GATT mentioned intellectual property rights only in passing. However, as the WTO Agreement was being negotiated, the U.S. and other developed nations insisted that the new trade institution link IP rights to the terms of trade for goods and services. As a result, the WTO Final Act included the new TRIPS Agreement as part of a newly conceptualized trade regime.

The TRIPS Agreement is unlike other agreements in WTO because it establishes a minimum degree of protection for IP rights. Under the TRIPS Agreement, WTO members may enact more stringent IP standards than the WTO stipulates, but they cannot fall below the required floor. On the face of it, the Agreement deals with different forms of IP, including the patents. The agreement provides for in a separate chapter (chapter-V), patent protections for innovations in all fields of technologies. Article 27-34 are the most pertinent parts of the agreement in terms of patent protection. Those Articles require Members to provide a minimal standard of protection for inventions for twenty years from the patent application filing date. Importantly, they also require Members to make patent protection available for inventions, whether products or processes. Pharmaceutical products and processes being one such field of technology, therefore, qualify for patent protections under the agreement and all the patent related privileges and protections also extend to these products and process. In this scheme of patent protection, Article 28 of the agreement confers a pharmaceutical patentee with certain exclusive rights in relation to his/her patented inventions which, includes the right to exclude others from the use of patented product or process. Therefore, barring exceptional situations as expressly recognized by the agreement, no one can exercise those rights, related to a patented invention without the permission of patentee. Further, under article 70.8 and 70.9, all WTO Members were required to implement the so-called mailbox system and the exclusive marketing rights (EMR) provision embodied in the above two articles starting as of the date of entry into force of the TRIPS Agreement (1 January 1995). This means establishing systems for receiving and filing pharmaceutical and

agricultural chemical product patent applications for later review (mail-box rule) as well as providing exclusive marketing rights for those products that are the subject of the mailbox rule. EMRs appear to be very similar to patent rights under the obligation of the TRIPS Agreement and are possibly even stronger than patent rights. Article 7 of the agreement provides that the protection and enforcement of intellectual property rights should contribute not only to the promotion of technological innovation but also to the transfer and dissemination of technology to the mutual advantage of producers and users of technological knowledge in a manner conducive to social and economic welfare and which balances rights and obligations. Further, Article 8(1) provides that, when Members implement the TRIPS Agreement, they may adopt measures necessary to protect public health and nutrition and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided such measures are consistent with the provisions of the Agreement. Still further, Article 27.2 recognizes the conflict between intellectual property and public health when it ambiguously states that a patent is not required for an invention, product, or process which is necessary to protect public health. It has been argued that under this Article such medicines as drugs for AIDS should not be subject to TRIPS at all since these products are necessary to protect public health, however, rejoinders have been voiced arguing that 27(2) simply means that dangerous products should be excluded from patentability. Similarly, Article 30 provides for granting members the right to legislate for limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties. Above all and most importantly, TRIPS Article 31 permits Members to grant compulsory licenses for patented products and processes under limited circumstances and upon satisfying certain conditions. Under a compulsory license, a government is empowered to allow the production of a patented product without the necessary permission from the patent holder. In terms of pharmaceutical products and public health, the aim of the practice is to allow countries to produce low-cost generic equivalents of the patented product in certain circumstances and under certain guidelines.

The coming in force of the Agreement on the Trade Related Aspects of Intellectual Property (TRIPs) in 1994. Essentially an annexure to the agreement leading to formation of the World Trade Organization, the said TRIPs agreement sought to harmonize the intellectual property law regimes in the different nations of the world. The said harmonization was to be done with adhering to the minimum qualifications laid down in the agreement, which incidentally were broadly conceptualized with reference to the IPR regimes in the developed countries. The developing countries and the least developed countries were allowed a transition period after which they are bound to adhere to the agreement.

### **OBJECTIVES OF TRIPS**

Objectives stipulated in the preamble of the TRIPS agreement are as .

- 1) Prevention of the distortion and independent in the international trade.
- 2) Availability of adequate and effective means of protection of intellectual property rights.
- 3) Need to create minimum uniform rules to ensure the standard availability scope of intellectual property rights.
- 4) Creation of viable, sound technological base to the development of least developed countries. (LDC).
- 5) Provision of adequate and effective means of enforcement of IPRs.
- 6) Creation of mutual supportive relation between WTO and World intellectual property Organization (WIPO).
- 7) Promotion of co-operation between WTO and other international organization in the field of IPR.
- 8) Promotion of co-operation in the prevention of international trade in counterfeit goods.
- 9) Recognition of IPR's as the private rights
- 10) Recognition of the objective of public policy of the national interest to develop socio, economic and technological developmental needs.

**Part I of TRIPS provides following objectives as :** Encouragement of Technology transfer, finalization of technology development, promotion of socio-economic, owners of IPR and the consumers of IPR, protection of certain vital important sector, prevention of abasement of intellectual property rights.

The TRIPS can be classified in to following main parts:

**PART I** General Provisions and Basic Principles.

**PART II** Standards Concerning the Availability, Scope and Use of Intellectual Property Rights

**PART III** Enforcement of Intellectual Property Rights

**PART IV** Acquisition and Maintenance of Intellectual Property Rights and Related *Inter-Partes* Procedures

**PART V** Dispute Prevention and Settlement

**PART VI** Transitional Arrangements

**PART VII** Institutional Arrangements; Final Provisions

## **PART I :General Provisions and Basic Principles**

### *Nature and Scope of Obligations*

Members shall give effect to the provisions of this Agreement. Members may, but shall not be obliged to, implement in their law more extensive protection than is required by this Agreement, provided that such protection does not contravene the provisions of this Agreement. Members shall be free to determine the appropriate method of implementing the provisions of this Agreement within their own legal system and practice.

Members shall accord the treatment provided for in this Agreement to the nationals of other Members. In respect of the relevant intellectual property right, the nationals of other Members shall be understood as those natural or legal persons that would meet the criteria for eligibility for protection provided for in the Paris Convention (1967), the Berne Convention (1971), the Rome Convention and the Treaty on Intellectual Property in Respect of Integrated Circuits, were all Members of the WTO members of those conventions

### ***National Treatment***

1. Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property, subject to the exceptions already provided in, respectively, the Paris Convention (1967), the Berne Convention (1971), the Rome Convention or the Treaty on Intellectual Property in Respect of Integrated Circuits. In respect of performers, producers of phonograms and broadcasting organizations, this obligation only applies in respect of the rights provided under this Agreement. Any Member availing itself of the possibilities provided in Article 6 of the Berne

Convention (1971) or paragraph 1(b) of Article 16 of the Rome Convention shall make a notification as foreseen in those provisions to the Council for TRIPS.

2. Members may avail themselves of the exceptions permitted under paragraph 1 in relation to judicial and administrative procedures, including the designation of an address for service or the appointment of an agent within the jurisdiction of a Member, only where such exceptions are necessary to secure compliance with laws and regulations which are not inconsistent with the provisions of this Agreement and where such practices are not applied in a manner which would constitute a disguised restriction on trade.

### **Most-Favoured-Nation Treatment**

With regard to the protection of intellectual property, any advantage, favour, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members. Exempted from this obligation are any advantage, favour, privilege or immunity accorded by a Member:

- (a) deriving from international agreements on judicial assistance or law enforcement of a general nature and not particularly confined to the protection of intellectual property;
- (b) granted in accordance with the provisions of the Berne Convention (1971) or the Rome Convention authorizing that the treatment accorded be a function not of national treatment but of the treatment accorded in another country;
- (c) in respect of the rights of performers, producers of phonograms and broadcasting organizations not provided under this Agreement;
- (d) deriving from international agreements related to the protection of intellectual property which entered into force prior to the entry into force of the WTO Agreement, provided that such agreements are notified to the Council for TRIPS and do not constitute an arbitrary or unjustifiable discrimination against nationals of other Members.

### **Objectives :**

Article 7 discusses about the objectives. The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.

Article 8 further provides that :

1. Members may, in formulating or amending their laws and regulations, adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the provisions of this Agreement.
2. Appropriate measures, provided that they are consistent with the provisions of this Agreement, may be needed to prevent the abuse of intellectual property rights by right holders or the resort to practices which unreasonably restrain trade or adversely affect the international transfer of technology.

## **Part II — Standards concerning the availability, scope and use of Intellectual Property Rights**

### ***Article 9 Relation to the Berne Convention***

Members shall comply with Articles 1 through 21 of the Berne Convention (1971) and the Appendix thereto. Copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such.

### ***Article 10 Computer Programs and Compilations of Data***

Computer programs, whether in source or object code, shall be protected as literary works under the Berne Convention (1971). Compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents constitute intellectual creations shall be protected as such. Such protection, which shall not extend to the data or material itself, shall be without prejudice to any copyright subsisting in the data or material itself.

### ***Article 11 Rental Rights***

In respect of at least computer programs and cinematographic works, a Member shall provide authors and their successors in title the right to authorize or to prohibit the commercial rental to the public of originals or copies of their copyright works. A Member shall be excepted from this obligation in respect of cinematographic works unless such rental has led to widespread copying of such works which is materially impairing the exclusive right of reproduction conferred in that Member on authors and their successors in title. In respect of computer programs, this obligation does not apply to rentals where the program itself is not the essential object of the rental.

### ***Article 12 Term of Protection***

Whenever the term of protection of a work, other than a photographic work or a work of applied art, is calculated on a basis other than the life of a natural person, such term shall be no less than 50 years from the end of the calendar year of authorized publication, or, failing such authorized publication within 50 years from the making of the work, 50 years from the end of the calendar year of making.

### **Article 13 Limitations and Exceptions**

Members shall confine limitations or exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder.

### **Article 14 Protection of Performers, Producers of Phonograms(Sound Recordings) and Broadcasting Organizations**

1. In respect of a fixation of their performance on a phonogram, performers shall have the possibility of preventing the following acts when undertaken without their authorization: the fixation of their unfixed performance and the reproduction of such fixation. Performers shall also have the possibility of preventing the following acts when undertaken without their authorization: the broadcasting by wireless means and the communication to the public of their live performance.
2. Producers of phonograms shall enjoy the right to authorize or prohibit the direct or indirect reproduction of their phonograms.

3. Broadcasting organizations shall have the right to prohibit the following acts when undertaken without their authorization: the fixation, the reproduction of fixations, and the rebroadcasting by wireless means of broadcasts, as well as the communication to the public of television broadcasts of the same. Where Members do not grant such rights to broadcasting organizations, they shall provide owners of copyright in the subject matter of broadcasts with the possibility of preventing the above acts, subject to the provisions of the Berne Convention (1971).
4. The provisions of Article 11 in respect of computer programs shall apply *mutatis mutandis* to producers of phonograms and any other right holders in phonograms as determined in a Member's law. If on 15 April 1994 a Member has in force a system of equitable remuneration of right holders in respect of the rental of phonograms, it may maintain such system provided that the commercial rental of phonograms is not giving rise to the material impairment of the exclusive rights of reproduction of right holders.
5. The term of the protection available under this Agreement to performers and producers of phonograms shall last at least until the end of a period of 50 years computed from the end of the calendar year in which the fixation was made or the performance took place. The term of protection granted pursuant to paragraph 3 shall last for at least 20 years from the end of the calendar year in which the broadcast took place.
6. Any Member may, in relation to the rights conferred under paragraphs 1, 2 and 3, provide for conditions, limitations, exceptions and reservations to the extent permitted by the Rome Convention. However, the provisions of Article 18 of the Berne Convention (1971) shall also apply, *mutatis mutandis*, to the rights of performers and producers of phonograms in phonograms.

## **Subject Matter of Trade Mark**

### ***Article 15 Protectable Subject Matter***

1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as

trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.

2. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.
3. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.
4. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In addition, Members may afford an opportunity for the registration of a trademark to be opposed.

### ***Article 16 Rights Conferred***

The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

2. Article 6*bis* of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.
3. Article 6*bis* of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the

owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.

### ***Licensing and Assignment***

Members may determine conditions on the licensing and assignment of trademarks, it being understood that the compulsory licensing of trademarks shall not be permitted and that the owner of a registered trademark shall have the right to assign the trademark with or without the transfer of the business to which the trademark belongs.

### **Protection of Geographical Indications**

#### **Article 22 Protection of Geographical Indications**

1. Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.
2. In respect of geographical indications, Members shall provide the legal means for interested parties to prevent:
  - (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;
  - (b) any use which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention (1967).
3. A Member shall, *ex officio* if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.
4. The protection under paragraphs 1, 2 and 3 shall be applicable against a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory.

## **Article 23 Additional Protection for Geographical Indications for Wines and Spirits**

1. Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as “kind”, “type”, “style”, “imitation” or the like.
2. The registration of a trademark for wines which contains or consists of a geographical indication identifying wines or for spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidated, *ex officio* if a Member’s legislation so permits or at the request of an interested party, with respect to such wines or spirits not having this origin.
3. In the case of homonymous geographical indications for wines, protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22. Each Member shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.
4. In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.

### **Industrial designs**

## **Article 25 Requirements for Protection**

1. Members shall provide for the protection of independently created industrial designs that are new or original. Members may provide that designs are not new or original if they do not significantly differ from known designs or combinations of known design features. Members may provide that such protection shall not extend to designs dictated essentially by technical or functional considerations.

2. Each Member shall ensure that requirements for securing protection for textile designs, in particular in regard to any cost, examination or publication, do not unreasonably impair the opportunity to seek and obtain such protection. Members shall be free to meet this obligation through industrial design law or through copyright law.

### ***Patentable Subject Matter***

1. Subject to the provisions of paragraphs 2 and 3, patents shall be available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application. Subject to paragraph 4 of Article 65, paragraph 8 of Article 70 and paragraph 3 of this Article, patents shall be available and patent rights enjoyable without discrimination as to the place of invention, the field of technology and whether products are imported or locally produced.
2. Members may exclude from patentability inventions, the prevention within their territory of the commercial exploitation of which is necessary to protect *ordre public* or morality, including to protect human, animal or plant life or health or to avoid serious prejudice to the environment, provided that such exclusion is not made merely because the exploitation is prohibited by their law.
3. Members may also exclude from patentability:
  - (a) diagnostic, therapeutic and surgical methods for the treatment of humans or animals;
  - (b) plants and animals other than micro-organisms, and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes. However, Members shall provide for the protection of plant varieties either by patents or by an effective *sui generis* system or by any combination thereof. The provisions of this subparagraph shall be reviewed four years after the date of entry into force of the WTO Agreement.

### **Layout-designs (topographies) of integrated circuits**

#### **Article 35 Relation to the IPIC Treaty :**

Members agree to provide protection to the layout-designs (topographies) of integrated circuits (referred to in this Agreement as “layout-designs”) in accordance with Articles 2 through 7 (other than paragraph 3 of Article 6), Article 12 and paragraph 3 of Article 16 of the Treaty on Intellectual Property in

Respect of Integrated Circuits and, in addition, to comply with the following provisions.

#### **Article 39 Protection of undisclosed information**

1. In the course of ensuring effective protection against unfair competition as provided in Article 10*bis* of the Paris Convention (1967), Members shall protect undisclosed information in accordance with paragraph 2 and data submitted to governments or governmental agencies in accordance with paragraph 3.
2. Natural and legal persons shall have the possibility of preventing information lawfully within their control from being disclosed to, acquired by, or used by others without their consent in a manner contrary to honest commercial practices so long as such information:
  - (a) is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;
  - (b) has commercial value because it is secret; and
  - (c) has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.
3. Members, when requiring, as a condition of approving the marketing of pharmaceutical or of agricultural chemical products which utilize new chemical entities, the submission of undisclosed test or other data, the origination of which involves a considerable effort, shall protect such data against unfair commercial use. In addition, Members shall protect such data against disclosure, except where necessary to protect the public, or unless steps are taken to ensure that the data are protected against unfair commercial use.

### **Part III — Enforcement of Intellectual Property Rights**

#### **Article 41 General obligations**

1. Members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

2. Procedures concerning the enforcement of intellectual property rights shall be fair and equitable. They shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.
3. Decisions on the merits of a case shall preferably be in writing and reasoned. They shall be made available at least to the parties to the proceeding without undue delay. Decisions on the merits of a case shall be based only on evidence in respect of which parties were offered the opportunity to be heard.
4. Parties to a proceeding shall have an opportunity for review by a judicial authority of final administrative decisions and, subject to jurisdictional provisions in a Member's law concerning the importance of a case, of at least the legal aspects of initial judicial decisions on the merits of a case. However, there shall be no obligation to provide an opportunity for review of acquittals in criminal cases.
5. It is understood that this Part does not create any obligation to put in place a judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law in general, nor does it affect the capacity of Members to enforce their law in general. Nothing in this Part creates any obligation with respect to the distribution of resources as between enforcement of intellectual property rights and the enforcement of law in general.

## **Section 2: civil and administrative procedures and remedies**

### **Article 42 Fair and Equitable Procedures**

Members shall make available to right holders civil judicial procedures concerning the enforcement of any intellectual property right covered by this Agreement. Defendants shall have the right to written notice which is timely and contains sufficient detail, including the basis of the claims. Parties shall be allowed to be represented by independent legal counsel, and procedures shall not impose overly burdensome requirements concerning mandatory personal appearances. All parties to such procedures shall be duly entitled to substantiate their claims and to present all relevant evidence. The procedure shall provide a means to identify and protect confidential information, unless this would be contrary to existing constitutional requirements.

### **Article 45 Damages**

1. The judicial authorities shall have the authority to order the infringer to pay the right holder damages adequate to compensate for the injury the right holder has suffered because of an infringement of that person's intellectual property right by an infringer who knowingly, or with reasonable grounds to know, engaged in infringing activity.
2. The judicial authorities shall also have the authority to order the infringer to pay the right holder expenses, which may include appropriate attorney's fees. In appropriate cases, Members may authorize the judicial authorities to order recovery of profits and/or payment of pre-established damages even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity.

#### **Part IV — Acquisition and maintenance of intellectual property rights and related *inter-partes* procedures**

##### **Article 62**

1. Members may require, as a condition of the acquisition or maintenance of the intellectual property rights provided for under Sections 2 through 6 of Part II, compliance with reasonable procedures and formalities. Such procedures and formalities shall be consistent with the provisions of this Agreement.
2. Where the acquisition of an intellectual property right is subject to the right being granted or registered, Members shall ensure that the procedures for grant or registration, subject to compliance with the substantive conditions for acquisition of the right, permit the granting or registration of the right within a reasonable period of time so as to avoid unwarranted curtailment of the period of protection.
3. Article 4 of the Paris Convention (1967) shall apply *mutatis mutandis* to service marks.
4. Procedures concerning the acquisition or maintenance of intellectual property rights and, where a Member's law provides for such procedures, administrative revocation and *inter partes* procedures such as opposition, revocation and cancellation, shall be governed by the general principles set out in paragraphs 2 and 3 of Article 41.
5. Final administrative decisions in any of the procedures referred to under paragraph 4 shall be subject to review by a judicial or quasi-judicial authority.

However, there shall be no obligation to provide an opportunity for such review of decisions in cases of unsuccessful opposition or administrative revocation, provided that the grounds for such procedures can be the subject of invalidation procedures.

## **Part V — Dispute Prevention and Settlement**

### ***Article 64 Dispute Settlement***

1. The provisions of Articles XXII and XXIII of GATT 1994 as elaborated and applied by the Dispute Settlement Understanding shall apply to consultations and the settlement of disputes under this Agreement except as otherwise specifically provided herein.
2. Subparagraphs 1(b) and 1(c) of Article XXIII of GATT 1994 shall not apply to the settlement of disputes under this Agreement for a period of five years from the date of entry into force of the WTO Agreement.
3. During the time period referred to in paragraph 2, the Council for TRIPS shall examine the scope and modalities for complaints of the type provided for under subparagraphs 1(b) and 1(c) of Article XXIII of GATT 1994 made pursuant to this Agreement, and submit its recommendations to the Ministerial Conference for approval. Any decision of the Ministerial Conference to approve such recommendations or to extend the period in paragraph 2 shall be made only by consensus, and approved recommendations shall be effective for all Members without further formal acceptance process.

## **Part VI — Transitional Arrangement**

### **Article 65 Transitional Arrangements**

1. Subject to the provisions of paragraphs 2, 3 and 4, no Member shall be obliged to apply the provisions of this Agreement before the expiry of a general period of one year following the date of entry into force of the WTO Agreement.
2. A developing country Member is entitled to delay for a further period of four years the date of application, as defined in paragraph 1, of the provisions of this Agreement other than Articles 3, 4 and 5.
3. Any other Member which is in the process of transformation from a centrally-planned into a market, free-enterprise economy and which is undertaking structural reform of its intellectual property system and facing special problems in the preparation and implementation of intellectual property laws

and regulations, may also benefit from a period of delay as foreseen in paragraph 2.

4. To the extent that a developing country Member is obliged by this Agreement to extend product patent protection to areas of technology not so protectable in its territory on the general date of application of this Agreement for that Member, as defined in paragraph 2, it may delay the application of the provisions on product patents of Section 5 of Part II to such areas of technology for an additional period of five years.
5. A Member availing itself of a transitional period under paragraphs 1, 2, 3 or 4 shall ensure that any changes in its laws, regulations and practice made during that period do not result in a lesser degree of consistency with the provisions of this Agreement.

## **Part VII — Institutional arrangements; final provisions**

### **Article 68 Council for Trade-Related Aspects of Intellectual Property Rights :**

The Council for TRIPS shall monitor the operation of this Agreement and, in particular, Members' compliance with their obligations hereunder, and shall afford Members the opportunity of consulting on matters relating to the trade-related aspects of intellectual property rights. It shall carry out such other responsibilities as assigned to it by the Members, and it shall, in particular, provide any assistance requested by them in the context of dispute settlement procedures. In carrying out its functions, the Council for TRIPS may consult with and seek information from any source it deems appropriate. In consultation with WIPO, the Council shall seek to establish, within one year of its first meeting, appropriate arrangements for cooperation with bodies of that Organization.

### **Article 69 International Cooperation**

Members agree to cooperate with each other with a view to eliminating international trade in goods infringing intellectual property rights. For this purpose, they shall establish and notify contact points in their administrations and be ready to exchange information on trade in infringing goods. They shall, in particular, promote the exchange of information and cooperation between customs authorities with regard to trade in counterfeit trademark goods and pirated copyright goods.

### **Article 70 Protection of Existing Subject Matter**

1. This Agreement does not give rise to obligations in respect of acts which occurred before the date of application of the Agreement for the Member in question.
2. Except as otherwise provided for in this Agreement, this Agreement gives rise to obligations in respect of all subject matter existing at the date of application of this Agreement for the Member in question, and which is protected in that Member on the said date, or which meets or comes subsequently to meet the criteria for protection under the terms of this Agreement. In respect of this paragraph and paragraphs 3 and 4, copyright obligations with respect to existing works shall be solely determined under Article 18 of the Berne Convention (1971), and obligations with respect to the rights of producers of phonograms and performers in existing phonograms shall be determined solely under Article 18 of the Berne Convention (1971) as made applicable under paragraph 6 of Article 14 of this Agreement.
3. There shall be no obligation to restore protection to subject matter which on the date of application of this Agreement for the Member in question has fallen into the public domain.
4. In respect of any acts in respect of specific objects embodying protected subject matter which become infringing under the terms of legislation in conformity with this Agreement, and which were commenced, or in respect of which a significant investment was made, before the date of acceptance of the WTO Agreement by that Member, any Member may provide for a limitation of the remedies available to the right holder as to the continued performance of such acts after the date of application of this Agreement for that Member. In such cases the Member shall, however, at least provide for the payment of equitable remuneration.
5. A Member is not obliged to apply the provisions of Article 11 and of paragraph 4 of Article 14 with respect to originals or copies purchased prior to the date of application of this Agreement for that Member.
6. Members shall not be required to apply Article 31, or the requirement in paragraph 1 of Article 27 that patent rights shall be enjoyable without discrimination as to the field of technology, to use without the authorization of the right holder where authorization for such use was granted by the government before the date this Agreement became known.

7. In the case of intellectual property rights for which protection is conditional upon registration, applications for protection which are pending on the date of application of this Agreement for the Member in question shall be permitted to be amended to claim any enhanced protection provided under the provisions of this Agreement. Such amendments shall not include new matter.
8. Where a Member does not make available as of the date of entry into force of the WTO Agreement patent protection for pharmaceutical and agricultural chemical products commensurate with its obligations under Article 27, that Member shall:
  - (a) Notwithstanding the provisions of Part VI, provide as from the date of entry into force of the WTO Agreement a means by which applications for patents for such inventions can be filed;
  - (b) apply to these applications, as of the date of application of this Agreement, the criteria for patentability as laid down in this Agreement as if those criteria were being applied on the date of filing in that Member or, where priority is available and claimed, the priority date of the application; and
  - (c) provide patent protection in accordance with this Agreement as from the grant of the patent and for the remainder of the patent term, counted from the filing date in accordance with Article 33 of this Agreement, for those of these applications that meet the criteria for protection referred to in subparagraph (b).
9. Where a product is the subject of a patent application in a Member in accordance with paragraph 8(a), exclusive marketing rights shall be granted, notwithstanding the provisions of Part VI, for a period of five years after obtaining marketing approval in that Member or until a product patent is granted or rejected in that Member, whichever period is shorter, provided that, subsequent to the entry into force of the WTO Agreement, a patent application has been filed and a patent granted for that product in another Member and marketing approval obtained in such other Member.

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## **6.6 The WIPO Performance and Phonograms Treaty (WPPT), 1996**

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The WIPO Diplomatic Conference on Certain Copyright and Neighboring Rights Questions, held in Geneva in December 1996, adopted two treaties: the WIPO Copyright Treaty (the third section dealt with in this chapter) and the WIPO Performances and Phonograms Treaty (WPPT).

**Relation to Other Conventions Article 1 :**

- (1) Nothing in this Treaty shall derogate from existing obligations that Contracting Parties have to each other under the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations done in Rome, October 26, 1961 (hereinafter the "Rome Convention").
- (2) Protection granted under this Treaty shall leave intact and shall in no way affect the protection of copyright in literary and artistic works. Consequently, no provision of this Treaty may be interpreted as prejudicing such protection.
- (3) This Treaty shall not have any connection with, nor shall it prejudice any rights and obligations under, any other treaties.

**Article 2 Definitions**

**Article 2 (a) "performers"** are actors, singers, musicians, dancers, and other persons who act, sing, deliver, declaim, play in, interpret, or otherwise perform literary or artistic works or expressions of folklore;

**Article 2 (b) "phonogram"** means the fixation of the sounds of a performance or of other sounds, or of a representation of sounds, other than in the form of a fixation incorporated in a cinematographic or other audiovisual work;

**Article 2 (c) "fixation"** means the embodiment of sounds, or of the representations thereof, from which they can be perceived, reproduced or communicated through a device;

**Article 2 (d) "producer of a phonogram"** means the person, or the legal entity, who or which takes the initiative and has the responsibility for the first fixation of the sounds of a performance or other sounds, or the representations of sounds;

**Article 2 (e) "publication"** of a fixed performance or a phonogram means the offering of copies of the fixed performance or the phonogram to the public, with the consent of the right holder, and provided that copies are offered to the public in reasonable quantity;

**Article 2 (f) "broadcasting"** means the transmission by wireless means for public reception of sounds or of images and sounds or of the representations thereof; such

transmission by satellite is also “broadcasting”; transmission of encrypted signals is “broadcasting” where the means for decrypting are provided to the public by the broadcasting organization or with its consent;

**Article 2 (g) “communication to the public”** of a performance or a phonogram means the transmission to the public by any medium, otherwise than by broadcasting, of sounds of a performance or the sounds or the representations of sounds fixed in a phonogram. For the purposes of Article 15, “communication to the public” includes making the sounds or representations of sounds fixed in a phonogram audible to the public.

#### **Article 4 National Treatment**

(1) Each Contracting Party shall accord to nationals of other Contracting Parties, as defined in Article 3(2), the treatment it accords to its own nationals with regard to the exclusive rights specifically granted in this Treaty, and to the right to equitable remuneration provided for in Article 15 of this Treaty.

#### **Article 6 Economic Rights of Performers in their Unfixed Performances**

Performers shall enjoy the exclusive right of authorizing, as regards their performances:

- (i) the broadcasting and communication to the public of their unfixed performances except where the performance is already a broadcast performance; and
- (ii) the fixation of their unfixed performances.

#### **Article 17 Term of Protection to performers**

- (1) The term of protection to be granted to performers under this Treaty shall last, at least, until the end of a period of 50 years computed from the end of the year in which the performance was fixed in a phonogram.
- (2) The term of protection to be granted to producers of phonograms under this Treaty shall last, at least, until the end of a period of 50 years computed from the end of the year in which the phonogram was published, or failing such publication within 50 years from fixation of the phonogram, 50 years from the end of the year in which the fixation was made

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## **6.7 Summary:**

Intellectual property is the property that stems from the exercise of the mind and enjoys legal protection. It is intangible property created by intellectual effort. It

is a product of human intellect and accredited in various forms, namely, copyrights, patents, trademarks, service marks, geographical indications and designs. In the liberalized economy, inventions and patenting of inventions have a great role to play. Intellectual property has international character. Attempts have been made from time to time by international associations for the protection of intellectual property to introduce more and more uniformity and harmonization among national Intellectual Property Rights.

Intellectual property rights exist primarily by virtue of national laws. So called global intellectual property rights are a bundle of nationally enforceable rights.

There are number of multilateral, bilateral and regional obligations for Intellectual Property Rights. International intellectual property laws play an important role in harmonizing national substantive and procedural rules. International regime for intellectual property rights plays a vital role in providing procedures and modalities for negotiating the norms and standards of domestically enforceable intellectual property rights and in the harmonization of national and regional intellectual property norms.

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## **6.8 Self-Assessment Test:**

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- 1) Discuss the international framework for intellectual property.
- 2) Discuss the main features of TRIPS.
- 3) Discuss the main features of Paris Convention.
- 4) Write a note over the Patent Cooperation Treaty (PCT)

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## **6.9 Further Readings:**

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1. TRIPS Agreement
2. Resource Book on TRIPS and development Cambridge University Press
3. Patent Cooperation Treaty
4. <http://www.wipo.int/treaties>
5. [www.wto.org](http://www.wto.org)

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# Unit – 7

## Role of International Institutions in Protection of IPRs

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### Objectives:

The objective of this unit is to acquaint the students with the role of International institutions in protection of Intellectual Property Rights.

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### Structure:

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- 7.1 Introduction
- 7.2 Role of WTO in protection of IPR
- 7.3 Role of WIPO in IPR protection
- 7.4 Summary
- 7.5 Self-Assessment Test:
- 7.6 Further Readings

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### 7.1 Introduction :

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Intellectual property has been widened in scope due to various international institutions pertaining to intellectual property. The World Trade Organization has revolutions the scope of the intellectual property. The contribution of the World Intellectual Property Organization WIPO has also been to further strength the framework for the intellectual property.

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### 7.2 Role of WTO in protection of IPR

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**TRIPS** : On April 15, 1994 the signatory nations of the General Agreement on Tariffs and Trade (GATT) signed an Agreement of Trade Related Aspects of Intellectual Property (TRIPS). In accordance with the TRIPS Agreement countries are free to determine the appropriate method for implementing the Agreement within their own legal system and practice. The TRIPS agreement aims to facilitate stronger protection for intellectual property rights, provides for more consistent

regimes of protection across international borders. Before the WTO, the World Intellectual Property Organization (WIPO) was governing the IP rights.

The TRIPS Agreement provides that WTO member countries must comply with the substantive obligations of the main conventions of WIPO — the Paris Convention on industrial property, and the Berne Convention on copyright.

### **Objectives of TRIPS**

Objectives stipulated in the preamble of the TRIPS agreement are.

- 1) Prevention of the distortion and independent in the international trade.
- 2) Availability of adequate and effective means of protection of intellectual property rights.
- 3) Need to create minimum uniform rules to ensure the standard availability scope of intellectual property rights.
- 4) Creation of viable, sound technological base to the development of least developed countries. (LDC).
- 5) Provision of adequate and effective means of enforcement of IPRs.
- 6) Creation of mutual supportive relation between WTO and World intellectual property Organization (WIPO).
- 7) Promotion of co-operation between WTO and other international organization in the field of IPR.
- 8) Promotion of co-operation in the prevention of international trade in counterfeit goods.
- 9) Recognition of IPR's as the private rights
- 10) Recognition of the objective of public policy of the national interest to develop socio, economic and technological developmental needs

The TRIPS can be classified in to following main parts :

**PART I** General Provisions and Basic Principles.

**PART II** Standards Concerning the Availability, Scope and Use of Intellectual Property Rights

**PART III** Enforcement of Intellectual Property Rights

**PART IV** Acquisition and Maintenance of Intellectual Property Rights and Related *Inter-Partes* Procedures

**PART V** Dispute Prevention and Settlement

**PART VI** Transitional Arrangements

## **PART VII** Institutional Arrangements; Final Provisions

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### **7.3 Role of WIPO in IPR protection**

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The Convention Establishing the World Intellectual Property Organization (WIPO), concluded in Stockholm on July 14, 1967 (Article 2(viii)) provides that “intellectual property shall include rights relating to:

- literary, artistic and scientific works,
- performances of performing artists, phonograms and broadcasts,
- inventions in all fields of human endeavor,
- scientific discoveries,
- industrial designs,
- trademarks, service marks and commercial names and designations,
- protection against unfair competition, and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

#### **Mission of WIPO**

The mission of WIPO is to promote the creation, dissemination, use and protection of works of the human mind for the economic, cultural and social progress of all mankind. Its effect is to contribute to a balance between the stimulation of creativity worldwide, by sufficiently protecting the moral and material interests of creators on the one hand, and providing access to the socio-economic and cultural benefits of such creativity worldwide on the other

#### **Objectives of the WIPO Article 3**

The objectives of the Organization are:

- (i) to promote the protection of intellectual property throughout the world through cooperation among States and, where appropriate, in collaboration with any other international organization,
- (ii) to ensure administrative cooperation among the Unions.

#### **Article 4 Functions of WIPO**

- (i) shall promote the development of measures designed to facilitate the efficient protection of intellectual property throughout the world and to harmonize national legislation in this field;

- (ii) shall perform the administrative tasks of the Paris Union, the Special Unions established in relation with that Union, and the Berne Union;
- (iii) may agree to assume, or participate in, the administration of any other international agreement designed to promote the protection of intellectual property;
- (iv) shall encourage the conclusion of international agreements designed to promote the protection of intellectual property;
- (v) shall offer its cooperation to States requesting legal-technical assistance in the field of intellectual property;
- (vi) shall assemble and disseminate information concerning the protection of intellectual property, carry out and promote studies in this field, and publish the results of such studies;
- (vii) shall maintain services facilitating the international protection of intellectual property and, where appropriate, provide for registration in this field and the publication of the data concerning the registrations;
- (viii) shall take all other appropriate action

There are few significant action taken by the WIPO in the field of intellectual property highlighting the role of WIPO:

- WIPO's has entered into an agreement with the World Trade Organization (WTO), whereby WIPO assists developing countries in the implementation of WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).
- WIPO has been accredited by the Internet Corporation for Assigned Names and Numbers (ICANN) to administer cases filed under ICANN's Uniform Domain Name Dispute Resolution Policy.
- WIPO has launched a project named as worldwide global intellectual property information network (WIPONET) in 1999. WIPONET is aimed for establishment of a secure, global network linking the intellectual property offices of all WIPO's Member States, providing facility for access to and exchange of information worldwide.
- One of the important present-day tasks of WIPO is to demystify intellectual property, so that it is recognized as a part of everyday life not only by those

directly involved in it at governmental, legal, industrial and cultural levels, but also by any others who compose civil society, whether in non-governmental organizations or small businesses, whether farmers, public health personnel, individual creators or simply interested members of the general public.

- By The Adoption of the WIPO Performances and Phonograms Treaty (the WPPT) there has been recognition of the performer's rights.
- WIPO has established The WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore.
- WIPO has made various efforts to reach Intellectual Property community and also to the general public. WIPO is aimed for promoting a general understanding of the role of Intellectual Property and the need to foster and protect it.

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## **7.4 Summary:**

Prior to the United Nations Organization was established, BIPRI was the concerned Intergovernmental Organization in the field of Intellectual property. WIPO being the successor of BIPRI became a specialized agency of the United Nations after signing an agreement between the United Nations and WIPO which came into effect on December 17, 1974.

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## **7.5 Self-Assessment Test:**

- 1) Enumerate the International Institutions for the protection of Intellectual Property Rights.
- 2) Discuss the role of TRIPS in protection of Intellectual Property Rights.
- 3) Write a note on the role of WIPO in protection of Intellectual Property Rights.
- 4) Discuss the organizational structure of WIPO.

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## **7.6 Further Readings:**

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- 1) World Intellectual Property Organization, WIPO Intellectual Property Handbook: Policy, Law and Use.
- 2) <http://www.wipo.int/treaties/en/general/>
- 3) <http://www.unesco.org/new/en/unesco/>
- 4) Watal Jayashree , Intellectual Property Rights in the WTO and Development Countries Oxford University Press.
- 5) The Legal Text, The Result of Uruguay Round of Multilateral Trade Negotiations, World Trade Organization, Cambridge University Press
- 6) W.R Cornish, "Intellectual Property, Patents, Copyright Trademark and allied Rights

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# Unit – 8

## World Intellectual Property Organization (WIPO)

### ( Role, Functions, Memberships and Working)

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#### **Objectives:**

The objective of this unit is to acquaint with an insight of the World Intellectual Property Organization (WIPO). This unit aims to acquaint with the role, membership and working of WIPO. The World Intellectual Property Organization is a specialized agency of the United Nations. WIPO carries out a wide variety of functions related to the protection of Intellectual Property. WIPO aims for transparency and inclusiveness for all the stakeholders to participate in the international framework.

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#### **Structure:**

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- 8.1 Introduction
- 8.2 WIPO
- 8.3 Objectives of WIPO
- 8.4 Functions of WIPO
- 8.5 Membership of WIPO
- 8.6 Organizational Structure of WIPO
- 8.7 PCT: the International Patent System
- 8.8 Summary
- 8.9 Self-Assessment Test
- 8.10 Further Readings:

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#### **8.1 Introduction:**

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WIPO is the outcome of a process that started with an administrative framework established in the late nineteenth century when the two principal treaties for the protection of IP—the 1883 Paris Convention for the Protection of

Industrial Property and the 1886 Berne Convention for the Protection of Literary and Artistic Works were negotiated. As a result of both the conventions there was establishment of an International office to deal with the administrative and financial obligations. However there was lack of formal role, responsibility, authority and secure compliance by member's states with substantive treaty obligations.

In 1893, seven years following the conclusion of the Berne Convention, the Paris and Berne Bureaus were combined to form a single structure—BIRPI.

There were various constraints with BIRPI to respond towards the international patent system such as :

- (a) Its membership consisted mainly of developed European Countries.
- (b) Its jurisdiction was limited in response with the broad mandate of the UN system.
- (c) lack of comparable legal status in relation to other international organizations.

After facing certain constraints the BIRPI was replaced by WIPO. The Convention Establishing the World Intellectual Property Organization (WIPO), concluded in Stockholm on July 14, 1967 (Article 2(viii)) provides that intellectual property shall include rights relating to:

- literary, artistic and scientific works,
  - performances of performing artists, phonograms and broadcasts,
  - inventions in all fields of human endeavor,
  - scientific discoveries,
  - industrial designs,
  - trademarks, service marks and commercial names and designations,
  - protection against unfair competition,
- and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields."

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## 8.2 WIPO

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### Background of WIPO

The 1883 **Paris Convention for the Protection of Industrial Property** was the first major international treaty designed to help the people of one country obtain protection in other countries for their intellectual creations, in the form of

industrial property rights. The *Paris Convention* entered into force in 1884 with 14 Member States.

In 1886, copyright entered the international arena with the Berne Convention for the Protection of Literary and Artistic Works. The aim of this Convention was to help nationals of its Member States obtain international protection of their right to control, and receive payment for, the use of literary and artistic works.

Both the Paris Convention and the Berne Convention set up International Bureaus to carry out administrative tasks, such as organizing meetings of the Member States. In 1893, these two small bureaus united to form an international organization called the United International Bureaus for the Protection of Intellectual Property – best known by its French acronym, **BIRPI**. Based in Berne, Switzerland, with a staff of seven, BIRPI was the predecessor of the WIPO.

In 1960, BIRPI moved to Geneva to be closer to the United Nations (UN) and other international organizations. In 1970, following the entry into force of the **Convention Establishing the World Intellectual Property Organization**, BIRPI became WIPO. In 1974, WIPO became a specialized agency of the UN, with a mandate to administer IP matters recognized by the UN Member States.

WIPO administers a group of treaties which set out internationally agreed rights and obligations, and common standards for protecting IP rights. States which ratify the treaties undertake to recognize these rights and to apply the standards within their own territories.

WIPO actively encourages States to accede to these treaties and to enforce their provisions.

WIPO was established in 1970, following the entry into force of the 1967 WIPO Convention, with a mandate from its Member States to promote the protection of IP throughout the world, through cooperation among states and in collaboration with other international organizations.

The main **decision-making bodies** of the Member States are: The WIPO General Assembly; the WIPO Conference; the WIPO Coordination Committee; and the Assemblies of the Member States of each of the Unions, (e.g. the PCT Union Assembly; the Madrid Union Assembly etc.).

In 1974, WIPO officially became a specialized agency of the UN, formalizing a long history of informal agreements with a step which only further enhanced WIPO's discretionary exercise of authority over global IP norm-setting.

Agreement between the United Nations and the World Intellectual Property Organization :This Agreement entered into effect on December 17, 1974.

The United Nations recognizes the World Intellectual Property Organization as a specialized agency and as being responsible for taking appropriate action in accordance with its basic instrument, treaties and agreements administered by it, inter *alia*, for promoting creative intellectual activity and for facilitating the transfer of technology related to industrial property to the developing countries in order to accelerate economic, social and cultural development.

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### **8.3 Objectives of WIPO :**

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The objectives of the WIPO are:

- (i) to promote the protection of intellectual property throughout the world through cooperation among States and, where appropriate, in collaboration with any other international organization,
- (ii) to ensure administrative cooperation among the Unions.

In order to attain these objectives, WIPO, in addition to performing the administrative tasks of the Unions, undertakes a number of activities, including:

- (i) normative activities, involving the setting of norms and standards for the protection and enforcement of intellectual property rights through the conclusion of international treaties;
- (ii) program activities, involving legal and technical assistance to States in the field of intellectual property;
- (iii) international classification and standardization activities, involving cooperation among industrial property offices concerning patent, trademark and industrial design documentation; and
- (iv) registration and filing activities, involving services related to international applications for patents for inventions and for the registration of marks and industrial designs.

WIPO's mission to promote the effective use and protection of IP worldwide is translated into strategic goals, and into the programs and activities through which WIPO works to achieve these goals. These are detailed in the biennial Program and Budget document, approved by the Member States.

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## **8.4 Functions of WIPO**

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In order to attain the objectives described in Article 3, the Organization, through its appropriate organs, and subject to the competence of each of the Unions:

- (i) shall promote the development of measures designed to facilitate the efficient protection of intellectual property throughout the world and to harmonize national legislation in this field;
- (ii) shall perform the administrative tasks of the Paris Union, the Special Unions established in relation with that Union, and the Berne Union;
- (iii) may agree to assume, or participate in, the administration of any other international agreement designed to promote the protection of intellectual property;
- (iv) shall encourage the conclusion of international agreements designed to promote the protection of intellectual property;
- (v) shall offer its cooperation to States requesting legal-technical assistance in the field of intellectual property;
- (vi) shall assemble and disseminate information concerning the protection of intellectual property, carry out and promote studies in this field, and publish the results of such studies;
- (vii) shall maintain services facilitating the international protection of intellectual property and, where appropriate, provide for registration in this field and the publication of the data concerning the registrations;
- (viii) shall take all other appropriate action.

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## **8.5 Membership of WIPO**

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### **Article 5 Membership**

- (1) Membership in the Organization shall be open to any State which is a member of any of the Unions as defined in Article 2(vii).

- (2) Membership in the Organization shall be equally open to any State not a member of any of the Unions, provided that:
- (i) it is a member of the United Nations, any of the Specialized Agencies brought into relationship with the United Nations, or the International Atomic Energy Agency, or is a party to the Statute of the International Court of Justice, or
  - (ii) it is invited by the General Assembly to become a party to this Convention.

Membership in WIPO is open to any State that is a member of any of the Unions and to any other State satisfying one of the following conditions:

- (i) it is a member of the United Nations, any of the specialized agencies brought into relationship with the United Nations, or the International Atomic Energy Agency;
- (ii) it is a party to the Statute of the International Court of Justice; or
- (iii) it has been invited by the General Assembly of WIPO to become a party to the Convention.

To become a member, a State must deposit an instrument of ratification or accession with the Director General of WIPO at Geneva. States party to the Paris or Berne Conventions may become members of WIPO only if they are already bound by, or concurrently ratify or accede to, at least the administrative provisions of the Stockholm (1967) Act of the Paris Convention or of the Paris (1971) Act of the Berne Convention.

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## **8.6 Organizational Structure of WIPO :**

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The basic document of WIPO is the constitution of the convention signed at Stockholm in 1967.

Three organs have been established by the WIPO Convention:

- a) The WIPO General Assembly
- b) The WIPO Conference
- c) The WIPO Coordinating Committee
- d) the International Bureau of WIPO or Secretariat

### **(a) The WIPO General Assembly**

The WIPO General Assembly consists of the Member States of WIPO which are also members of any of the Unions. The WIPO is governed by the General Assembly consists of all the States that are members of WIPO and also members of any of the Unions.

Functions of WIPO General Assembly:

- Appointing Director General upon nomination by the Coordination Committee,
- review and approval of the reports of the Director General and the reports and activities of the Coordination Committee,
- adoption of the biennial budget common to the Unions, and
- Adoption of the financial regulations of the Organization.

#### **(b) WIPO Conference**

The WIPO Conference consists of State party to the WIPO Convention. It is the body for adopting amendments to the Convention.

#### **(c) The WIPO Coordination Committee**

The WIPO Coordination Committee consists of members elected from among the members of the Executive Committee of the Paris Union and the Executive Committee of the Berne Union.

Main functions of the WIPO Coordination Committee are :

- Giving advice to the organs of the Unions, the General Assembly, the Conference, and to the Director General, on all administrative and financial matters of interest to these bodies.
- Preparation of the draft agenda of the General Assembly and the draft agenda of the Conference.

#### **(d) Secretariat**

The Secretariat of the Organization is called the International Bureau. The executive head of the International Bureau is the Director General who is appointed by the WIPO General Assembly and is assisted by two or more Deputy Directors General.

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## **8.7 PCT : the International Patent System**

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### **Aims and objectives of PCT (Patent Cooperation Treaty)**

- to make a contribution to the progress of science and technology,
- Desiring to perfect the legal protection of inventions,
- Desiring to simplify and render more economical the obtaining of protection for inventions where protection is sought in several countries,
- Desiring to facilitate and accelerate access by the public to the technical information contained in documents describing new inventions,
- Desiring to foster and accelerate the economic development of developing countries through the adoption of measures designed to increase the efficiency of their legal systems, whether national or regional, instituted for the protection of inventions by providing easily accessible information on the availability of technological solutions applicable to their special needs and by facilitating access to the ever expanding volume of modern technology,
- Convinced that cooperation among nations will greatly facilitate the attainment of these aims

### **Establishment of a Union Article 1**

- (1) The States party to this Treaty constitute a Union for cooperation in the filing, searching, and examination, of applications for the protection of inventions, and for rendering special technical services. The Union shall be known as the International Patent Cooperation Union.

### **Article 3 The International Application:**

- (1) Applications for the protection of inventions in any of the Contracting States may be filed as international applications under this Treaty.
- (2) An international application shall contain, as specified in this Treaty and the Regulations, a request, a description, one or more claims, one or more drawings (where required), and an abstract.
- (3) The abstract merely serves the purpose of technical information and cannot be taken into account for any other purpose, particularly not for the purpose of interpreting the scope of the protection sought.
- (4) The international application shall:
  - (i) be in a prescribed language;

- (ii) comply with the prescribed physical requirements;
- (iii) comply with the prescribed requirement of unity of invention;
- (iv) be subject to the payment of the prescribed fees.

#### **Article 5 The Description**

The description shall disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art.

#### **Article 6 The Claims**

The claim or claims shall define the matter for which protection is sought. Claims shall be clear and concise. They shall be fully supported by the description.

#### **Article 8 Claiming Priority**

(1) The international application may contain a declaration, as prescribed in the Regulations, claiming the priority of one or more earlier applications filed in or for any country party to the Paris Convention for the Protection of Industrial Property.

- (a) The international application for which the priority of one or more earlier applications filed in or for a Contracting State is claimed may contain the designation of that State. Where, in the international application, the priority of one or more national applications filed in or for a designated State is claimed, or where the priority of an international application having designated only one State is claimed, the conditions for, and the effect of, the priority claim in that State shall be governed by the national law of that State.

#### **Article 11 Filing Date and Effects of the International Application**

(1) The receiving Office shall accord as the international filing date the date of receipt of the international application, provided that that Office has found that, at the time of receipt:

- (i) the applicant does not obviously lack, for reasons of residence or nationality, the right to file an international application with the receiving Office,
- (ii) the international application is in the prescribed language,
- (iii) the international application contains at least the following elements:
  - (a) an indication that it is intended as an international application,
  - (b) the designation of at least one Contracting State,
  - (c) the name of the applicant, as prescribed,
  - (d) a part which on the face of it appears to be a description,

(e) a part which on the face of it appears to be a claim or claims.

(2) (a) If the receiving Office finds that the international application did not, at the time of receipt, fulfill the requirements listed in paragraph (1), it shall, as provided in the Regulations, invite the applicant to file the required correction.

(b) If the applicant complies with the invitation, as provided in the Regulations, the receiving Office shall accord as the international filing date the date of receipt of the required correction.

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## **8.8 Summary:**

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Now a day there has been focus much over the TRIPS under the WTO while little attention is given to WIPO since 1995 the focus of intellectual property has shifted to TRIPS Agreement. This is because WIPO is a UN agency with limited implementing powers; TRIPS is a part of WTO and has a number of mechanisms to implement agreements.

Now days few developed countries are willing to utilize the WIPO to fulfill their interests in IPR as they have extracted as much as possible from the TRIPS Agreement. One of the instances is that the United States, the European Union and Japan have been pressing for negotiations in WIPO on the Substantive Patent Law Treaty (SPLT). The SPLT is a proposed international patent law treaty aimed at harmonizing substantive points of patent law. The SPLT aims to harmonize substantive requirements such as novelty, inventive step and non obviousness, industrial applicability and utility, as well as sufficient disclosure, unity of invention, or claim drafting and interpretation. In other words, the SPLT proposes to go much beyond the TRIPS agreement and impose uniform laws providing for patent protection across the world.

As a UN agency, responsible for the promotion and protection of intellectual property rights (IPR), World Intellectual Property Organization (WIPO) has played and will play a significant role in the establishment and adaptation of IPR among the member nations.

According to the WIPO Convention, the mandate of the organization is to “promote the protection of intellectual property throughout the world through

cooperation among States, and, where appropriate, in collaboration with any other international organization.

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### **8.9 Self-Assessment Test:**

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- 1) Discuss the organizational structure of the World Intellectual Property Organization.
- 2) Discuss the functions of the World Intellectual Property Organization.
- 3) Write a note over the kinds of intellectual property recognized under WIPO.
- 4) Discuss the process for membership of WIPO.

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### **8.10 Further Readings:**

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- 1) P. Narayanan: Intellectual Property Law: Second Edition: Eastern Law House
- 2) S.KVerma,. and Mittal, RamanIntellectual Property: A Global Vision", Indian Law Institute, New Delhi
- 3) [www.wipo.int/pct/en/meetings/assemblies/reports.htm](http://www.wipo.int/pct/en/meetings/assemblies/reports.htm).

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# Unit – 9

## WIPO and its correlations with WTO

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### **Objectives:**

The objective of this unit is to acquaint the students with the correlation between the World Intellectual Property Rights (WIPO) and World Trade Organization. This unit discusses the development of WIPO agreements and further discusses the emergence of the World Trade Organization. This unit further discusses the differences between the WTO and WIPO.

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### **Structure:**

- 9.1 Introduction
- 9.2 Overview of WIPO and WTO
- 9.3 Comparison of Subject Matter of Intellectual Property under WIPO and WTO
- 9.4 Correlation between TRIPS Agreement to the WIPO Conventions and Treaties  
WTO
- 9.5 Agreements pertaining to intellectual property under WIPO and WTO
- 9.6 WIPO- WTO Agreement
- 9.7 Summary
- 9.8 Self Assessment Test
- 9.9 Further Readings

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## **9.1 Introduction**

### **Objectives**

WIPO is the specialized agency of the United Nations aims for developing a balanced and accessible system of Intellectual property for the reward of innovation and creativity.

The activity of WIPO includes administration of multilateral treaties and supporting the International Legal Intellectual Property framework.

The WTO provides a forum for negotiating agreements aimed at reducing obstacles to international trade and ensuring a level playing field for all, thus contributing to economic growth and development. The WTO also provides a legal

and institutional framework for the implementation and monitoring of these agreements, as well as for settling disputes arising from their interpretation and application. The current body of trade agreements comprising the WTO consists of 16 different multilateral agreements (to which all WTO members are parties) and two different plurilateral agreements (to which only some WTO members are parties).

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## 9.2 Overview of WIPO and WTO

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WIPO was established by the 1967 Convention Establishing the World Intellectual Property Organization adopted in Stockholm which came into force in 1970. Prior to this it was known as BIRPI (the "Bureaux Internationaux Reunis pour la protection de la Propriete Intellectuelle", or the "United International Bureaux for the Protection of Intellectual Property"). In 1970 the Patent Cooperation Treaty was adopted. The PCT allowed WIPO to be unique among the United Nations Agencies. WIPO joined the United Nations in 1974 as the specialized agency dealing with intellectual property matters. This made WIPO to become a global agency.

WIPO was in existence prior to the TRIPS Agreement. WIPO has expanded its role in the management of global trade in 1996 by entering in to a cooperation agreement with World Trade Organization (WTO). It provides for cooperation for the implementation of TRIPS agreement.

Today WIPO administers 24 treaties and carries out various programme for:

- Harmonization of national Intellectual property Laws and procedures
- Providing services for international applications for industrial property rights,
- Exchange of intellectual property information,
- Providing legal and technical assistance to developing countries
- Facilitation for settlement of private intellectual property disputes

WIPO is engaged into four following main activities:

- a) Treaty Making
- b) Global protection service
- c) Technical Assistance Program known as "Cooperation for development".

d) WIPO's domain name dispute resolution service  
WIPO has the following main treaties

- for patents (the PCT),
- For trademarks (the Madrid system),
- For industrial designs (the Hague system).

### **World Trade Organization (WTO)**

The WTO is a place where member governments go, to try to sort out the trade problems they face with each other. The first step is to talk. The WTO was born out of negotiations, and everything the WTO does is the result of negotiations. The bulk of the WTO's current work comes from the 1986-94 negotiations called the Uruguay Round and earlier negotiations under the General Agreement on Tariffs and Trade (GATT).

#### **The WTO's main activities are:**

- negotiating the reduction or elimination of obstacles to trade (import tariffs, other barriers to trade) and agreeing on rules governing the conduct of international trade (e.g. antidumping, subsidies, product standards, etc.)
- administering and monitoring the application of the WTO's agreed rules for trade in goods, trade in services, and trade-related intellectual property rights
- monitoring and reviewing the trade policies of our members, as well as ensuring transparency of regional and bilateral trade agreements
- settling disputes among our members regarding the interpretation and application of the agreements
- building capacity of developing country government officials in international trade matters
- assisting the process of accession of some 30 countries who are not yet members of the organization
- conducting economic research and collecting and disseminating trade data in support of the WTO's other main activities

- explaining to and educating the public about the WTO, its mission and its activities.

The basic structure of the WTO agreements are in the categories of goods, services, intellectual property, disputes and trade policy reviews.

**Following are the major agreements under the World Trade Organization :**

- the Agreement Establishing the WTO
- General Agreement on Tariffs and Trade (GATT)
- and the General Agreement on Trade in Services (GATS),
- Trade-Related Aspects of Intellectual Property Rights (TRIPS)
- Extra Agreements and Annex

**The 'additional details'**

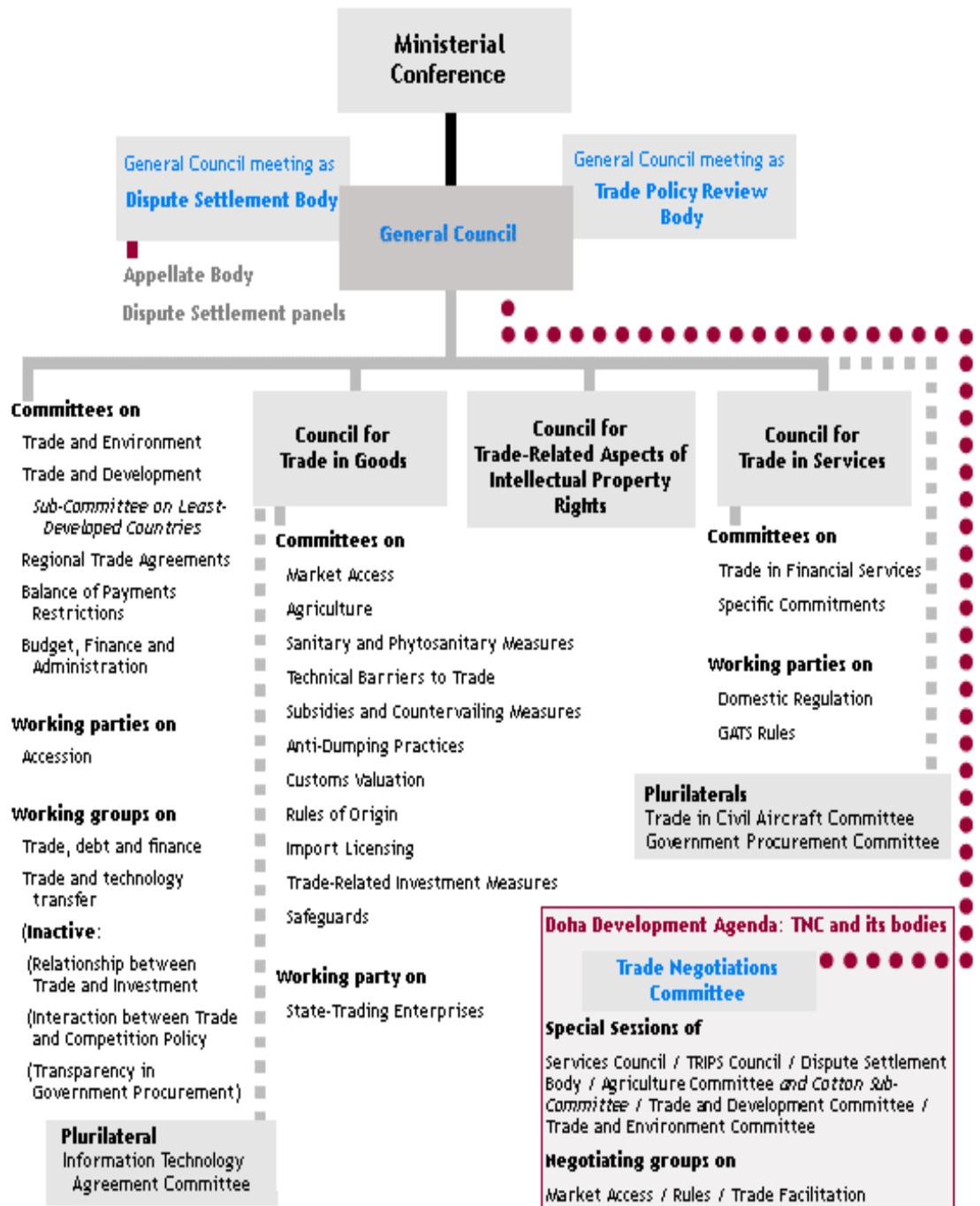
These agreements and annexes deal with the following specific sectors or issues:

**For goods (under GATT)**

- Agriculture
- Health regulations for farm products (SPS)
- Textiles and clothing
- Product standards (TBT)
- Investment measures
- Anti-dumping measures
- Customs valuation methods
- Preshipment inspection
- Rules of origin
- Import licensing
- Subsidies and counter-measures
- Safeguards

**For services (the GATS annexes):** Movement of natural persons, Air transport, Financial services, Shipping, Telecommunication

**Structure of WTO :**



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## 9.3 Comparison of Subject Matter of Intellectual Property under WIPO and WTO

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The TRIPS Agreement covers the following areas of IP:

- Copyrights and Related rights (i.e. the rights of performers, producers of sound recordings and broadcasting organizations)
- Trademarks (including service marks)
- Geographical Indications (including appellations of origin)
- Industrial Designs
- Patents (including the protection of new varieties of plants)
- Layout-designs of Integrated Circuits
- Undisclosed Information (including Trade Secrets and Test Data)

While the WIPO provides the subject matter relating to intellectual property as 1967 (Article 2(viii)) provides that “intellectual property shall include rights relating to:

- literary, artistic and scientific works,
- performances of performing artists, phonograms and broadcasts,
- inventions in all fields of human endeavor,
- scientific discoveries,
- industrial designs,

The TRIPS agreement governs the following issues

- Providing adequate protection to the Intellectual Property Right IPR
- Enforcement of IPR by the member countries within their territories
- Settlement of disputes relating to IPR among the members of WTO.
- Transitional arrangements for countries as per the TRIPS compliance.

### Structure of TRIPS Agreement

Structure of TRIPS is divided into seven major parts

**PART I** General Provisions and Basic Principles.

**PART II** Standards Concerning the Availability, Scope and Use of Intellectual Property Rights

**PART III** Enforcement of Intellectual Property Rights

**PART IV** Acquisition and Maintenance of Intellectual Property Rights and Related *Inter-Partes* Procedures

**PART V** Dispute Prevention and Settlement

**PART VI** Transitional Arrangements

**PART VII** Institutional Arrangements; Final Provisions

- ❖ Another comparison between WIPO and WTO can be with regard to the objective

### **Objectives of the WIPO Article 3**

The objectives of the Organization are:

- (i) to promote the protection of intellectual property throughout the world through cooperation among States and, where appropriate, in collaboration with any other international organization,
- (ii) to ensure administrative cooperation among the Unions.

### **Objectives of the WIPO Article 3**

The objectives of the Organization are:

- (i) to promote the protection of intellectual property throughout the world through cooperation among States and, where appropriate, in collaboration with any other international organization,
- (ii) to ensure administrative cooperation among the Unions.

### **Objectives of TRIPS**

Objectives stipulated in the preamble of the TRIPS agreement are.

- 1) Prevention of the distortion and independent in the international trade.
- 2) Availability of adequate and effective means of protection of intellectual property rights.
- 3) Need to create minimum uniform rules to ensure the standard availability scope of intellectual property rights.
- 4) Creation of viable, sound technological base to the development of least developed countries. (LDC).
- 5) Provision of adequate and effective means of enforcement of IPRs.
- 6) Creation of mutual supportive relation between WTO and World intellectual property Organization (WIPO).

- 7) Promotion of co-operation between WTO and other international organization in the field of IPR.
- 8) Promotion of co-operation in the prevention of international trade in counterfeit goods.
- 9) Recognition of IPR's as the private rights
- 10) Recognition of the objective of public policy of the national interest to develop socio, economic and technological developmental needs.

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## **9.4 Correlation between TRIPS Agreement to the WIPO Conventions and Treaties WTO**

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The TRIPS agreement is different among the WTO agreements as it incorporates provisions of various pre existing Conventions into its body of rules. Article 2 of the TRIPS defines the relationship with the WIPO Conventions. Let us have an insight into Article 2 of the TRIPS Agreement.

### ***Article 2 Intellectual Property Conventions***

1. In respect of Parts II, III and IV of this Agreement, Members shall comply with Articles 1 through 12, and Article 19, of the Paris Convention (1967).
2. Nothing in Parts I to IV of this Agreement shall derogate from existing obligations that Members may have to each other under the Paris Convention, the Berne Convention, the Rome Convention and the Treaty on Intellectual Property in Respect of Integrated Circuits.

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## **9.5 Agreements pertaining to intellectual property under WIPO and WTO**

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### **Agreements pertaining to intellectual property under WIPO and WTO**

- the WIPO Copyright Treaty (WCT)
- the WIPO Performers and Phonograms Treaty (WPPT).
- the Patent Law Treaty (PLT)
- The UPOV Convention
- Convention on Biological Diversity (CBD)
- Treaty on Plant Genetic Resources of the Food and Agriculture Organization

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## 9.6 WIPO- WTO Agreement

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Lets us have insight into the main provisions of the Agreement between the World Intellectual Property Organization and the World Trade Organization.

### **Preamble**

Preamble to the Agreement Between the World Intellectual Property Organization and the World Trade Organization provides as :

The World Intellectual Property Organization (WIPO) and the World Trade Organization (WTO), desiring to establish a mutually supportive relationship between them and with a view to establishing appropriate arrangements for cooperation between them.

Article 1 Abbreviated Expression

Article 2 Laws and Regulations

Article 3 Implementation of Article 6ter of the Paris Convention for the Purposes of the TRIPS Agreement

Article 4 Legal-Technical Assistance and Technical Cooperation

Article 5 Final Clauses

The WIPO-WTO Agreement discusses three basic things. First, WIPO and WTO will provide assistance to members of both organizations on the same basis that they provide their own members. The secondly that-and all of these are, again, meant to avoid duplication and recreating the wheel in the WTO - is that WIPO makes available to the WTO and its member states its collection of laws. Thirdly, WIPO also processes the so-called Article 6ter notifications under the Paris Convention.

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## 9.7 Summary

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WIPO's mission is to promote the protection of intellectual property worldwide, but importantly, "through cooperation among states. WIPO administers 24 treaties in various fields of Intellectual Property Rights.

The WIPO conventions have been in force much earlier that the TRIPS Agreement. The World Intellectual Property Organization (WIPO ) has been expanding the domain with regard to Intellectual Property Rights. The WIPO also cover Genetic Resources, Traditional Knowledge and Folklore (IGC). WIPO has one of the rare distinctions being one of four domain name dispute resolution

providers accredited by the non-profit corporation that manages the domain name system (the Internet Corporation for Assigned Names and Numbers, or ICANN).

One of the demerits under the WIPO is that there is no formal enforcement mechanism, no dispute resolution system among states in WIPO. The lack of an enforcement mechanism led the developed countries to push for discussion on the intellectual property in the World Trade Organisation (WTO). In 1995, at the time of the conclusion of the Uruguay Round, WIPO and the WTO entered into a cooperation agreement under which WIPO provides assistance to all members of either the WTO or WIPO.

There are various issues in International regime on intellectual property with regard to conformity with the policies of WTO/TRIPS.

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## **9.8 Self-Assessment Test**

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- 1) Discuss how WIPO promote the intellectual property?
- 2) Enumerate the main features of TRIPS Agreement.
- 3) discuss the correlation between WIPO and WTO
- 4) Enumerate the subject matter of intellectual property protected under the World Intellectual Property Organization (WIPO).

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## **9.9 Further Readings**

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- 1) B L Wadehra : Law Relating to Patents, Trademarks, Copyright, Designs and Geographical Indications.
- 2) G.V.G Krishnamurthy : The Law of Trademarks, Copyright, Patents and Design
- 3) [http://www.wto.org/english/tratop\\_e/trips\\_e/wtowip\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/wtowip_e.htm)
- 4) [www.wipo.org](http://www.wipo.org)
- 5) [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/org2\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/org2_e.htm)

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# Unit – 10

## Treatise relating to IPR Disputes Settlements

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### Objectives

The aim of this unit is to acquaint the students with the treaties and their provisions for relating to Intellectual Property Rights dispute settlement. Trade activities are very much old as human civilization. With the expansion in trade human has taken various steps to protect, organize the trading activities. With the rise in the industrialization the need for regulating international economics has feel felt.

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### Structure

- 10.1 Introduction
- 10.2 Dispute settlement system under the GATT
- 10.3 Dispute settlement under WTO
- 10.4 TRIPS and dispute settlement
- 10.5 WIPO and dispute settlement
- 10.6 Role of ADR mechanism in settlement of IPR disputes
- 10.7 Summary
- 10.8 Self Assessment Test
- 10.9 Further Readings

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### 10.1 Introduction

Disputes are defined as conflict or controversy; an assertion of right, or claims on one side, met by contrary claims or allegation on the other side. Intellectual Property Law is one the fast emerging branches of Law. The Legal framework for Intellectual Property seeks to provide an incentive for the innovation. The Intellectual Property Law grants rights to the inventors and innovators so that they can earn profit from their developments. As a result of profitability it is necessary to protect the intellectual property otherwise infringer

shall infringe the innovation and exploit the profits out of it. Innovators would have no economic incentives to innovate, and society would ultimately suffer the loss.

The main object of every branch of International Law has been stressed upon the development of means and modes of settlement of disputes among Nations through peaceful means. A dispute refers to a disagreement with regard to a well defined subject matter. The dispute must be specific and must involve the conflicting interests.

An overview of Legislations in India relating to Intellectual Property:

- **Patent:** The Patents Act, 1970
- **Copyright and neighbouring rights:** The Copyright Act, 1957
- **Trademarks:** Trade Marks Act of 1999
- **Geographical indicators:** Geographical Indications of Goods (Registration and Protection) Act, 1999.
- **Industrial designs:** The Designs Act, 2000
- **Layout designs of integrated circuits:** The Semiconductor Integrated Circuits Layout-Design Act, 2000
- **Plant Variety protection:** The Protection of plant Variety and farmers Rights Act, 2001

An overview of Intellectual Property Dispute

There are three possible broad areas where intellectual property disputes may arise

- i. Registration and granting of rights
- ii. Transfer of rights
- iii. Infringements of right

**Remedies :** Basically remedies can be classified as is criminal remedy and the other is civil remedy in any intellectual property rights disputes.

**Criminal remedies:** Criminal remedies have been provided in most of the Intellectual property rights legislations so as to deter the infringer. The punishment may for criminal proceedings relating to intellectual property include both imprisonment and fine.

**Civil remedies:** Injunctions, damages or the account for profit are the statutory remedies that are sought in intellectual property rights disputes

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## **10.2 Dispute settlement system under the GATT**

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Under the GATT dispute settlement mechanism was centered in and around Articles XXII and XXIII. The core provisions of GATT concerning dispute settlement are provided in Article XXIII.

The Article XXII provides as

### **Article XXII**

#### ***Consultation***

1. Each contracting party shall accord sympathetic consideration to, and shall afford adequate opportunity for consultation regarding, such representations as may be made by another contracting party with respect to any matter affecting the operation of this Agreement.
2. The CONTRACTING PARTIES may, at the request of a contracting party, consult with any contracting party or parties in respect of any matter for which it has not been possible to find a satisfactory solution through consultation under paragraph 1.

### **Article XXIII**

#### ***Nullification or Impairment***

1. If any contracting party should consider that any benefit accruing to it directly or indirectly under this Agreement is being nullified or impaired or that the attainment of any objective of the Agreement is being impeded as the result of
  - (a) the failure of another contracting party to carry out its obligations under this Agreement, or
  - (b) the application by another contracting party of any measure, whether or not it conflicts with the provisions of this Agreement, or
  - (c) the existence of any other situation,

The contracting party may, with a view to the satisfactory adjustment of the matter, make written representations or proposals to the other contracting party or parties which it considers to be concerned. Any contracting party thus approached shall give sympathetic consideration to the representations or proposals made to it.

2. If no satisfactory adjustment is effected between the contracting parties concerned within a reasonable time, or if the difficulty is of the type described in paragraph 1 (c) of this Article, the matter may be referred to the CONTRACTING PARTIES. The CONTRACTING PARTIES shall promptly investigate any matter so referred to them and shall make appropriate recommendations to the contracting parties which they consider to be concerned, or give a ruling on the matter, as appropriate. The CONTRACTING PARTIES may consult with contracting parties, with the Economic and Social Council of the United Nations and with any appropriate inter-governmental organization in cases where they consider such consultation necessary. If the CONTRACTING PARTIES consider that the circumstances are serious enough to justify such action, they may authorize a contracting party or parties to suspend the application to any other contracting party or parties of such concessions or other obligations under this Agreement as they determine to be appropriate in the circumstances. If the application to any contracting party of any concession or other obligation is in fact suspended, that contracting party shall then be free, not later than sixty days after such action is taken, to give written notice to the Executive Secretary to the CONTRACTING PARTIES of its intention to withdraw from this Agreement and such withdrawal shall take effect upon the sixtieth day following the day on which such notice is received by him.

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### **10.3 The dispute settlement system under World Trade Organization (WTO)**

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The World Trade Organization (WTO) was constituted in 1995 after the negotiations of the Uruguay round, replacing the General Agreement on Tariffs and Trade (GATT).

**Main organs of World Trade Organization (WTO) are :** Ministerial Conference, General Council and the Secretariat (2). The Ministerial Conference is the highest decision making body of WTO and meets once in two years. The General Council convenes the Dispute Settlement Body.

The Dispute Settlement Understanding is the agreement governing any dispute that may arise between Members of the WTO with respect to the trade obligations under the WTO.

One of the significant features of the WTO is a new for adjudication of legal disputes, known as “dispute settlement procedure”. The procedure was set out in a detailed agreement known as the “Understanding on Rules and Procedures Governing the Settlement of Disputes” or the Dispute Settlement Understanding (DSU).

### **Dispute Settlement Understanding (DSU)**

The Dispute Settlement Understanding (DSU), is known as the Understanding on Rules and Procedures Governing the Settlement of Disputes, it establishes rules and procedures that manage various disputes arising under the Covered Agreements of the Final Act of the Uruguay Round. The DSU created the DSB, consisting of all WTO members, which administers dispute settlement procedures.

**Principles:** equitable, fast, effective, mutually acceptable.

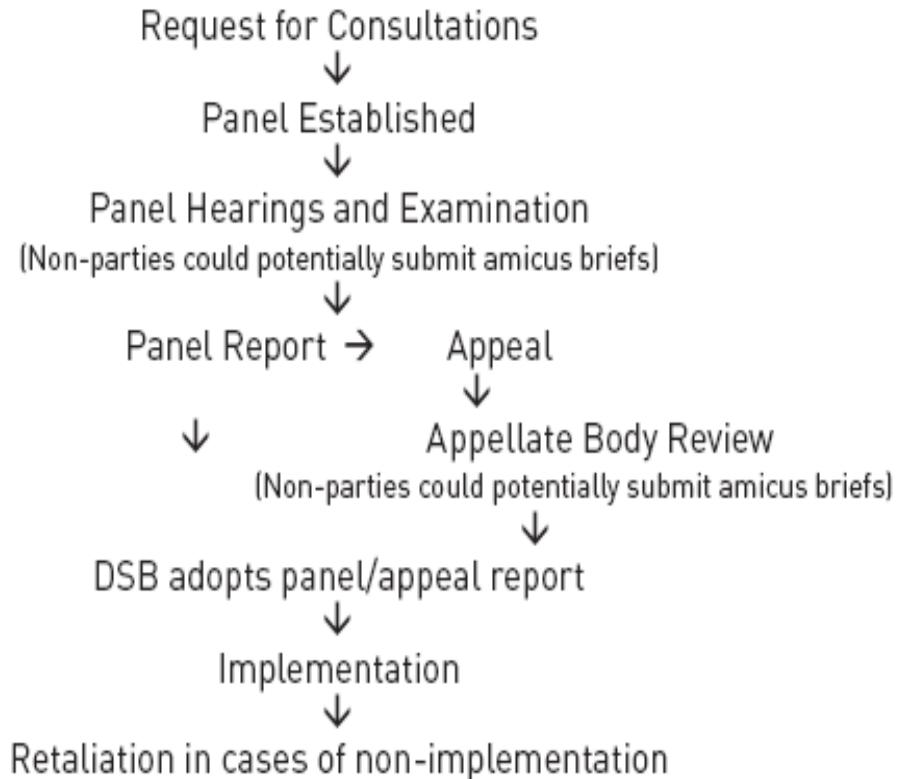
### **Institutional Structure of Dispute Settlement under DSU**

- a) Dispute Settlement Body
- b) Panels
- c) Appellate Body

Panels are like tribunals. But unlike in a normal tribunal, the panelists are usually chosen in consultation with the countries in dispute. Only if the two sides cannot agree does the WTO director-general appoint them.

Panels consist of three (possibly five) experts from different countries who examine the evidence and decide who is right and who is wrong. The panel’s report is passed to the Dispute Settlement Body, which can only reject the report by consensus. Panel lists for each case can be chosen from a permanent list of well-qualified candidates, or from elsewhere. They serve in their individual capacities. They cannot receive instructions from any government.

### **Dispute settlement procedures under the WTO**




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## 10.4 TRIPS and dispute settlement

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TRIPS aim harmonization of Intellectual property and implementation to common minimum standard of Intellectual property. TRIPS promote harmonization of intellectual property at a global context with a formal dispute settlement process at the World Trade Organization (WTO).

### **Objectives of the TRIPS Agreement**

#### ***Article 7 Objectives***

The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.

### **The TRIPS Agreement covers the following areas of IP:**

- i. Copyrights and Related rights (i.e. the rights of performers, producers of sound recordings and broadcasting organizations)
- ii. Trademarks (including service marks)
- iii. Geographical Indications (including appellations of origin)
- iv. Industrial Designs
- v. Patents (including the protection of new varieties of plants)
- vi. Layout-designs of Integrated Circuits
- vii. Undisclosed Information (including Trade Secrets and Test Data)

With respect to the areas of the Intellectual property, the agreement also governs the following issues:

- Application of the basic principles of trading and International Intellectual Property Agreements.
- Providing adequate protection to the Intellectual Property Rights.
- Settlements of dispute on issue of Intellectual property among the members of the WTO.
- Transitional arrangements for compliance of new system.

**Part V** of the agreement deals with dispute settlement and preventions. **Article 63 establishes the transparency requirements.**

Article 62 of the TRIPS Agreement provides:

1. Members may require, as a condition of the acquisition or maintenance of the intellectual property rights provided for under Sections 2 through 6 of Part II, compliance with reasonable procedures and formalities. Such procedures and formalities shall be consistent with the provisions of this Agreement.
2. Where the acquisition of an intellectual property right is subject to the right being granted or registered, Members shall ensure that the procedures for grant or registration, subject to compliance with the substantive conditions for acquisition of the right, permit the granting or registration of the right within a reasonable period of time so as to avoid unwarranted curtailment of the period of protection.

3. Article 4 of the Paris Convention (1967) shall apply *mutatis mutandis* to service marks.
4. Procedures concerning the acquisition or maintenance of intellectual property rights and, where a Member's law provides for such procedures, administrative revocation and inter parties procedures such as opposition, revocation and cancellation, shall be governed by the general principles set out in paragraphs 2 and 3 of Article 41.
5. Final administrative decisions in any of the procedures referred to under paragraph 4 shall be subject to review by a judicial or quasi judicial authority. However, there shall be no obligation to provide an opportunity for such review of decisions in cases of unsuccessful opposition or administrative revocation, provided that the grounds for such procedures can be the subject of invalidation procedures.

#### **Article 63 Transparency**

1. Laws and regulations, and final judicial decisions and administrative rulings of general application, made effective by a Member pertaining to the subject matter of this Agreement (the availability, scope, acquisition, enforcement and prevention of the abuse of intellectual property rights) shall be published, or where such publication is not practicable made publicly available, in a national language, in such a manner as to enable governments and right holders to become acquainted with them. Agreements concerning the subject matter of this Agreement which are in force between the government or a governmental agency of a Member and the government or a governmental agency of another Member shall also be published.
2. Members shall notify the laws and regulations referred to in paragraph 1 to the Council for TRIPS in order to assist that Council in its review of the operation of this Agreement. The Council shall attempt to minimize the burden on Members in carrying out this obligation and may decide to waive the obligation to notify such laws and regulations directly to the Council if consultations with WIPO on the establishment of a common register containing these laws and regulations are successful. The Council shall also consider in this connection any action required regarding notifications

pursuant to the obligations under this Agreement stemming from the provisions of Article 6<sup>ter</sup> of the Paris Convention (1967).

3. Each Member shall be prepared to supply, in response to a written request from another Member, information of the sort referred to in paragraph 1. A Member, having reason to believe that a specific judicial decision or administrative ruling or bilateral agreement in the area of intellectual property rights affects its rights under this Agreement, may also request in writing to be given access to or be informed in sufficient detail of such specific judicial decisions or administrative rulings or bilateral agreements.

#### **Article 64 Dispute Settlement**

The provisions of Articles XXII and XXIII of GATT 1994 as elaborated and applied by the Dispute Settlement Understanding shall apply to consultations and the settlement of disputes under this Agreement except as otherwise specifically provided herein.

1. Subparagraphs 1(b) and 1(c) of Article XXIII of GATT 1994 shall not apply to the settlement of disputes under this Agreement for a period of five years from the date of entry into force of the WTO Agreement.
2. During the time period referred to in paragraph 2, the Council for TRIPS shall examine the scope and modalities for complaints of the type provided for under subparagraphs 1(b) and 1(c) of Article XXIII of GATT 1994 made pursuant to this Agreement, and submit its recommendations to the Ministerial Conference for approval. Any decision of the Ministerial Conference to approve such recommendations or to extend the period in paragraph 2 shall be made only by consensus, and approved recommendations shall be effective for all Members without further formal acceptance process.

The TRIPS Agreement stipulates domestic procedures and remedies for the enforcement of intellectual property right. Besides laying down certain general principles applicable to all Intellectual Property Rights enforcement procedures it sets out provisions and civil and administrative procedures and remedies, provisional measures, special requirements related to border measures and criminal procedures, which specify in certain amount of detail the procedures and remedies that must be available so that the right holders may effectively protect their rights. There is a general obligation on members to ensure that enforcement procedures

are available under their law so as to permit effective action against any act of infringement of intellectual property rights. The remedies covered includes in it expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements.

The remedies suggested by TRIPS agreement are

- Injunction,
- Damages or
- any other remedy

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## 10.5 WIPO and dispute settlement

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The agreements administered by WIPO can be classified under following heads

**Standard setting treaties:** these define agreed basic standards of protection for the different kinds of Intellectual property. These are 1883 Paris Convention for the Protection of Industrial Property, the 1886 Berne Convention for the Protection of Literary and Artistic Works, the 1961 Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, the 1996 WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty.

**Global protection system treaties:** these facilitate filing or registering of Intellectual Property Rights in various countries. Under this category following kinds of treaties are 1970 Patent Cooperation Treaty, the 1891 Madrid Agreement Concerning the International Registration of Marks, and the 1958 Lisbon Agreement for the Protection of Appellations of Origin and their International Registration.

**Classification Treaties:** under this category following agreements are there 1957 Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, the 1968 Locarno Agreement Establishing an International Classification for Industrial Designs, and the 1971 Strasbourg Agreement Concerning the International Patent Classification.

WIPO generally focuses the settlement of disputes by the process of ADR mechanism. Under the WIPO Arbitration and Mediation Center there is resolution of international commercial disputes between private parties.

Article 5(1) of the Lisbon Agreement provides:

“The registration of appellations of origin shall be effected with the International Bureau, at the request of the Authorities of the countries of the Special Union, in the name of any natural persons or legal entities, public or private, having, according to their national legislation, the right to use such appellations.”

The draft WIPO treaty of 1975 on the protection of geographical indications provides:

“The Contracting States shall endeavor to settle through diplomatic channels all cases of violation of this Treaty brought to their notice.”

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## **10.6 Role of ADR mechanism in settlement of the IPR Dispute**

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There are various Alternative Dispute Resolution forms or techniques viz. arbitration, mediation, conciliation, mediation-arbitration, mini-trial, private judging, final offer arbitration, court-annexed Alternative Dispute Resolution, summary jury trial and also many hybrid forms.

The major legislative framework for ADR is

1. Arbitration and conciliation Act of 1996 based upon UNCITRAL model Law;
2. Legal services authorities Act 1987 with an object of free legal access and justice for all.
3. Introduction of section 89 to Civil Procedure Code.1902

### **Different forms of ADR in India**

The prevalent forms of alternate dispute resolving methods in India are:

- (a) Arbitration,
- (b) Conciliation,
- (c) Mediation and
- (d) Lok Adalat

Application of ADR processes in Intellectual property disputes has to be along with litigation to get the desired results. There are many areas of disputes where the courts have to be approached first and then at a later stage ADR can be used along with litigation to get the best result. There are various disputes where ADR process can be applied in the first instance like. The Intellectual Property

Legislations does not specifically provide for the application of the ADR methods for the settlement of Intellectual disputes but it neither prohibit also.

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## **10.7 Summary**

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For every multi trading system a dispute settlement is the central pillar. Under the GATT procedure for settling dispute was not very efficient as it used to take long time. The major drawbacks in the GATT dispute settlement procedures with regard to implementation of adopted Panel recommendations were the ambiguity in it.

No organization has gone such far as the World Trade Organization's Dispute Mechanism. DSM plays a vital role being a central feature of the World Trade Organization. The Dispute Settlement system under WTO stressed on clear defined rules, with a time frame for deciding the case. Articles XXII and XXIII of GATT 1994 read with the DSU provided the framework for dispute settlement in the WTO. These procedures have been provided in Articles 21, 22, 23 and 24 of the DSU.

The Dispute Settlement Mechanism as embodied in the DSU is one of the central feature of the WTO. Having features like compulsory jurisdiction, atomicity of proceedings, appellate review and detailed procedure for implementation of DSB rulings and recommendations. Despite the merits of the Dispute Settlement under the WTO there is difficulty over the process of enforcement and sanctions. Paying compensation is an economically expensive alternative to compliance.

Intellectual property dispute require expertise for the settlement process. The adjudicating officers should also need to know various technical aspects of the dispute. Disputes under Intellectual property rights consists of two major interests, firstly right to exclude from using and secondly to earn profit.

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## **10.8 Self-Assessment Test**

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- 1) Enumerate the differences between dispute settlement system under GATT and WTO?
- 2) Discuss the role of consultation and good offices, conciliation and meditation?

- 3) Discuss the defects in the dispute settlement mechanism of the World Trade Organization.
- 4) Discuss the process of settle of dispute under the WIPO.

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## **10.9 Further Readings**

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- 1) Ulrich Petersmann Ernst The GATT/WTO Dispute Settlement System, International Law, International Organizations and Dispute Settlement, Kluwer Law International
- 2) Raj Bhala , International Trade Law ,Theory and practice Lexis Nexis
- 3) M.B. Rao & Manjula Guru, WTO Dispute Settlement & Developing Countries, Lexisnexis
- 4) The Legal Texts-The Results of the Uruguay Round of Multilateral Trade Negotiations-World Trade Organization, Cambridge University Press
- 5) [www.wto.org](http://www.wto.org)
- 6) [www.gatt.org](http://www.gatt.org)
- 7) <http://unctad.org>

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## **Unit – 11**

# **Benefit Sharing and Contractual Agreements: International Treaty on Plant Genetics, Resources for Food and Agriculture- issues on Patent Policy and Farmers' Rights-CBD**

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### **Objectives**

Over the last few decades international focus has turned to intellectual property laws to preserve, protect, and promote traditional knowledge. The reasons for this are complex. In 1992, the Convention on Biological Diversity (CBD) recognized the value of traditional knowledge in protecting species, ecosystems and landscapes, and incorporated language regulating access to it and its use. It soon became apparent that implementing these provisions would require that international intellectual property agreements would need to be revised to accommodate them.

The states who had ratified the CBD requested the World Intellectual Property Organization (WIPO) to investigate the relationship between intellectual property rights, biodiversity and traditional knowledge. WIPO began this work with a fact finding mission in 1999. Considering the issues involved with biodiversity and the broader issues in TRIPs, WIPO established the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC-GRTKF).

The objective of this unit is to acquaint with the framework for the benefit sharing and contractual agreements for the traditional knowledge. The object is acquainting you about the International Treaty on Plant Genetics. It also discusses the policy for the Farmer's rights vis-a- vis Patent. The object is also to acquaint you with the Convention on Biodiversity.

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### **Structure**

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- 11.1 Introduction
- 11.2 Benefit Sharing
- 11.3 An overview of development relating to Plant Variety Protection
- 11.4 International Treaty on Plant Genetics
- 11.5 International Treaty on Plant Genetic Resources for Food and Agriculture
- 11.6 Convention on Biodiversity (CBD)
- 11.7 BONNE Guidelines
- 11.8 Summary
- 11.9 Self Assessment Test
- 11.10 Further Readings

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## **11.1 Introduction**

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The traditional knowledge as a subject has got close association with the biological resources, inclusive of plant, animals and other genetic resources. The traditional knowledge is an integral component of biological resources.

On the other hand it should also to be understood that the traditional knowledge relating to bio diversity as such only constitutes a part of the subject and it also includes various fields, such as, agriculture, animal husbandry, traditional medicine, healthcare, pharmaceutical, nutrition, food processing, cosmetics, handicrafts, aesthetics and others. The Food and agricultural organization (FAO) has passed several resolutions as an annexure to the international undertaking plant genetic resources.

With the development in science and technology there has been changing dimensions of property. Intellectual Property Regime allows patenting of even living things over which the holder is given exclusive right. For having found out peculiarities of certain plants also patent was given. The efforts involved in breeding new plants varieties were recognized which resulted into to a new kind of Intellectual Property Rights.

As a solution to this that the Plant Breeders' Rights (PBR) emerged. The International Convention for the Protection of new Plant Varieties (UPOV) is also followed by countries without much change as it is considered as the model international law for the protection of PBR.

International framework dealing with the farmers' right to use, save, exchange and sell the seed are the UPOV, and the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA). The International framework dealing with the rights of the farmers and providing access to the plant breeders to their Plant Genetic Resources and traditional Knowledge.

The legislations dealing with identification of plant genetic resources for food and agriculture, and the rights of the farmers when access is given to the plant breeders to the PGRFA and Traditional Knowledge is the Biological Diversity Act . The legislation dealing with the farmers' right to use, save, exchange and sell the seeds, and benefit sharing, and some additional rights is the Protection of Plant Varieties and Farmers' Rights Act .

International framework relating to traditional knowledge can be broadly classified under following headings

- 1) UN Convention on Bio-Diversity 1992
- 2) BONN Guidelines
- 3) The Nagoya Protocol on Access and Benefit Sharing and
- 4) International Treaty on Plant and Genetic Resources.

The development of the protection in various distinct periods may be summarized as:

- (a) Before the negotiation and passage of the TRIPS Agreement;
- (b) After the adoption of TRIPS obligations by member countries;
- (c) The post-TRIPS period can be studied under following heads:
  - i) Doha negotiations and
  - ii) Developments in bilateral and regional trade arrangements as well as developments at World Intellectual Property Organization (WIPO).

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## **11.2 Benefit Sharing**

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Various countries regulate access to genetic resources and benefit sharing whether by explicit laws being introduced nationally or regionally in response to the CBD. The access means here permission to use traditional medicinal knowledge for research, industrial application or commercial exploitation. This was considered to be a safeguard against bio piracy. Any decision on access would require the prior informed consent of the relevant community. But access regime

has resulted into mere negotiating tools between governments and commercial interests.

Originally the aim of benefit sharing was to bring justice and equity to the holders of traditional medicinal knowledge. In 1990's it became one of the three pillars of CBD which calls for fair and equitable sharing of benefits arising out of the utilization of genetic resources. But now there is movement in opposite direction. In a benefit sharing agreements the parties are the Government and the representatives of the Corporate and sidelining the local communities.

One of the best systems for protection of traditional knowledge is the Peruvian System. Under the Peruvian Law there are three main principles regarding the protection of traditional knowledge , first, access and benefit sharing; secondly compensatory liability; and thirdly, unfair competition.

Article 42 of Law Introducing a Protection Regime for the Collective Knowledge of Indigenous Peoples Derived from Biological Resources provides that "indigenous peoples possessing collective knowledge shall be protected against the disclosure, acquisition or use of that collective knowledge without their consent and in an improper manner provided that the collective knowledge is not in the public domain."

While the Chinese Patent Act 1985 provides provisions for the protection of the traditional knowledge as an intellectual property.

COP of CBD has taken number of decisions relating to the promotion of traditional knowledge and benefit sharing. To name a few, III/14, IV/9, V/16, VII/19D, VIII/A to E, VIII/5C. It has successfully established ADHOC open ended working group on benefit sharing as well as a working group on benefit sharing. It has successfully developed BONN guidelines for benefit sharing.

**Benefit sharing under the Protection of Plant Varieties and Farmers Rights Act of 2001:** The Indian Parliament has passed the Protection of Plant Varieties and Farmers Rights Act of 2001. The Act defines the term "benefit sharing" that is it simply lays down the mode of the benefit sharing the Act uses the term "claimant" but does not defines it.

As per S. 26.(2) and the proviso to S 26.(2) of the Protection of the Plant Varieties and the Farmers Rights Act 2001 The following persons are entitled to make the claim under this act they are, any person, group of persons, village community, any governmental institution and the nongovernmental

institution and any associations provided the afore stated natural persons are the citizens of India and in the case of the juridical persons it should be registered in India.

The Act provides the benefit sharing in the following three ways. Firstly, it mandates the authority to mandate the breeders to share the benefits arising out of the usage of the genetic material and the parental material and knowledge relating to such material by the breeders in their claimed invention. Secondly Act has created dedicated fund known as the National Gene Fund, from which the farmers are entitled to receive the rewards for their contribution, conservation and other activities recognized by this Act.

Thirdly the Act mandates the competent authority for framing the suitable schemes for the purposes carrying out the provisions relating to the benefit sharing mechanism.

**International regime for benefit sharing:**

CBD is focusing over the establishment of international regime for benefit sharing. There has been establishment of following technical and expert committee like

- a) Committee on compliance
- b) Concept terms, working definition and sectoral approach
- c) Traditional knowledge associated with biological resources

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## **11.3 An Overview of development relating to Plant variety Protection**

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In the early twentieth century there has been a predominant shift in the pattern of agriculture in the developed industrialized nations from the traditional methods of farming to mechanised farming by large industries. Enormous amount of funds and resources were required for research in plant varieties. However once the varieties were made available to the public it could be easily propagated, thus denying returns from the investment made. With the progress in science and biotechnology and growth of commercial seed trade, arose demands for plant variety protection and providing incentives for innovative plants. Though earnest initiatives for providing legal protection to plant breeders were taken by Europe it was in the USA that the Plant Patent Act was enacted in 1930 which provided

protection for asexually propagated plant varieties, this in effect excluded major food species and avoided grain monopolies, which is the major concern of developing countries currently. Patent protection to plant varieties faced political opposition, breeders' right evolved as an alternative to patent. With the objective of protection of new varieties of plants by an intellectual property right, the International Union for the Protection of New Varieties of Plants (UPOV) convention was adopted in Paris in 1961. The UPOV has been revised in 1972, 1978 and 1991 and now has 61 members. However the majority of the nations did not have a system of PVP.

The Trade Related Aspects of Intellectual Property Rights agreement (TRIPS) directed that the member nations have to establish minimum standards for intellectual property rights in many areas, did not deal directly with plant variety protection. The TRIPS Agreement did, however, direct countries to provide some sort of protection for plant varieties, and thus obliged all Members of the World Trade Organization (WTO) to introduce IP protection in agriculture.

The development of a new plant variety has a close interface with biodiversity and is intricately woven with traditional knowledge, innovations and practices of indigenous communities and farmers. The Convention on Biological Diversity, The International Undertaking on Plant Genetic Resources and International Treaty on Plant Genetic Resources for Food and Agriculture enshrines the principles of sustainable development and rights of community while utilizing plant genetic resource.

The Convention on Biological Diversity was adopted in 1992 with the objective of conserving biological diversity, sustainable use of its components, fair and equitable sharing of benefits arising out of the utilization of genetic resources, and preservation of indigenous knowledge.

The International Undertaking on Plant Genetic Resources, 1983(IUPGR) is a nonbinding international instrument within the framework of FAO, to protect plant genetic resources. IUPGR recognizes the farmers' rights and also offers to create the means to implement the concept of farmers' rights. One hundred and thirteen countries have adhered to the Undertaking.

International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGR), which is a legally binding instrument, replaced the IUPGR. The endeavour of the treaty is for the conservation and sustainable use of plant genetic

resources for food and agriculture and the fair and equitable sharing of the benefits arising out of their use, in harmony with the Convention on Biological Diversity, for sustainable agriculture and food security and recognizes the right of farmers. India is a party to the ITPGR.

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## **11.4 International Treaty on Plant Genetics**

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The International Undertaking was the first comprehensive international agreement dealing with plant genetic resources for food and agriculture. It was adopted by the FAO Conference in 1983, as an instrument to promote international harmony in matters regarding access to plant genetic resources for food and agriculture. It seeks to "ensure that plant genetic resources of economic and, or social interest, particularly for agriculture, will be explored, preserved, evaluated and made available for plant breeding and scientific purposes".

### **International Treaty on Plant Genetic resources for food and Agriculture:**

With the rapid industrialization there has been serious threat to the existence of agricultural sector of small farmers belonging to developing and least developing countries. The U.N system has constituted a specialized agency known as Food and agriculture organization (FAO) to address the food security and the development of agriculture.

The United States Congress has passed the Plant Patenting Act of 1930 to obtain utility patents under Section 101 of the United States Act of 1952.

At the initiative of government of France, around 12 industrialized countries concluded an international treaty known as international convention for the protection of the varieties of the plants, popularly known as UPOV convention, 1961 which has been revised at least three times thereafter the latest revision took place in 1991. In 1983 the U.N has adopted the non-binding international agreement known as international undertaking on the plant and genetic resources recognizing that the plant genetic resources is the common heritage of the man kind and denying any exclusive private monopoly in the form of intellectual property over plant genetic resources.

The developing countries and the LDC's have successfully pressed annexure-II to the IUPG in 1989. This is the first ever international instrument

affirming and recognizing the farmer's rights to save, exchange, use and re-uses the propagating material, seeds for the purpose of the planting and to develop the agricultural biodiversity. As per mandate of CBD the IUPG must be in harmony with the CBD.

The developing countries have achieved a major success in the year 2000 because the U.N has imposed moratorium on the GMOS and LMOS through CBD.

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## **11.5 Main Provisions under the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGR)**

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### **Objects of ITPGR**

They are as follows :

- 1) Conservation of plant genetic resources
- 2) Sustainable development
- 3) Ensuring food security
- 4) Fair and equitable sharing of benefits

It aims to promote synergy among the agriculture, environment and commerce. It wants to promote genetic enrichment and agriculture biodiversity. It calls for the practice of the sustainable agricultural development.

It aims to promote multilateral benefit system, international network of agricultural research institutions. It aims to achieve the target given by the global plan of action made by the commission of the genetic resources of FAO under the auspicious of IUPG. It wants to ensure technology transfer, international cooperation, financial facilities capability building measures to the developing countries and the LDC's so that the ITPGR will be effectively enforced. It recognizes the sovereign rights of the member countries over their plant genetic resources. It wants to preserve and conserve the plant genetic resources through conservation, exploration, collection, characterization, evaluation and documentation of plant genetic resources.

"The objectives of this Treaty are the conservation and sustainable use of plant genetic resources for food and agriculture and the fair and equitable sharing of the benefits arising out of their use, in harmony with the Convention on Biological Diversity, for sustainable agriculture and food security.

### **Definitions**

“In situ conservation” means the conservation of ecosystems and natural habitats and the maintenance and recovery of viable populations of species in their natural surroundings and, in the case of domesticated or cultivated plant species, in the surroundings where they have developed their distinctive properties.

- “Ex situ conservation” means the conservation of plant genetic resources for food and agriculture outside their natural habitat
- “*Ex situ* collection” means a collection of plant genetic resources for food and agriculture maintained outside their natural habitat.
- “Plant genetic resources for food and agriculture” means any genetic material of plant origin of actual or potential value for food and agriculture.
- “Genetic material” means any material of plant origin, including reproductive and vegetative propagating material, containing functional units of heredity.
- “Variety” means a plant grouping, within a single botanical taxon of the lowest known rank, defined by the reproducible expression of its distinguishing and other genetic characteristics.
- “Centre of origin” means a geographical area where a plant species, either domesticated or wild, first developed its distinctive properties.
- “Centre of crop diversity” means a geographic area containing a high level of genetic diversity for crop species in situ conditions.

### **Sustainable use of the Plant Genetic Resources**

The sustainable use of plant genetic resources for food and agriculture may include such measures as:

- a) pursuing fair agricultural policies that promote, as appropriate, the development and maintenance of diverse farming systems that enhance the sustainable use of agricultural biological diversity and other natural resources;
- b) strengthening research which enhances and conserves biological diversity by maximizing intra- and inter-specific variation for the benefit of farmers, especially those who generate and use their own varieties and apply ecological principles in maintaining soil fertility and in combating diseases, weeds and pests;

- c) promoting, as appropriate, plant breeding efforts which, with the participation of farmers, particularly in developing countries, strengthen the capacity to develop varieties particularly adapted to social, economic and ecological conditions, including in marginal areas;
- d) Broadening the genetic base of crops and increasing the range of genetic diversity available to farmers;
- e) Promoting, as appropriate, the expanded use of local and locally adapted crops, varieties and underutilized species;
- f) supporting, as appropriate, the wider use of diversity of varieties and species in on farm management, conservation and sustainable use of crops and creating strong links to plant breeding and agricultural development in order to reduce crop vulnerability and genetic erosion, and promote increased world food production compatible with sustainable development; and
- g) Reviewing, and, as appropriate, adjusting breeding strategies and regulations concerning variety release and seed distribution.

### **Application of Treaty**

It will not be applicable

- a) Animal genetic resources
- b) Human genetic resources
- c) Plant genetic resources which are not useful for food and agriculture example ornamental plants, medicinal plants and others.

This treaty shall not be applicable to the international trade and commodity and it further excludes the application and coverage of multilateral benefit system.

### **Obligation under the treaty**

ITGR retains the primacy over the national Laws. It mandates that members should ensure that the municipal laws and regulations must be in conformity with the provisions of the ITPGR. Article 4 of ITPGR provides that "Each Contracting Party shall ensure the conformity of its laws, regulations and procedures with its obligations as provided in this Treaty".

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## **11.6 Convention on Biodiversity (CBD)**

### **Historical Background**

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The Earth's biological resources are vital to humanity's economic and social development. As a result, there is a growing recognition that biological diversity is a global asset of tremendous value to present and future generations. At the same time, the threat to species and ecosystems has never been so great as it is today. Species extinction caused by human activities continues at an alarming rate.

In response, the United Nations Environment Programme (UNEP) convened the Ad Hoc Working Group of Experts on Biological Diversity in November 1988 to explore the need for an international convention on biological diversity. Soon after, in May 1989, it established the Ad Hoc Working Group of Technical and Legal Experts to prepare an international legal instrument for the conservation and sustainable use of biological diversity. The experts were to take into account "the need to share costs and benefits between developed and developing countries" as well as "ways and means to support innovation by local people".

By February 1991, the Ad Hoc Working Group had become known as the Intergovernmental Negotiating Committee. Its work culminated on 22 May 1992 with the Nairobi Conference for the Adoption of the Agreed Text of the Convention on Biological Diversity. The Convention was opened for signature on 5 June 1992 at the United Nations Conference on Environment and Development (the Rio "Earth Summit"). It remained open for signature until 4 June 1993, by which time it had received 168 signatures. The Convention entered into force on 29 December 1993, which was 90 days after the 30th ratification. The first session of the Conference of the Parties was scheduled for 28 November – 9 December 1994 in the Bahamas.

In 1992, the Convention on Biological Diversity (CBD) recognized the value of traditional knowledge in protecting species, ecosystems and landscapes, and incorporated language regulating access to it and its use. It soon became apparent that implementing these provisions would require that international intellectual property agreements would need to be revised to accommodate them.

The states who had ratified the CBD requested the World Intellectual Property Organization (WIPO) to investigate the relationship between intellectual property rights, biodiversity and traditional knowledge. Considering the issues involved with biodiversity and the broader issues in TRIPs, WIPO established the

Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC-GRTKF).

Following international standards have been emerged out of the World Intellectual Property Organization (WIPO) and the Convention on Biological Diversity (CBD) are that

1. the development of any policies, laws or rules regarding traditional knowledge and associated resources must involve the full and effective participation of indigenous and local communities;
2. access to traditional knowledge and resources (particularly genetic resources) can only be obtained through the free, prior informed consent (FPIC) of indigenous and local communities; and 3. Indigenous and local communities have the right to determine the form of benefit sharing, and use by others can only proceed on the basis of mutually agreeable terms between the custodians or holders of knowledge and resources and external parties.

The Convention on Biological Diversity (CBD) entered into force on 29 December 1993. It has the following main objectives:

1. The conservation of biological diversity
2. The sustainable use of the components of biological diversity
3. The fair and equitable sharing of the benefits arising out of the utilization of genetic resources

### **Salient features of CBD**

CBD consists of 42 articles including a preamble 2 annexure and few protocols. Four Protocols have been developed later after the conclusion of the treaty and this is also annexed along with the treaty and administered by the CBD. Example – Kartijina protocol. The provisions of CBD can be discussed under major two headings, Substantive and procedural provisions. The substantive provisions can be divided into two for the purposes of this study/research. One is general provisions while second is specific provisions relating to IP and traditional knowledge.

### **General provisions**

**Objectives:** the objectives of the CBD are provided under the preamble which are

- a) Conservation of biological diversity,

- b) The sustainable use of its components and thirdly the fair and equitable sharing of the benefits arising out of the utilization of genetic resource.
- c) It states the importance of the value of the biological resources. Viz "ecological, economical, social, cultural, scientific, aesthetic and recreational value".
- d) The preamble mandates that it is the responsibility of the states to preserve and protect the biodiversity.
- e) It recognizes "the conservation of biodiversity is the common concern of human kind."
- f) It recognizes the role played by the indigenous people and local communities in the preservation of biological resources and associated components and to ensure that their knowledge, innovation and practice relating to the preservation of biological resources must be respected and benefits arising out of such knowledge and resources must be equitably shared.
- g) It also sensitizes about the need of inter generational equity and also provides specific attention for the special needs of developing and least developed countries. It also makes an attempt to have a right set of balance between the access of genetic resources and rights and obligations attached to providers of genetic resources on the one hand and the appropriate access to technology, rights and obligations relating to the providers of technology on the other hand.

### **Definitions under the Convention on Biodiversity (CBD)**

"Biological diversity" means the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.

"Biological resources" includes genetic resources, organisms or parts thereof, populations, or any other biotic component of ecosystems with actual or potential use or value for humanity.

"Ecosystem" means a dynamic complex of plant, animal and microorganism communities and their non-living environment interacting as a functional unit.

"Genetic material" means any material of plant, animal, microbial or other origin containing functional units of heredity.

"Genetic resources" means genetic material of actual or potential value.

"Habitat" means the place or type of site where an organism or population naturally occurs.

*In-situ conditions'* means -conditions where genetic resources exist within ecosystems and natural habitats, and, in the case of domesticated or cultivated species, in the surroundings where they have developed their distinctive properties.

"Sustainable use" means the use of components of biological diversity in a way and at a rate that does not lead to the long-term decline of biological diversity, thereby maintaining its potential to meet the needs and aspirations of present and future generations.

## **ORGANISATIONAL SET UP OF CBD**

### **Conference of parties**

This is the primary organization of CBD having ultimate and final decision making body. It consists of the all the representatives from the member countries which are 190 in number at now. One vote is given to each member and all the decisions are to be taken only on consensus.

### **Powers and functions of cop**

It has power to

- a) Admit, expel the member
- b) It performs all the legislative functions of CBD
- c) It has powers to call for reports from all the wings of CBD namely The Secretariat, Financial Mechanism and Scientific Body on Technical and Technological Advice.
- d) It has power to create subsidiary bodies
- e) It can amend and modify the treaty
- f) It can review the operation of CBD and also monitor the implementation of CBD.
- g) It can adopt annexure to CBD14
- h) It can adopt protocols. The provisions relating to the treaty is also applicable mutatis mutandis to protocol 2
- i) It can grant observers status to other countries, intergovernmental and non-governmental organization both for the meetings of CBD and Protocols

### **Functions of Secretariat**

Its functions shall be:

- (a) To arrange for and service meetings of the Conference of the Parties provided for in Article 23:
- (b) To perform the functions assigned to it by any protocol:
- (c) To prepare reports on the execution of its functions under this Convention and present them to the Conference of the Parties:
- (d) To coordinate with other relevant international bodies and, in particular to enter into such administrative and contractual arrangements as may be required for the effective discharge of its functions; and
- (e) To perform such other functions as may be determined by the Conference of the Parties.

### **Application of the Convention**

The convention primarily focuses upon the role of the states. It does not mean that it restricts itself with the states and states alone. It emphasizes the role of inter governmental institutions and non-governmental organizations, individuals and private corporate also.

CBD applies into two phases. One is International and another is national. It recognizes the international sovereignty and domestic jurisdiction on one hand and on the other hand it recognizes the rights and obligations and fixes the liability on extra territorial basis or on International basis. it touches the area of *Res nullis* such as High Seas, Antarctic region.

Article 4 of CBD provides that "Subject to the rights of other States, and except as otherwise expressly provided in this Convention, the provisions of this Convention apply, in relation to each Contracting Party".

- (a) In the case of components of biological diversity, in areas within the limits of its national jurisdiction; and
- (b) In the case of processes and activities, regardless of where their effects occur, carried out under its jurisdiction or control, within the area of its national jurisdiction or beyond the limits of national jurisdiction.

Being a sovereign every State has an inherent power to use and exploit its resources without affecting the rights of other State. The liability is provided over the State when it commits harm by its activities during the course of exploitations of natural/biological resources irrespective of its jurisdiction and control. It also addresses measures to be taken in the times of natural disasters, manmade disasters and other times of extreme urgencies including emergency situations.

As per Article 6(b) Integrate, as far as possible and as appropriate, the conservation and sustainable use of biological diversity into relevant sectoral or cross-sectoral plans, programmes and policies.

**Sustainable Use of Components of Biological Diversity** Article 10 provides in this regard that Each Contracting Party shall, as far as possible and as appropriate:

- (a) Integrate consideration of the conservation and sustainable use of biological resources into national decision-making;
- (b) Adopt measures relating to the use of biological resources to avoid or minimize adverse impacts on biological diversity;
- (c) Protect and encourage customary use of biological resources in accordance with traditional cultural practices that are compatible with conservation or sustainable use requirements;
- (d) Support local populations to develop and implement remedial action in degraded areas where biological diversity has been reduced; and
- (e) Encourage cooperation between its governmental authorities and its private sector in developing methods for sustainable use of biological resources.

### **Environment Impact Assessment Provisions under the CBD**

#### **Article 14. Impact Assessment and Minimizing Adverse Impacts**

1. Each Contracting Party, as far as possible and as appropriate, shall:

- (a) Introduce appropriate procedures requiring environmental impact assessment of its proposed projects that are likely to have significant adverse effects on biological diversity with a view to avoiding or minimizing such effects and, where appropriate. Allow for public participation in such procedures;
- (b) Introduce appropriate arrangements to ensure that the environmental consequences of its programmes and policies that are likely to have significant adverse impacts on biological diversity are duly taken into account;
- (c) Promote, on the basis of reciprocity, notification, exchange of information and consultation on activities under their jurisdiction or control which are likely to significantly affect adversely the biological diversity of other States or areas beyond the limits of national jurisdiction, by encouraging

the conclusion of bilateral, regional or multilateral arrangements, as appropriate;

- (d) In the case of imminent or grave danger or damage, originating under its jurisdiction or control, to biological diversity within the area under jurisdiction of other States or in areas beyond the limits of national jurisdiction, notify immediately the potentially affected States of such danger or damage, as well as initiate action to prevent or minimize such danger or damage; and
- (e) Promote national arrangements for emergency responses to activities or events, whether caused naturally or otherwise, which present a grave and imminent danger to biological diversity and encourage international cooperation to supplement such national efforts and, where appropriate and agreed by the States or regional economic Integration organizations concerned, to establish joint contingency plans.

2. The Conference of the Parties shall examine, on the basis of studies to be carried out, the issue of liability and redress, including restoration and compensation, for damage to biological diversity, except where such liability is a purely internal matter.

**Article 15. Access to Genetic Resources:**

- 1. Recognizing the sovereign rights of States over their natural resources, the authority to determine access to genetic resources rests with the national governments and is subject to national legislation.
- 2. Each Contracting Party shall endeavor to create renditions to facilitate access to genetic resources for environmentally sound uses by other Contracting Parties and not to impose restrictions that run counter to the objectives of this Convention.
- 3. For the purpose of this Convention, the genetic resources being provided by a Contracting Party, as referred to in this Article and Articles 16 and 19, are only those that are provided by Contracting Parties that are countries of origin of such resources or by the Parties that have acquired the genetic resources in accordance with this Convention.
- 4. Access, where granted, shall be on mutually agreed terms and subject to the provisions of this Article.

5. Access to genetic resources shall be subject to prior informed consent of the Contracting Party providing such resources, unless otherwise determined by that Party.
6. Each Contracting Party shall endeavor to develop and carry out scientific research based on genetic resources provided by other Contracting Parties with the full participation of, and where possible in. such Contracting Parties.
7. Each Contracting Party shall take legislative, administrative or policy measures, as appropriate, and in accordance with Articles 16 and 19 and, where necessary, through the financial mechanism established by Articles 20 and 21 with the aim of sharing in a fair and equitable way the results o research and development and the benefits arising from the commercial and other utilization of genetic resources with the Contracting Party providing such resources. Such sharing shall be upon mutually agreed terms.

**STTS: Subsidiary body on scientific, technical and technological advice**

This is open to all member countries of CBD consisting of all the representatives of members Government in the relevant field. Being in a multidisciplinary it has to perform all the functions relating to CBD and its protocol. It acts as a scientific advisory wing of CBD to the COP and also it operates as a research and development wing to promote innovations to conserve the biological diversity.

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## **11.7 BONN GUIDELINES**

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Scope of Bonn Guidelines read as follows:

All genetic resources and associated traditional knowledge, innovations and practices covered by the Convention on Biological Diversity and benefits arising from the commercial and other utilization of such resources should be covered by the guidelines, with the exclusion of human genetic resources.

The Bonn guideline imposes various obligations and also prescribes various roles to be played by the key players such as parties to the convention and their administrative wing relating to the CBD such as the national focal point, national competent authority and others. It also aims to strike a balance between the roles and responsibilities depending upon the status of the parties such as providers,

users and economic status of the parties such as developing countries, Least developed countries and the developed countries.

The Bonn Guideline mandates all the member countries for establishment of one national focal point at national level and that national focal point must be held responsible to provide all the necessary information relating to the implementation of CBD in particular given country. The national focal point should act as clearing housing mechanism at national level and it should also communicate and notify all the relevant activities of the CBD and associated instruments directly to the clearing house mechanism and the national focal point is also responsible to provide the following information to the applicant who wishes to obtain permit for the access of genetic resources in a particular country.

Para 15 of Bonn Guidelines empowers the national competent authority to perform the all the afore stated activities subject to the national law and also it empowers the national competent authority to delegate the afore stated functions in accordance with their national law.

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## 11.8 Summary

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Issues of IP protection of traditional medicinal knowledge are complex and controversial. The main problem that we face regarding IPR protection of traditional medicinal knowledge is that there may not be an identified individual owner. But a collective or community right can be granted by after recognizing them as the holders of traditional knowledge.

CBD is one of the important conventions covering various aspects such as technological developments including biotech, technology transfer, Intellectual property issues, and protection of traditional knowledge and preserving the biosphere through the protection of biological resources. CBD is not mere environmental convention, it aims beyond that.

The treaty has defined biodiversity as "the variability among living organisms from all sources including, *inter alia*, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems."

CBD has set up an ambitious target to reduce the loss of biodiversity, to promote and preserve biological resources, and to prevent the over exploitation of

the biological resources. The CBD has proposed the target to be reached by 2010. However, member countries have miserably failed in achieving this target.

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## **11.9 Self-Assessment Test**

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- 1) Discuss the regulatory framework for the protection of traditional knowledge.
- 2) Discuss the main features of International Treaty on Plant Genetics.
- 3) Discuss the salient features of the convention on the Bio Diversity (CBD).
- 4) Discuss the concept of benefit sharing for the traditional knowledge.

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## **11.10 Further Readings**

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- 1) Kerry ten Kate, Sarah A. Laird; The Commercial Use of Biodiversity: Access to Genetic Resources and Benefit-sharing; James & James/Earthscan
- 2) <http://www.wipo.int/tk/en/laws/tk.html>
- 3) <http://www.cbd.int/convention/text>

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# Unit – 12

## IPR and International Protocol and India

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### Objectives

The object of this unit is to acquaint you with the changes brought in the intellectual property regime in India as per compliance of various international conventions. This unit discusses how the various Intellectual Property Laws have been amended from time to time as per change in the international framework for intellectual property rights.

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### Structure

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- 12.1 Introduction
- 12.2 TRIPS and India
- 12.3 Post Transitional – Amendment in Legislation
- 12.4 Summary
- 12.5 Self Assessment Test
- 12.6 Further Readings

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### 12.1 Introduction

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Rapid globalization and liberalization have led the union government to sign several international treaties. In the field of Intellectual property rights various treaties have been signed and we shall briefly discuss that what is the framework for the implementation of international treaties in to Indian Law.

Article 51 of the Indian Constitution seeks to oblige the state to foster respect to international treaty obligations. Article 51 (c) provides that 'the State shall endeavor to foster respect for international law and treaty obligations in the dealings of organized peoples with one another'. As this Article is under the Directive Principles of State Policy, the effectiveness of this Article was diluted earlier. Article 253 enables the Parliament to make necessary and appropriate laws to give effect to the international obligation undertaken by the Government of India.

India has been the member of various international agreements of intellectual property rights some of the following are:

- a) World Trade Organization (WTO) with effect from 01-01 -1995.
- b) Convention establishing World Intellectual Property Organization, (WIPO).
- c) Paris Convention for the protection of Industrial Property with effect from Dec.7, 1998.
- d) Patent Co-operation Treaty (PCT) with effect from Dec.7, 1998.
- e) Budapest Treaty with effect from 17th December, 2001

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## 12.2 TRIPS and India

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On April 15, 1994, the signatory nations of the General Agreement on Tariffs and Trade (GATT) signed an Agreement of Trade Related Aspects of Intellectual Property (TRIPS). As the name suggests, this agreement is aimed at harmonizing national laws on protection of intellectual property and strengthening the overall IP regime for better protection and enforcement of intellectual property rights. However, the most contrasting feature of this agreement is that via this agreement, WTO introduced for the first time interlinking of trade and IP rights, which until now were being practiced on parallel plains. Before the WTO, the World Intellectual Property Organization (WIPO) was governing the IP rights. The world trade regime and intellectual property movement were so disconnected that in fact, the 1947 GATT mentioned intellectual property rights only in passing.

The TRIPS agreement introduced global minimum standards for protecting and enforcing nearly all forms of intellectual property rights, including those for pharmaceuticals. The agreement covers basic principles, standards and use of patents, enforcements. Members must provide patent protection minimum for 20 years from the filing date of a patent application, for any invention, including of a pharmaceutical product or process.

**Transitional agreements:** All WTO members were generally given one year time that is up to January 1996, to phase in these changes into their intellectual property rights or other laws and regulations. Developing and other countries in transition were given an additional four years, i.e. up to January 2000 and least developed countries ten years that is up to 2006, to do so. A further period of five years up to

2005 was given too developing countries to introduce product patent in field of technology excluded thus far in their patent laws.

TRIPS provides transitional period during which countries are required to bring their national legislation and practices into conformity with its provisions. TRIPS specifically recognize the economic, financial, administrative and technological constraints of the least developing countries. It therefore provides the possibility for further extension of the transitional period.

### **India's TRIPS compliance and Patent Law**

India signed the WTO in 1995 and automatically became a signatory of the Agreement on trade related aspects of intellectual property rights (TRIPS) in 1995. Under its requirements India needed to amend its patent law subject to transitional allowances provided for developing countries under article 65, i.e., it needed to amend the law by 1<sup>st</sup> January 2005. In order to make the Indian patent law, trips compliant, the following amendments were required:

- Extended patent to microorganisms
- Introduce TRIPS compliant compulsory licensing provisions
- Introduce product patents.
- Bring all inventions under patent coverage and extend the term of protection to 20 years.
- Remove discrimination between local production and importation.
- Shift the burden of proof in process patent related infringement proceedings to the defendant.

In 1999, the first amendment was made in the patents act 1970, introducing the requirements under the transitional arrangements through section 5(2) of the act of 1970, which allowed product patent applications to be filed, while chapter IVA provided for the grant of Exclusive Marketing Rights (EMRs).

The patent act 1970 under went a second amendment through the patent (Amendment) Act 2002. The Act of 2002 was introduced for bringing in conformity with all the substantive provisions of the trips agreement, barring those related to the introduction of product patents. The key issues included in the second amendment were, redefining patentable subject matter, extension of the term of the patent protection to 20 years and amending the compulsory licensing system.

The third amendment was brought by January 1, 2005 to introduce product patent regime in areas, including pharmaceuticals that were hitherto covered by process patents.

India as a signatory to the WTO was given the mandate to change its legislations relating to intellectual property related legislation in compliance with TRIPS. In respect of patent Law, the TRIPS agreement provides a three stage time frame for developing countries to comply with the obligations. This provides:

Introduction of a facility ("mail box") from January 01, 1995 to receive and hold product patent application in the fields of pharmaceuticals and agricultural chemicals till January 01, 2005. Further, on fulfilment of certain conditions, to grant exclusive marketing rights (EMR) for a period of five years or till the product patent is granted or patent application is rejected, whichever is earlier.

- i. Compliance, from January 01, 2000, with other obligations of the TRIPS agreement, namely, those related to rights of patentee, term of patent protection, compulsory licensing, reversal of burden of proof, etc.; and
- ii. introduction of product patent in all fields of technology from January 01, 2005. At this stage, the application for product patents filed and held in mail box from January 01, 1995 area also to be taken up for examination. India has complied with the obligations in respect of the above in the following manner –
- iii. in respect of obligations effective from January 01, 1995, India has amended the Patents Act 1970 through the Patents (Amendment) Act, 1999 effective respectively from January 01, 1995. This act provides for a "mail box" to receive and hold product patent applications in the field of pharmaceuticals and agricultural chemicals and also on fulfilment of certain conditions specified in the law, for grant of exclusive marketing rights (EMRs). It has also been provided in the law that product patent applications received shall not be referred for examination till December 31, 2004.
- iv. In respect of obligations from January 01, 2000 India has further amended the patent act through the Patents Amendment Act 2002, passed by parliament in May 2002 and notified in June 2002. The act has been effective from May 20, 2003.

- v. The third amendment to the patent act was promulgated as ordinance in December 2004 and later tabled in both the houses which was passed as patent amendment act 2005 in March 2005.

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## **12.3 Post Transitional period – Amendment in Legislations**

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### **Patents**

India is a member of the following International Organizations and Treaties in respect of Patents:

- a) World Trade Organization (WTO) with effect from 01-01 -1995.
- b) Convention establishing World Intellectual Property Organization, (*WIPO*).
- c) Paris Convention for the protection of Industrial Property with effect from Dec.7, 1998.
- d) Patent Co-operation Treaty (PCT) with effect from Dec.7, 1998.
- e) Budapest Treaty with effect from 17th December, 2001

India enacted the first Act relating to patent in India in 1856, which was renewed in 1859. Later the Indian Patents and Design Act of 1911 replaced all previous enactments. After independence The Indian Government appointed two committees (the Tek Chand Committee in 1948 and the Ayyangar Committee in 1957) to review the Indian patent system with a view toward ensuring that the system comported with national interest. After the submission of the report the Patent Act 1970 was enacted.

India has carried out three Amendments in March 1999, June 2002 and April 2005 on the Patent Act 1970 to bring Indian patent regime in harmony with the WTO agreement on Trade Related Intellectual Property Rights (TRIPs). Following the Second Amendment to the Patents Act (1970), parallel imports of products patented in India were allowed, subject to the condition that the foreign exporter was authorised by the patentee to sell and distribute. The Patents (Amendment) Act, 2002 had introduced the Bolar provision to allow for using and selling the patented product during the term of the patent, for obtaining regulatory approvals. The amended Act 2005 has revised this to include the act of importing as well. The provision has been selectively transposed from the US law.

The third and the final one, known as the Patents (Amendment) Act, 2005 came into force on 4th April 2005 and introduced product patents in drugs, food and chemicals sectors. The term of patenting has been increased to a 20 year period. The Patent (Amendment) Ordinance, 2004 allowed for the possibility of patenting incremental innovations — new use or new property of a known substance, etc. Under the amended Act (2005), this flexibility has been substantially curtailed.

### **Copyright**

The moral basis for protection under copyright law rests in the eighth commandment: “Thou shall not steal”. The law does not permit one to appropriate to himself what has been produced by the labour, skill and capital of another. This is the very foundation and philosophy of copyright law. Protection of copyright finds place under the Universal Declaration of Human Rights too in Art. 27.

- 1) Everyone has the right freely to participate in the cultural life of the community to enjoy the arts and share in scientific advancement and its benefits.
- 2) Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author

A Copyright Act was passed for the first time in India in 1914. The Copyright Act 1957 was amended in 1983, 1984, 1992 1994 to keep it in tune with the changing needs and technological progress, including the challenges posed by the rapid growth of information technology.

The Indian Copyright Act 1957 as been amended by Copyright (Amendment) Act, 1999. There was amendment in copyright Act in 1995 for compliance with the Rome Convention. This amendment brought comprehensive changes with regard to satellite broadcasting, computer software and digital technology.

**Trade Marks :** Legislation to protect trademarks came into force on 6 June 1942 and was based on the principles of English Common Law. The Act of 1940 was further amended to the Indian Trade and Merchandise Marks Act 1958, which came into force on 25 November 1959.

With an aim of harmonization of trade mark legislation in India a comprehensive review of the Trade and Merchandise Marks Act 1958 was made

and new Trade Mark Act 1999 has been enacted and enforces from 30<sup>th</sup> September 2003. This new trade mark act is compatible with the TRIPS and also harmonizes it with the international systems and practices.

Under the new Act, the definition of the trademark has been expanded and made inclusive to cover any mark, well-known mark but not limited to any sign, or symbols or any representations and any combination of signs capable of distinguishing the goods or services of one undertaking from those of other undertakings. Such kind of distinguishing marks constitute protectable subject matter under the provisions of the TRIPS Agreement. The Agreement provides that initial registration and each renewal of registration shall be for a term of not less than 10 years and the registration shall be renewable indefinitely. Compulsory licensing of trademarks is not permitted.

**Geographical Indications :** In line with its TRIPS obligations India enacted The Geographical Indication of Goods (Registration and Protection) Act, 1999 to provide for registration and better protection of geographical indications relating to goods.

A new Act has been enacted in India for the protection of the Geographical Indications. The Geographical Indications of Goods (Registration and the Protection) Act, 1999 has also been passed by the Parliament and notified on 30<sup>th</sup> December 1999 and the rules made there under notified on 8<sup>th</sup> March 2002.

It is an Act to provide for the registration and better protection of geographical indications relating to goods.

The TRIPs Agreement prescribes minimum standards of protection of GIs and additional protection for wines and spirits. Articles 22 to 24 of Part II Section III of the TRIPS prescribe minimum standards of protection to the geographical indications that WTO members must provide. India, in compliance with its obligation under TRIPS, has taken legislative measures by enacting the Geographical Indications of Goods (Registration and Protection) Act, 1999, which came into effect on September 15, 2003 and the Geographical Indications of Goods (Registration and Protection) Rules, 2002.

**Industrial designs :** A new designs law has been enacted after replacing the Designs Act, 1911. The new Act has been passed by Parliament in, 2000. This Act has been brought into force from 11<sup>th</sup> May 2001.

**Semiconductor and Layout:** The Semiconductor and Integrated Circuits Layout Design Act 2000 has been enacted for the protection of semiconductor integrated circuits layout designs and for matters connected therewith or incidental thereto.

This act was enacted as per TRIPS compliance. The Government of India, having ratified the said Final Act, should, inter alia, make provisions for giving effect to section 6 in Part II of the Agreement on Trade Related Aspects of Intellectual Property Rights relating to Layout-Design (Topographies) of Integrated Circuits:

Central Government has notified the Semiconductor Integrated Circuits Layout Design Rules 2001.

**Plant Varieties Law in India :** As per compliance after ratification of TRIPS India have enacted the Protection of Plant Varieties and Farmer's Rights Act, 2001 based on the recommendations of the International Union for Protection of New Varieties of Plants.

The Act titled as the Protection Of Plant Varieties And Farmers' Rights Act, 2001 In compliance with Article 17(3) of the TRIPS which permits sui generis protection for plant varieties, but also "to recognize and protect the rights of the farmers in respect of their contribution made at any time in conserving, improving and making available plant genetic resources for the development of new plant varieties.

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## 12.4 Summary

India being a developing country was provided with a transition period of five years i.e. till 01 January 2000 to apply the provisions of the TRIPS. An additional transitional period of five years was also provided for extending product patent protection to areas of technology not protected so far. Patent protection for pharmaceuticals and agriculture.

Under various international Agreements pertaining to intellectual property, require that such national legislation embodies certain specific standards

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## 12.5 Self-Assessment Test

- 1) Discuss the framework under Indian Constitution for the implementation of International treaties in Indian Legal framework.

- 2) Discuss the various changes brought by the TRIPS in Indian Intellectual Property Laws.
- 3) Discuss the changes brought in Indian patent Act as per TRIPS compliance.
- 4) Discuss the various amendments brought into Indian Copyright Act.

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## **12.6 Further Readings:**

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- 1) [http://commerce.nic.in/trade/international\\_trade\\_ip\\_trips4.asp](http://commerce.nic.in/trade/international_trade_ip_trips4.asp)
- 2) P. Narayanan: Intellectual Property Law Eastern Law House

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# Unit – 13

## Role of UNESCO and other International Bodies in IPR Protection

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### Objectives

The object of this unit is to acquaint students with the role of UNESCO and other International bodies in protection of Intellectual Property Rights. The development and expansion has been due to the contributions of leading International bodies which are mentioned in the latter part of this unit. There has been recognition of the emerging fields in the area of Intellectual Property by the various International Bodies from time to time.

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### Structure:

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- 13.1 Introduction
- 13.2 UNESCO: The Convention on the Protection and Promotion of the Diversity of Cultural Expressions
- 13.3 UNESCO UNIVERSAL DECLARATION ON CULTURAL DIVERSITY
- 13.4 Role of WTO in IPR protection
- 13.5 Role of WIPO in IPR protection
- 13.6 Summary
- 13.7 Self-Assessment Test
- 13.8 Further Readings

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### 13.1 Introduction:

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The United Nations Organization for Education, Science and Culture (UNESCO) was founded on 16 November 1945. UNESCO has 195 Members and eight Associate Members. It is governed by the General Conference and the Executive Board. The Secretariat, headed by the Director-General, implements the decisions of these two bodies. The Organization has more than 50 field offices around the world. Its headquarters are located at Place de Fontenoy in Paris, France.

**Mission:** UNESCO's mission is to contribute to the building of a culture of peace, the eradication of poverty, sustainable development and intercultural dialogue through education, the sciences, culture, communication and information.

The General Conference is UNESCO's primary decision-making body, comprising representatives of all Member States. It meets every 2 years to determine the policies and main lines of work of the Organization.

The Executive Board, composed of 58 Member States, is responsible for the execution of the programmes adopted by the General Conference. It meets twice a year to examine the Organization's programmes and budget.

### **Constitution of the United Nations Educational, Scientific and Cultural Organization :**

#### **Purposes and Functions Article I**

The purpose of the Organization is to contribute to peace and security by promoting collaboration among the nations through education, science and culture in order to further universal respect for justice, for the rule of law and for the human rights and fundamental freedoms which are affirmed for the peoples of the world, without distinction of race, sex, language or religion, by the Charter of the United Nations.

#### **Functions of UNESCO**

The Organization will:

- (a) Collaborate in the work of advancing the mutual knowledge and understanding of peoples, through all means of mass communication and to that end recommend such international agreements as may be necessary to promote the free flow of ideas by word and image;
- (b) Give fresh impulse to popular education and to the spread of culture:
  - By collaborating with Members, at their request, in the development of educational activities;
  - By instituting collaboration among the nations to advance the ideal of equality of educational opportunity without regard to race, sex or any distinctions, economic or social;
  - By suggesting educational methods best suited to prepare the children of the world for the responsibilities of freedom;

- (c). With a view to preserving the independence, integrity and fruitful diversity of the cultures and educational systems of the States Members of the Organization, the Organization is prohibited from intervening in matters which are essentially within their domestic jurisdiction.

### **Membership Article II**

1. Membership of the United Nations Organization shall carry with it the right to membership of the United Nations Educational, Scientific and Cultural Organization.
2. Subject to the conditions of the Agreement between this Organization and the United Nations Organization, approved pursuant to Article X of this Constitution, states not members of the United Nations Organization may be admitted to membership of the Organization, upon recommendation of the Executive Board, by a two-thirds majority vote of the General Conference.
3. Territories or groups of territories which are not responsible for the conduct of their international relations may be admitted as Associate Members by the General Conference by a two-thirds majority of Members present and voting, upon application made on behalf of such territory or group of territories by the Member or other authority having responsibility for their international relations. The nature and extent of the rights and obligations of Associate Members shall be determined by the General Conference.
4. Members of the Organization which are suspended from the exercise of the rights and privileges of membership of the United Nations Organization shall, upon the request of the latter, be suspended from the rights and privileges of this Organization.
5. Members of the Organization which are expelled from the United Nations Organization shall automatically cease to be Members of this Organization.
6. Any Member State or Associate Member of the Organization may withdraw from the Organization by notice addressed to the Director-General. Such notice shall take effect on 31 December of the year following that during which the notice was given. No such withdrawal shall affect the financial obligations owed to the Organization on the date the withdrawal takes effect. Notice of withdrawal by an Associate Member shall be given on its behalf by the Member State or other authority having responsibility for its international relations.

**Organs of UNESCO Article III:** The Organization shall include a General Conference, an Executive Board and a Secretariat.

**The General Conference Article IV**

**A. Composition**

1. The General Conference shall consist of the representatives of the States Members of the Organization. The Government of each Member State shall appoint not more than five delegates, who shall be selected after consultation with the National Commission, if established, or with educational, scientific and cultural bodies.

**B. Functions of General Conference**

- a) The General Conference shall determine the policies and the main lines of work of the Organization. It shall take decisions on programmes submitted to it by the Executive Board.
- b) The General Conference shall, when it deems desirable and in accordance with the regulations to be made by it, summon international conferences of states on education, the sciences and humanities or the dissemination of knowledge; non-governmental conferences on the same subjects may be summoned by the General Conference or by the Executive Board in accordance with such regulations.
- c) The General Conference shall, in adopting proposals for submission to the Member States, distinguish between recommendations and international conventions submitted for their approval. In the former case a majority vote shall suffice; in the latter case a two-thirds majority shall be required. Each of the Member States shall submit recommendations or conventions to its competent authorities within a period of one year from the close of the session of the General Conference at which they were adopted.
- d) Subject to the provisions of Article V, paragraph 6 (c), the General Conference shall advise the United Nations Organization on the educational, scientific and cultural aspects of matters of concern to the latter, in accordance with the terms and procedure agreed upon between the appropriate authorities of the two Organizations.
- e) The General Conference shall receive and consider the reports sent to the Organization by Member States on the action taken upon the recommendations

and conventions referred to in paragraph 4 above or, if it so decides, analytical summaries of these reports.

- f) The General Conference shall elect the members of the Executive Board and, on the recommendation of the Board, shall appoint the Director-General.

### **Voting Process**

- (a) Each Member State shall have one vote in the General Conference. Decisions shall be made by a simple majority except in cases in which a two-thirds majority is required by the provisions of this Constitution, or the Rules of Procedure of the General Conference. A majority shall be a majority of the Members present and voting
- (b) A Member State shall have no vote in the General Conference if the total amount of contributions due from it exceeds the total amount of contributions payable by it for the current year and the immediately preceding calendar year.<sup>4</sup>
- (c) The General Conference may nevertheless permit such a Member State to vote, if it is satisfied that failure to pay is due to conditions beyond the control of the Member State.
- (d) The General Conference shall meet in ordinary session every two years. It may meet in extraordinary session if it decides to do so itself or if summoned by the Executive Board, or on the demand of at least one third of the Member States.
- (e) At each session the location of its next ordinary session shall be designated by the General Conference. The location of an extraordinary session shall be decided by the General Conference if the session is summoned by it, or otherwise by the Executive Board.
- (f) The General Conference shall adopt its own rules of procedure. It shall at each session elect a President and other officers.
- (g) The General Conference shall set up special and technical committees and such other subsidiary organs as may be necessary for its purposes.
- (h) The General Conference shall cause arrangements to be made for public access to meetings, subject to such regulations as it shall prescribe

### **Executive Board Article V**

#### ***A. Composition***

1. (a) The Executive Board shall be elected by the General Conference and it shall consist of fifty-eight Member States. The President of the General Conference shall sit *ex officio* in an advisory capacity on the Executive Board.  
(b) Elected States Members of the Executive Board are hereinafter referred to as "Members" of the Executive Board.
2. (a) Each Member of the Executive Board shall appoint one representative. It may also appoint alternates.  
(b) In selecting its representative on the Executive Board, the Member of the Executive Board shall endeavor to appoint a person qualified in one or more of the fields of competence of UNESCO and with the necessary experience and capacity to fulfill the administrative and executive duties of the Board. Bearing in mind the importance of continuity, each representative shall be appointed for the duration of the term of the Member of the Executive Board, unless exceptional circumstances warrant his replacement. The alternates appointed by each Member of the Executive Board shall act in the absence of its representative in all his functions.
3. In electing Members to the Executive Board, the General Conference shall have regard to the diversity of cultures and a balanced geographical distribution.
4. (a) Members of the Executive Board shall serve from the close of the session of the General Conference which elected them until the close of the second ordinary session of the General Conference following their election. The General Conference shall, at each of its ordinary sessions, elect the number of Members of the Executive Board required to fill vacancies occurring at the end of the session.  
(b) Members of the Executive Board are eligible for re-election. Re-elected Members of the Executive Board shall endeavor to change their representatives on the Board.
5. In the event of the withdrawal from the Organization of a Member of the Executive Board, its term of office shall be terminated on the date when the withdrawal becomes effective.

**B. Functions**

6. (a) The Executive Board shall prepare the agenda for the General Conference. It shall examine the programme of work for the Organization and corresponding budget estimates submitted to it by the Director-General in accordance with

paragraph 3 of Article VI and shall submit them with such recommendations as it considers desirable to the General Conference.

- (b) The Executive Board, acting under the authority of the General Conference, shall be responsible for the execution of the programme adopted by the Conference. In accordance with the decisions of the General Conference and having regard to circumstances arising between two ordinary sessions, the Executive Board shall take all necessary measures to ensure the effective and rational execution of the programme by the Director-General.
  - (c) Between ordinary sessions of the General Conference, the Board may discharge the functions of adviser to the United Nations, set forth in Article IV, whenever the problem upon which advice is sought has already been dealt with in principle by the Conference, or when the solution is implicit in decisions of the Conference.
7. The Executive Board shall recommend to the General Conference the admission of new Members to the Organization.
  8. Subject to decisions of the General Conference, the Executive Board shall adopt its own rules of procedure. It shall elect its officers from among its Members.
  9. The Executive Board shall meet in regular session at least four times during a biennium and may meet in special session if convoked by the Chairman on his initiative or upon the request of six Members of the Executive Board.
  10. The Chairman of the Executive Board shall present, on behalf of the Board, to the General Conference at each ordinary session, with or without comments, the reports on the activities of the Organization which the Director-General is required to prepare in accordance with the provisions of Article VI.3 (b).2
  11. The Executive Board shall make all necessary arrangements to consult the representatives of international organizations or qualified persons concerned with questions within its competence.
  12. Between sessions of the General Conference, the Executive Board may request advisory opinions from the International Court of Justice on legal questions arising within the field of the Organization's activities.
  13. The Executive Board shall also exercise the powers delegated to it by the General Conference on behalf of the Conference as a whole.

#### **Article X Relations with the United Nations Organization**

This Organization shall be brought into relation with the United Nations Organization, as soon as practicable, as one of the specialized agencies referred to in Article 57 of the Charter of the United Nations. This relationship shall be effected through an agreement with the United Nations Organization under Article 63 of the Charter, which agreement shall be subject to the approval of the General Conference of this Organization. The agreement shall provide for effective cooperation between the two Organizations in the pursuit of their common purposes, and at the same time shall recognize the autonomy of this Organization, within the fields of its competence as defined in this Constitution. Such agreement may, among other matters, provide for the approval and financing of the budget of the Organization by the General Assembly of the United Nations

**Relations with other specialized international organizations and agencies**  
**Article XI**

1. This Organization may cooperate with other specialized intergovernmental organizations and agencies whose interests and activities are related to its purposes. To this end the Director- General, acting under the general authority of the Executive Board, may establish effective working relationships with such organizations and agencies and establish such joint committees as may be necessary to assure effective cooperation. Any formal arrangements entered into with such organizations or agencies shall be subject to the approval of the Executive Board.
2. Whenever the General Conference of this Organization and the competent authorities of any other specialized intergovernmental organizations or agencies whose purpose and functions lie within the competence of this Organization deem it desirable to effect a transfer of their resources and activities to this Organization, the Director-General, subject to the approval of the Conference, may enter into mutually acceptable arrangements for this purpose.
3. This Organization may make appropriate arrangements with other intergovernmental organizations for reciprocal representation at meetings.
4. The United Nations Educational, Scientific and Cultural Organization may make suitable arrangements for consultation and cooperation with non-governmental international organizations concerned with matters within its

competence, and may invite them to undertake specific tasks. Such cooperation may also include appropriate participation by representatives.

#### **National cooperating bodies Article VII**

1. Each Member State shall make such arrangements as suit its particular conditions for the purpose of associating its principal bodies interested in educational, scientific and cultural matters with the work of the Organization, preferably by the formation of a National Commission broadly representative of the government and such bodies.
2. National Commissions or National Cooperating Bodies, where they exist, shall act in an advisory capacity to their respective delegations to the General Conference, to the representatives and alternates of their countries on the Executive Board and to their Governments in matters relating to the Organization and shall function as agencies of liaison in all matters of interest to it.
3. The Organization may, on the request of a Member State, delegate, either temporarily, a member of its Secretariat to serve on the National Commission of that state, in order to assist in the development of its work.

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### **13.2 UNESCO: The Convention on the Protection and Promotion of the Diversity of Cultural Expressions**

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The Charter on the Preservation of the Digital Heritage, adopted by UNESCO at the 32nd session of the General Conference (October 2003), stresses that electronic resources must be conceived as a heritage and as capital for the activities of future generations.

On October 20, 2005, UNESCO adopted a new international agreement, the Convention on the Protection and Promotion of the Diversity of Cultural Expressions ("Cultural Diversity Convention").

The Convention builds upon the Universal Declaration on Cultural Diversity which UNESCO's members unanimously adopted in 2001.

#### **Article 1 – Objectives**

The objectives of this Convention are:

- (a) to protect and promote the diversity of cultural expressions;

- (b) to create the conditions for cultures to flourish and to freely interact in a mutually beneficial manner;
- (c) to encourage dialogue among cultures with a view to ensuring wider and balanced cultural exchanges in the world in favor of intercultural respect and a culture of peace;
- (d) to foster inter culturality in order to develop cultural interaction in the spirit of building bridges among peoples;
- (e) to promote respect for the diversity of cultural expressions and raise awareness of its value at the local, national and international levels;
- (f) to reaffirm the importance of the link between culture and development for all countries, particularly for developing countries, and to support actions undertaken nationally and internationally to secure recognition of the true value of this link;
- (g) to give recognition to the distinctive nature of cultural activities, goods and services as vehicles of identity, values and meaning;
- (h) to reaffirm the sovereign rights of States to maintain, adopt and implement policies and measures that they deem appropriate for the protection and promotion of the diversity of cultural expressions on their territory;
- (i) to strengthen international cooperation and solidarity in a spirit of partnership with a view, in particular, to enhancing the capacities of developing countries in order to protect and promote the diversity of cultural expressions.

## **Article 2 – Guiding principles**

**1. Principle of respect for human rights and fundamental freedoms** Cultural diversity can be protected and promoted only if human rights and fundamental freedoms, such as freedom of expression, information and communication, as well as the ability of individuals to choose cultural expressions, are guaranteed. No one may invoke the provisions of this Convention in order to infringe human rights and fundamental freedoms as enshrined in the Universal Declaration of Human Rights or guaranteed by international law, or to limit the scope thereof.

## **2. Principle of sovereignty**

States have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to adopt measures and

policies to protect and promote the diversity of cultural expressions within their territory.

### **3. Principle of equal dignity of and respect for all cultures**

The protection and promotion of the diversity of cultural expressions presuppose the recognition of equal dignity of and respect for all cultures, including the cultures of persons belonging to minorities and indigenous peoples.

### **4. Principle of international solidarity and cooperation**

International cooperation and solidarity should be aimed at enabling countries, especially developing countries, to create and strengthen their means of cultural expression, including their cultural industries, whether nascent or established, at the local, national and international levels.

### **5. Principle of the complementarity of economic and cultural aspects of development** : Since culture is one of the mainsprings of development, the cultural aspects of development are as important as its economic aspects, which individuals and peoples have the fundamental right to participate in and enjoy.

### **6. Principle of sustainable development**

Cultural diversity is a rich asset for individuals and societies. The protection, promotion and maintenance of cultural diversity are an essential requirement for sustainable development for the benefit of present and future generations.

### **7. Principle of equitable access**

Equitable access to a rich and diversified range of cultural expressions from all over the world and access of cultures to the means of expressions and dissemination constitute important elements for enhancing cultural diversity and encouraging mutual understanding.

### **8. Principle of openness and balance**

When States adopt measures to support the diversity of cultural expressions, they should seek to promote, in an appropriate manner, openness to other cultures of the world and to ensure that these measures are geared to the objectives pursued under the present Convention.

### **Article 3 – Scope of application**

This Convention shall apply to the policies and measures adopted by the Parties related to the protection and promotion of the diversity of cultural expressions.

Rights and obligations of Parties under the Convention

**Article 5 – General rule regarding rights and obligations**

1. The Parties, in conformity with the Charter of the United Nations, the principles of international law and universally recognized human rights instruments, reaffirm their sovereign right to formulate and implement their cultural policies and to adopt measures to protect and promote the diversity of cultural expressions and to strengthen international cooperation to achieve the purposes of this Convention.
2. When a Party implements policies and takes measures to protect and promote the diversity of cultural expressions within its territory, its policies and measures shall be consistent with the provisions of this Convention.

**Article 6 – Rights of parties at the national level**

1. Within the framework of its cultural policies and measures as defined in Article 4.6 and taking into account its own particular circumstances and needs, each Party may adopt measures aimed at protecting and promoting the diversity of cultural expressions within its territory.
2. Such measures may include the following:
  - (a) regulatory measures aimed at protecting and promoting diversity of cultural expressions;
  - (b) measures that, in an appropriate manner, provide opportunities for domestic cultural activities, goods and services among all those available within the national territory for the creation, production, dissemination, distribution and enjoyment of such domestic cultural activities, goods and services, including provisions relating to the language used for such activities, goods and services;
  - (c) measures aimed at providing domestic independent cultural industries and activities in the informal sector effective access to the means of production, dissemination and distribution of cultural activities, goods and services;
  - (d) measures aimed at providing public financial assistance;
  - (e) measures aimed at encouraging non-profit organizations, as well as public and private institutions and artists and other cultural professionals, to develop

and promote the free exchange and circulation of ideas, cultural expressions and cultural activities, goods and services, and to stimulate both the creative and entrepreneurial spirit in their activities;

- (f) measures aimed at establishing and supporting public institutions, as appropriate;
- (g) measures aimed at nurturing and supporting artists and others involved in the creation of cultural expressions;
- (h) measures aimed at enhancing diversity of the media, including through public service broadcasting.

### **Organs of the Convention**

#### **Article 22 – Conference of parties**

1. A Conference of Parties shall be established. The Conference of Parties shall be the plenary and supreme body of this Convention.
2. The Conference of Parties shall meet in ordinary session every two years, as far as possible, in conjunction with the General Conference of UNESCO. It may meet in extraordinary session if it so decides or if the Intergovernmental Committee receives a request to that effect from at least one-third of the Parties.
3. The Conference of Parties shall adopt its own rules of procedure.
4. The functions of the Conference of Parties shall be, *inter alia*:
  - (a) to elect the Members of the Intergovernmental Committee;
  - (b) to receive and examine reports of the Parties to this Convention transmitted by the Intergovernmental Committee;
  - (c) to approve the operational guidelines prepared upon its request by the Intergovernmental Committee;
  - (d) to take whatever other measures it may consider necessary to further the objectives of this Convention.

#### **Article 23 – Intergovernmental Committee**

1. An Intergovernmental Committee for the Protection and Promotion of the Diversity of Cultural Expressions, hereinafter referred to as “the Intergovernmental Committee”, shall be established within UNESCO. It shall be composed of representatives of 18 States Parties to the Convention, elected for a term of four years by the Conference of Parties upon entry into force of this Convention pursuant to Article 29.
2. The Intergovernmental Committee shall meet annually.

3. The Intergovernmental Committee shall function under the authority and guidance of and be accountable to the Conference of Parties.
4. The Members of the Intergovernmental Committee shall be increased to 24 once the number of Parties to the Convention reaches 50.
5. The election of Members of the Intergovernmental Committee shall be based on the principles of equitable geographical representation as well as rotation.
6. Without prejudice to the other responsibilities conferred upon it by this Convention, the functions of the Intergovernmental Committee shall be:
  - (a) to promote the objectives of this Convention and to encourage and monitor the implementation thereof;
  - (b) to prepare and submit for approval by the Conference of Parties, upon its request, the operational guidelines for the implementation and application of the provisions of the Convention;
  - (c) to transmit to the Conference of Parties reports from Parties to the Convention, together with its comments and a summary of their contents;
  - (d) to make appropriate recommendations to be taken in situations brought to its attention by Parties to the Convention in accordance with relevant provisions of the Convention, in particular Article 8;
  - (e) to establish procedures and other mechanisms for consultation aimed at promoting the objectives and principles of this Convention in other international forums;
  - (f) to perform any other tasks as may be requested by the Conference of Parties.
7. The Intergovernmental Committee, in accordance with its Rules of Procedure, may invite at any time public or private organizations or individuals to participate in its meetings for consultation on specific issues.
8. The Intergovernmental Committee shall prepare and submit to the Conference of Parties, for approval, its own Rules of Procedure.

#### **Article 24 – UNESCO Secretariat**

1. The organs of the Convention shall be assisted by the UNESCO Secretariat.
2. The Secretariat shall prepare the documentation of the Conference of Parties and the Intergovernmental Committee as well as the agenda of their meetings and shall assist in and report on the implementation of their decisions.

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### **13.3 UNESCO UNIVERSAL DECLARATION ON CULTURAL DIVERSITY**

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The UNESCO Universal Declaration on Cultural Diversity was adopted unanimously in a most unusual context. It came in the wake of the events of 11 September 2001, and the UNESCO General Conference, which was meeting for its 31st session.

Such a wide-ranging instrument is a first for the international community.

It raises cultural diversity to the level of “the common heritage of humanity”, “as necessary for humankind as biodiversity is for nature” and makes its defense an ethical imperative in dissociable from respect for the dignity of the individual.

The Declaration aims both to preserve cultural diversity as a living, and thus renewable treasure that must not be perceived as being unchanging heritage but as a process guaranteeing the survival of humanity; and to prevent segregation and fundamentalism which, in the name of cultural differences, would sanctify those differences and so counter the message of the Universal Declaration of Human Rights.

The Universal Declaration makes it clear that each individual must acknowledge not only otherness in all its forms but also the plurality of his or her own identity, within societies that are themselves plural. Only in this way can cultural diversity be preserved as an adaptive process and as a capacity for expression, creation and innovation.

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### **13.4 Role of WTO in IPR protection**

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The emergence of the world trade organisation makes a watershed in international law and its impact on the international trade and business. The organisation and its agreements have set off unprecedented changes not just in the domain of international trade laws but also significant changes in the domain of the national laws of the member states. The WTO has set differential deadlines and continuous deliberation for the member states to comply with the agreements. A member joining WTO has to adhere to the 18 specific agreements establishing the WTO. Out of these TRIPS have the largest impact on the pharmaceutical sector. The WTO agreement is a treaty that creates in international obligations among its members. These obligations include refraining from taking actions that are

inconsistent with the agreement. The various parts of the WTO agreement, including the TRIPS Agreement, require that such national legislation embodies certain specific standards.

**Key requirements of the TRIPS:**

On April 15, 1994, the signatory nations of the General Agreement on Tariffs and Trade (GATT) signed an Agreement of Trade Related Aspects of Intellectual Property (TRIPS). As the name suggests, this agreement is aimed at harmonizing national laws on protection of intellectual property and strengthening the overall IP regime for better protection and enforcement of intellectual property rights. However, the most contrasting feature of this agreement is that via this agreement, WTO introduced for the first time interlinking of trade and IP rights, which until now were being practiced on parallel plains. Before the WTO, the World Intellectual Property Organization (WIPO) was governing the IP rights. The world trade regime and intellectual property movement were so disconnected that in fact, the 1947 GATT mentioned intellectual property rights only in passing. However, as the WTO Agreement was being negotiated, the U.S. and other developed nations insisted that the new trade institution link IP rights to the terms of trade for goods and services. As a result, the WTO Final Act included the new TRIPS Agreement as part of a newly conceptualized trade regime.

The TRIPS agreement introduced global minimum standards for protecting and enforcing nearly all forms of intellectual property rights, including those for pharmaceuticals. The agreement covers basic principles, standards and use of patents, enforcements. Members must provide patent protection minimum for 20 years from the filing date of a patent application, for any invention, including of a pharmaceutical product or process.

All WTO members were generally given one year time that is up to January 1996, to phase in these changes into their intellectual property rights or other laws and regulations. Developing and other countries in transition were given an additional four years, i.e. up to January 2000 and least developed countries ten years that is up to 2006, to do so. A further period of five years up to 2005 was given too developing countries to introduce product patent in field of technology excluded thus far in their patent laws.

TRIPS provides transitional period during which countries are required to bring their national legislation and practices into conformity with its provisions

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## **13.5 Role of WIPO in IPR protection**

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The Convention Establishing the World Intellectual Property Organization (WIPO), concluded in Stockholm on July 14, 1967 (Article 2(viii)) provides that “intellectual property shall include rights relating to:

- literary, artistic and scientific works,
- performances of performing artists, phonograms and broadcasts,
- inventions in all fields of human endeavor,
- scientific discoveries,
- industrial designs,
- trademarks, service marks and commercial names and designations,
- protection against unfair competition, and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

### **Mission of WIPO**

The mission of WIPO is to promote the creation, dissemination, use and protection of works of the human mind for the economic, cultural and social progress of all mankind. Its effect is to contribute to a balance between the stimulation of creativity worldwide, by sufficiently protecting the moral and material interests of creators on the one hand, and providing access to the socio-economic and cultural benefits of such creativity worldwide on the other

### **Objectives of the WIPO Article 3**

The objectives of the Organization are:

- (i) to promote the protection of intellectual property throughout the world through cooperation among States and, where appropriate, in collaboration with any other international organization,
- (ii) to ensure administrative cooperation among the Unions.

### **Article 4 Functions of WIPO**

- (i) shall promote the development of measures designed to facilitate the efficient protection of intellectual property throughout the world and to harmonize national legislation in this field;
- (ii) shall perform the administrative tasks of the Paris Union, the Special Unions established in relation with that Union, and the Berne Union;

- (iii) may agree to assume, or participate in, the administration of any other international agreement designed to promote the protection of intellectual property;
- (iv) shall encourage the conclusion of international agreements designed to promote the protection of intellectual property;
- (v) shall offer its cooperation to States requesting legal-technical assistance in the field of intellectual property;
- (vi) shall assemble and disseminate information concerning the protection of intellectual property, carry out and promote studies in this field, and publish the results of such studies;
- (vii) shall maintain services facilitating the international protection of intellectual property and, where appropriate, provide for registration in this field and the publication of the data concerning the registrations;
- (viii) shall take all other appropriate action

There are few significant action taken by the WIPO in the field of intellectual property highlighting the role of WIPO:

- WIPO's has entered into an agreement with the World Trade Organization (WTO), whereby WIPO assists developing countries in the implementation of WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).
- WIPO has been accredited by the Internet Corporation for Assigned Names and Numbers (ICANN) to administer cases filed under ICANN's Uniform Domain Name Dispute Resolution Policy.
- WIPO has launched a project named as worldwide global intellectual property information network (WIPONET) in 1999. WIPONET is aimed for establishment of a secure, global network linking the intellectual property offices of all WIPO's Member States, providing facility for access to and exchange of information worldwide.
- One of the important present-day tasks of WIPO is to demystify intellectual property, so that it is recognized as a part of everyday life not only by those directly involved in it at governmental, legal, industrial and cultural levels, but also by any others who compose civil society, whether in non-governmental

organizations or small businesses, whether farmers, public health personnel, individual creators or simply interested members of the general public.

- By The Adoption of the WIPO Performances and Phonograms Treaty (the WPPT) there has been recognition of the performer's rights.
- WIPO has established The WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore.
- WIPO has made various efforts to reach Intellectual Property community and also to the general public. WIPO is aimed for promoting a general understanding of the role of Intellectual Property and the need to foster and protect it.

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### **13.6 Summary**

WIPO has been increasingly approaching a global approach for the intellectual property. WIPO has always been instrumental in providing framework for emerging issues in Intellectual Property like traditional knowledge, folklore, biological diversity, environmental protection and human rights. WIPO has been cooperating closely with the Governmental and Intergovernmental organizations.

WIPO has undertaken various activities in the field of Intellectual Property with cooperation of United Nations Educational, Scientific and Cultural Organization (UNESCO). One of the examples being is that in 1976; the Tunis Model Law on Copyright for Developing Countries was adopted by the Committee of Governmental Experts convened by the Tunisian Government in Tunis, with the assistance of WIPO and UNESCO. The Tunis Model Law provides specific protection for works of national folklore.

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### **13.7 Self Assessment Tests**

- 1) Discuss the role of TRIPS in strengthening the Intellectual Property Rights
- 2) Write a note over the role of WIPO with respect to the emerging trends in the Intellectual Property.
- 3) Write a note on UNESCO Universal Declaration on Cultural Diversity.
- 4) Discuss the role of WTO with regard to the Intellectual Property.

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## **13.8 Further Readings:**

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- 1) World Intellectual Property Organization, WIPO Intellectual Property Handbook: Policy, Law and Use
- 2) <http://www.wipo.int/treaties/en/general/>
- 3) <http://www.unesco.org/new/en/unesco/>
- 4) Watal Jayashree , Intellectual Property Rights in the WTO and Development Countries Oxford University Press.

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## Unit – 14

# Development of WIPO on Traditional Knowledge, Cultural Rights, Plant Varieties, Biodiversities and Geographical Indications

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### Objectives:

WIPO has been adopting a global approach not only to the traditional concepts of Intellectual Properties but also it has placed itself for providing framework of emerging issues like traditional knowledge, biological diversity and Geographical Indications. The object of this unit is to acquaint students with the development of WIPO on Traditional Knowledge, Cultural Rights, Plant Varieties, Biodiversities and Geographical Indications.

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### Structure:

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- 14.1 Introduction
- 14.2 Development of WIPO on Traditional Knowledge
- 14.3 Development of WIPO on Cultural Rights
- 14.4 Development of WIPO on Plant Varieties
- 14.5 Development of WIPO on Biodiversities
- 14.6 Development of WIPO on Geographical Indication
- 14.7 Summary
- 14.8 Self-Assessment Test
- 14.9 Further Readings

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### 14.1 Introduction

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Traditional knowledge refers to the knowledge, innovations and practices of indigenous and local communities around the world. It's usually collectively owned- a collective property of the society. Traditional knowledge includes various areas such as traditional arts, folklore, cultural values, local language,

medicines, plants and animals etc. This paper focuses on traditional medicinal knowledge.

There is today a growing appreciation of the value of traditional knowledge. This knowledge is valuable not only to those who depend on it in their daily lives, but to modern industry and agriculture as well. Many widely used products, such as plant-based medicines and cosmetics, are derived from traditional knowledge. Traditional knowledge is appropriated, adopted and patented by scientists and industry; with little or no compensation to its custodians and without their prior informed consent.

The World Intellectual Property Organization (WIPO) is one of the specialized agencies of the United Nations (UN) system of organizations. The “Convention Establishing the World Intellectual Property Organization” was signed at Stockholm in 1967 and entered into force in 1970.

Prior to the United Nations Organization was established, BIPRI was the concerned Intergovernmental Organization in the field of Intellectual property. WIPO being the successor of BIPRI became a specialized agency of the United Nations after signing an agreement between the United Nations and WIPO which came into effect on December 17, 1974.

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## **14.2 Development of WIPO on Traditional Knowledge**

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The term traditional knowledge has not been defined either by CBD or by ITPGR. However, the term has been widely used in many international instruments such as CBD, ITPGR, BONN Guidelines and Nagoya Protocol. Indian Intellectual Property Laws also uses the term traditional knowledge in following Acts Indian Patent Act, Indian Biodiversity Act and Indian Plant Variety Protection Act.

Traditional knowledge (TK) generally refers to the matured long-standing traditions and practices of certain regional, indigenous, or local communities. Traditional knowledge also encompasses the wisdom, knowledge, and teachings of these communities. In many cases, traditional knowledge has been orally passed for generations from person to person. Some forms of traditional knowledge are expressed through stories, legends, folklore, rituals, songs, and even laws. Other forms of traditional knowledge are often expressed through different means.

Traditional knowledge is developed from experience gained over the centuries and adapted to the local culture and environment. This knowledge is transmitted from generation to generation. It is dynamic in nature and changes its character as the needs of the people change. It is difficult to isolate traditional knowledge from traditional people. For many communities, traditional knowledge takes on a personal and spiritual meaning. Traditional knowledge can also reflect a community's interests. Some communities depend on their traditional knowledge for survival.

Traditional culture extends beyond art, music and stories and includes knowledge about plants, animals and environment including medicinal properties in plants. Medicinal knowledge is passed on orally to family members.

### **Protection of Traditional Knowledge**

Protection of traditional knowledge revolves around the following points

- (i) Preservation
- (ii) Promotion of Traditional Knowledge dissemination and use
- (iii) Control of usage of Traditional Knowledge (avoiding misuse)
- (iv) Ensure benefit sharing with its originators

Difficulties in providing protection to Traditional Knowledge

There are various difficulties with regard to traditional knowledge like:

- Firstly all the traditional knowledge has not been properly defined.
- There is problem regarding collective ownership
- Problem of exercise of rights over traditional knowledge.
- Dichotomy over the commercial use of traditional knowledge without sharing benefits.

### **Protection**

In 1992, the Convention on Biological Diversity (CBD) recognized the value of traditional knowledge in protecting species, ecosystems and landscapes, and incorporated language regulating access to it and its use.

WIPO established the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC-GRTKF).

Role of World Intellectual Property Organization (WIPO): the following international standards have emerged out of World Intellectual Property Organization (WIPO) which are:

- The development of any policy, law or rule regarding traditional knowledge and associated resources must involve full and effective participation of indigenous and local communities.
- Access to traditional knowledge and resources is to be obtained through the free and prior informed consent (FPIC) of indigenous and local communities.
- Indigenous and local communities have been granted right to determine the form of benefit sharing and the usage by others can only proceed on the basis of mutually agreeable terms between the custodians or holders of knowledge and resources and external parties.

The World Intellectual Property Organization (WIPO) is a UN specialized agency working under the ECOSOC and General Assembly, till 1995 it was the only and exclusive international organization to deal with the IP related affairs.

The WIPO currently administers number of IP related Conventions including the Paris Convention, the Berne Convention, the Rome Convention, the Washington Treaty, the Patent Cooperation Treaty, the Budapest Treaty and others.

The WIPO is first United Nations body which was instrumental in for taking concrete steps for the protection of traditional knowledge. WIPO has constituted a fact finding mission to study and to assess how to protect the traditional knowledge specifically with reference to the benefit sharing mechanism. In 2000 the WIPO General Assembly has constituted a committee known as intergovernmental committee on genetics and IPR'S, traditional knowledge and folklore to concentrate on the traditional knowledge.

#### **International framework relating to traditional knowledge**

- 1) UN Convention on Bio-Diversity 1992
- 2) BONN Guidelines
- 3) The Nagoya Protocol on Access and Benefit Sharing and
- 4) International Treaty on Plant and Genetic Resources

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### **14.3 Development of WIPO on Cultural Rights**

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The Paris Convention, the Berne Convention established an International Bureau to carry out administrative tasks. In 1893, these two small bureau united to form an international organization called the United International Bureau for the

Protection of Intellectual Property (BIRPI). Later BIRPI became WIPO. In 1974 WIPO became a specialized agency of the United Nations.

The cultural heritage of indigenous people consists of the traditional practices, knowledge possessed by particular group. The cultural heritage is determined by the customs and practices of the individual, community as a whole.

The heritage of indigenous people consists:

- language, art, music, dance, song and ceremony
- agricultural, technical and ecological knowledge and practices
- spirituality, sacred sites and ancestral human remains
- documentation of the above

Let us have an overview over the cultural rights of the indigenous people:

- The United Nations Declaration on the Rights of Indigenous Peoples (2007)
- ILO Convention 169 on Indigenous and Tribal Peoples in Independent Countries (1989)

UN treaty monitoring bodies

- Human Rights Committee
- The Committee on the Elimination of Racial Discrimination (CERD)
- The Committee on Economic Social Cultural Rights

Regional bodies

- Inter-American institutions (Commission and Court)
- The African Commission on Human and Peoples' Rights\

Article 25 of the UDHR95 states explicitly that: "(1) Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing and medical care".

Article 15(1)(a) of the ICESCR recognizes "the right of everyone to take part in cultural life." First and foremost, "the right to take part in cultural life" must be understood within the broader human rights framework.

UN Declaration on the Rights of Indigenous peoples

**Article 31 provides**

1. Indigenous peoples have the right to maintain, control, protect and develop their cultural heritage, traditional knowledge and traditional cultural expressions, as well as the manifestations of their sciences, technologies and cultures, including human and genetic resources, seeds, medicines, knowledge of the properties of fauna and flora, oral traditions, literatures, designs, sports and traditional games and visual and performing arts. They also have the right to maintain, control, protect and develop their intellectual property over such cultural heritage, traditional knowledge, and traditional cultural expressions.
2. In conjunction with indigenous peoples, States shall take effective measures to recognize and protect the exercise of these rights.

The rights of indigenous people to enjoy the cultural heritage is recognized by a number of International instruments like:

- The Universal Declaration on Human Rights, the
- International Covenants on Economic, Cultural and Social Rights, and on Civil and Political Rights,
- the International Labor Organization's Convention No. 169
- The draft UN Declaration on the Rights of Indigenous Peoples.

### **World Intellectual Property Organization (WIPO) on Cultural Rights**

The World Intellectual Property Organization (WIPO) is one of the specialized agencies of the United Nations that promotes the protection of Intellectual property worldwide. WIPO defines intellectual property as literary, artistic and scientific works, inventions in all fields of human endeavor, scientific discoveries, and all other intellectual activity in the industrial, scientific, literary or artistic fields.

WIPO is one of the leading international institutions in shaping International intellectual property Law. WIPO is responsible for the administration and negotiation of new intellectual property treaties of Intellectual property. WIPO is also responsible for administering a number of International treaties in the field of Intellectual Property.

Global Intellectual Property Issues Division of WIPO is responsible for a number of activities directly related to indigenous peoples. The Global Issues Division is mainly responsible for conducting studies and practical activities for

better understanding of relationship between intellectual property and access to genetic resources, protection of traditional knowledge.

WIPO performs several activities like :

- Developing information materials on options under the existing intellectual property system for protecting traditional knowledge
- Disseminating practical information and holding training workshops on the intellectual property system and the protection of traditional knowledge
- Developing information, training and standards on intellectual property to document traditional knowledge
- Studying cases in which the protection of traditional knowledge has been sought under the intellectual property system

In 1992, the Working Group on Indigenous Populations and the World Intellectual Property Organization (WIPO) held a Technical Conference on Indigenous Peoples. The Member States of WIPO have established an Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore to discuss various subjects

WIPO established the Model Treaty on the Protection of Expressions of Folklore against Illicit Exploitation. The Model Treaty recognizes indigenous peoples as the traditional owners of artistic heritage, including folklore, music and dance, created within indigenous territories and passed down through the generations.

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## **14.4 Development of WIPO on Plant Varieties**

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### **International Convention for the Protection of new Varieties of Plants (The UPOV Convention)**

The international move to harmonize plant breeders rights emerged with the UPOV (Union pour la Protection des Abstentions Vegetables / International Union for the protection of new varieties of plants) in 1961. UPOV is the first attempt at international level to grant intellectual property rights to the breeder of a new plant variety. It is an intergovernmental organization and was adopted in Paris in 1961 by five European countries. UPOV was revised in 1972, 1978 and 1991.

Under UPOV breeder means the person who bred or discovered and developed, a variety; the person who is the employer of the breeder, or who has commissioned the latter's work, the successor in title of the breeder  
The UPOV Convention, adopted in 1961, entered into force in 1968. The Convention was amended in 1972, 1978 and 1991.

The Geneva-based International Union for the Protection of New Varieties of Plants (UPOV) is an independent intergovernmental organization. Its mission is to provide and promote an effective system of plant variety protection, with the aim of encouraging the development of new varieties of plants for the benefit of society. UPOV administers the UPOV Convention, the purpose of which is to ensure that its members acknowledge the achievements of breeders of new varieties of plants by granting them an intellectual property right on the basis of a set of clearly defined principles.

The Convention defines Variety as : "variety" means a plant grouping within a single botanical taxon of the lowest known rank, which grouping, irrespective of whether the conditions for the grant of a breeder's right are fully met, can be

- defined by the expression of the characteristics resulting from a given genotype or combination of genotypes,
- distinguished from any other plant grouping by the expression of at least one of the said characteristics and
- considered as a unit with regard to its suitability for being propagated unchanged;

#### **Conditions for the grant of the breeder's right**

- a) new,
- b) Distinct,
- c) Uniform and
- d) Stable

#### **Implementation of the Convention**

- (1) Each Contracting Party shall adopt all measures necessary for the implementation of this Convention; in particular, it shall:
  - (i) provide for appropriate legal remedies for the effective enforcement of breeders' rights;

- (ii) maintain an authority entrusted with the task of granting breeders' rights or entrust the said task to an authority maintained by another Contracting Party;
  - (iii) ensure that the public is informed through the regular publication of information concerning
    - applications for and grants of breeders' rights, and
    - proposed and approved denominations.
- (2) It shall be understood that, on depositing its instrument of ratification, acceptance, approval or accession, as the case may be, each State or intergovernmental organization must be in a position, under its laws, to give effect to the provisions of this Convention.

In 2001, the Indian parliament decided to join UPOV. The Indian Parliament has passed the Protection of Plant Varieties and Farmers Rights Act of 2001. India enacted the Protection of Plant Varieties and Farmers' Right Act, 2001 in compliance with Article 27.3(b) of TRIPS Agreement.

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## **14.5 Development of WIPO on Bio diversities**

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The term biodiversity means the diversity among various life forms within the biosphere. It is the foundation of life on the earth. Biodiversity can be classified into three categories like ecosystem diversity, representing the principle biogeographic regions and habitats; species diversity, representing variability at the level of families, genera and species; and genetic diversity, representing the large amount of variability occurring within a species.

The Convention on Biological Diversity (CBD) is the first ever international legal instrument which directly addresses the Protection of the traditional knowledge. The CBD embodies the protection of the traditional knowledge related to bio-resources as one of its major objectives. As per CBD "Biological diversity" means the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.

The World Intellectual Property Organization (WIPO) is a UN specialized agency working under the ECOSOC and General Assembly, till 1995 it is the only

and exclusive international organization to deal with the Intellectual Property matters.

### **The WIPO Development Agenda**

The WIPO Development Agenda 136 was formally approved by the 184 member states of WIPO in September 2007.

The WIPO Development Agenda is a set of forty five recommendations adopted by the WIPO General Assembly, intending to address the interests and needs of developing and least developed countries within the international intellectual property system.

The Parliament of India has enacted the Act relating to the Biological Diversity Act 2002 with effect from 05/02/2003. Main objects of the Act are to comply and to fulfill the obligations arising out of the CBD to protect, preserve and to promote the conservation of the biological resources and to promote the sustainable uses of the biological resources and its components. To ensure that the fair and equitable sharing of the benefits arising out of the utilization of the biological resources and the traditional knowledge associated with such resources.

Under The Indian Biological Diversity Act the term "Biological Diversity" means the variability among living organisms from all sources and the ecological complexes of which they are part, and includes diversity within species or between species and of eco-systems

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## **14.6 Development of WIPO on Geographical Indication**

**Article 22.1 TRIPS states that:** *'Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.'*

The World Intellectual Property Organization (WIPO) states that GIs are *'a sign used on goods that have a specific geographical origin and possess qualities, reputation or characteristics that are essentially attributable to that place of origin. Most commonly, a geographical indication includes the name of the place of origin of the goods.'*

The first attempt to harmonize different standards and approaches that governments used to register GIs was found in the Paris Convention on Trademarks in 1883. Article 1 includes 'indication of source' and 'appellations of origin' among industrial property, protected by the Convention and it outlined;

- Protection of geographical indications against false indications of source
- Protection of geographical indication depends on the law of the country providing protection.

The 1891 Madrid Agreement for the Repression of False or Deceptive Indications also addresses GIs.

The Lisbon Agreement was adopted in 1958 and revised at Stockholm in 1967. It entered into force on September 25, 1966, and is administered by the International Bureau of WIPO.

The Lisbon Agreement defined an appellation of origin under Article 2(1) as "the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.

Prior to TRIPS there were various regional and bilateral agreements on GIs involving both developed and developing countries as well as product specific treaties. One of the example is the 1932 Convention between El Salvador and France concerning the Protection of Appellations of Origin. Section 3 of Part II of the TRIPS Agreement contains a set of international rules on geographical indications with an almost universal applicability and enforceability

**Article 22.1** provides "indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin".

**Article 23** consists a number of rules specifically related to geographical indications providing for an additional protection to wines and spirits. At the Fourth Ministerial Conference in Doha, Qatar, in November 2001 WTO member

governments agreed to launch new negotiations. But the negotiations in this round were not successful.

The Fifth Ministerial Conference in Cancun, Mexico, in September 2003 also failed. Hong Kong Ministerial Conference in December 2005 also could not deliver fruit full results. WTO Ministerial Conference was held in Geneva during July 21-29, 2008, in hopes of resolving the remaining differences. However this Ministerial Conference failed to bridge the gap.

Since the launch of Doha Round of Multilateral Trade Negotiations the WTO Members have been negotiating for enhanced protection of Geographical Indications.

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## **14.7 Summary**

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There has been international recognition of the right of indigenous peoples to preserve and protect their traditional practices, the cultural heritage. But despite of the various protections to the cultural heritage of indigenous people is under threat. From time to time there have been various steps for the protection of intellectual property rights of indigenous people.

There have been various initiatives at the international level for the protection of traditional knowledge, Geographical Indication. WIPO has contributed significantly in the field of Intellectual Property. In accordance with the Convention on Bio Diversity, India has enacted the Biodiversity Act.

Protection of traditional knowledge has always been a matter of importance in the view of the rich content possesses by India.

WIPO is consistently adopting a global approach not only to intellectual property in itself, but to the place of intellectual property in the wider framework of emerging issues such as traditional knowledge, folklore, biological diversity, environmental protection and human rights.

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## **14.8 Self-Assessment Test**

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- 1) Critically analyze the role of WIPO in protection of traditional Knowledge.
- 2) Discuss the role of WIPO in development of protection for Geographical Indication.
- 3) Discuss the role of WIPO in protection of biodiversity.

- 4) Critically analyze the role of WIPO in present Intellectual Property regime.

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## 14.9 Further Readings

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- 1) World Intellectual Property Organization, WIPO Intellectual Property Handbook: Policy, Law and Use
- 2) Watal Jayashree , Intellectual Property Rights in the WTO and Development Countries Oxford University Press.
- 3) Albert Sassoon , Biotechnology and Development , UNESCO
- 4) <http://www.wipo.int/treaties/en/general/>
- 5) <http://www.unesco.org/new/en/unesco/>
- 6) <http://www.upov.int/>
- 7) <http://www.wipo.int/tk/en/index.html>