

# RIPPLES OF CHANGE

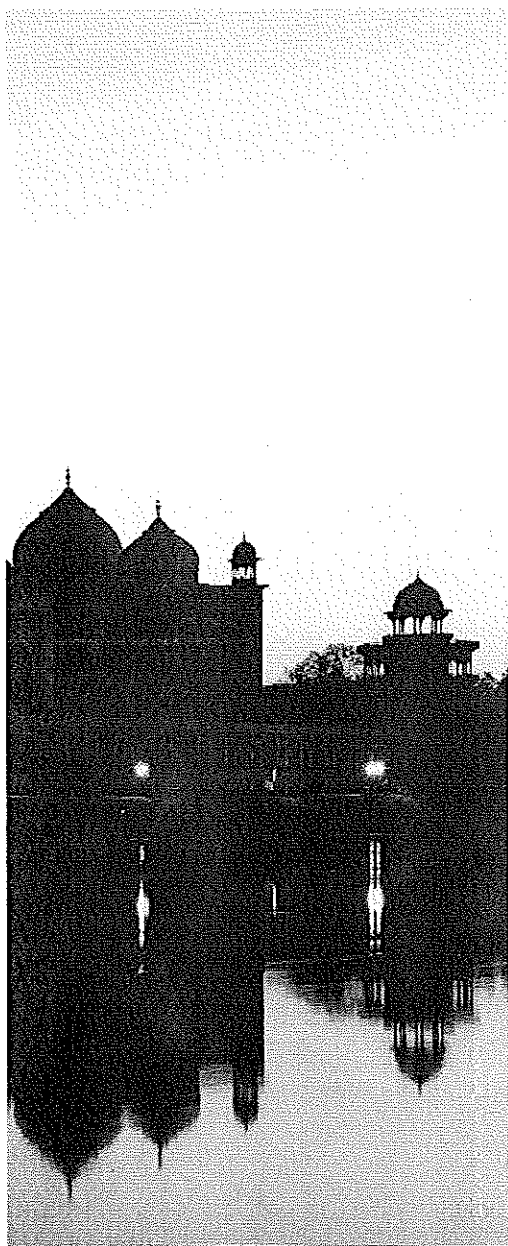
Bisman Kaun looks back on the cases that have contributed to the transformation of IP in India in 2009.

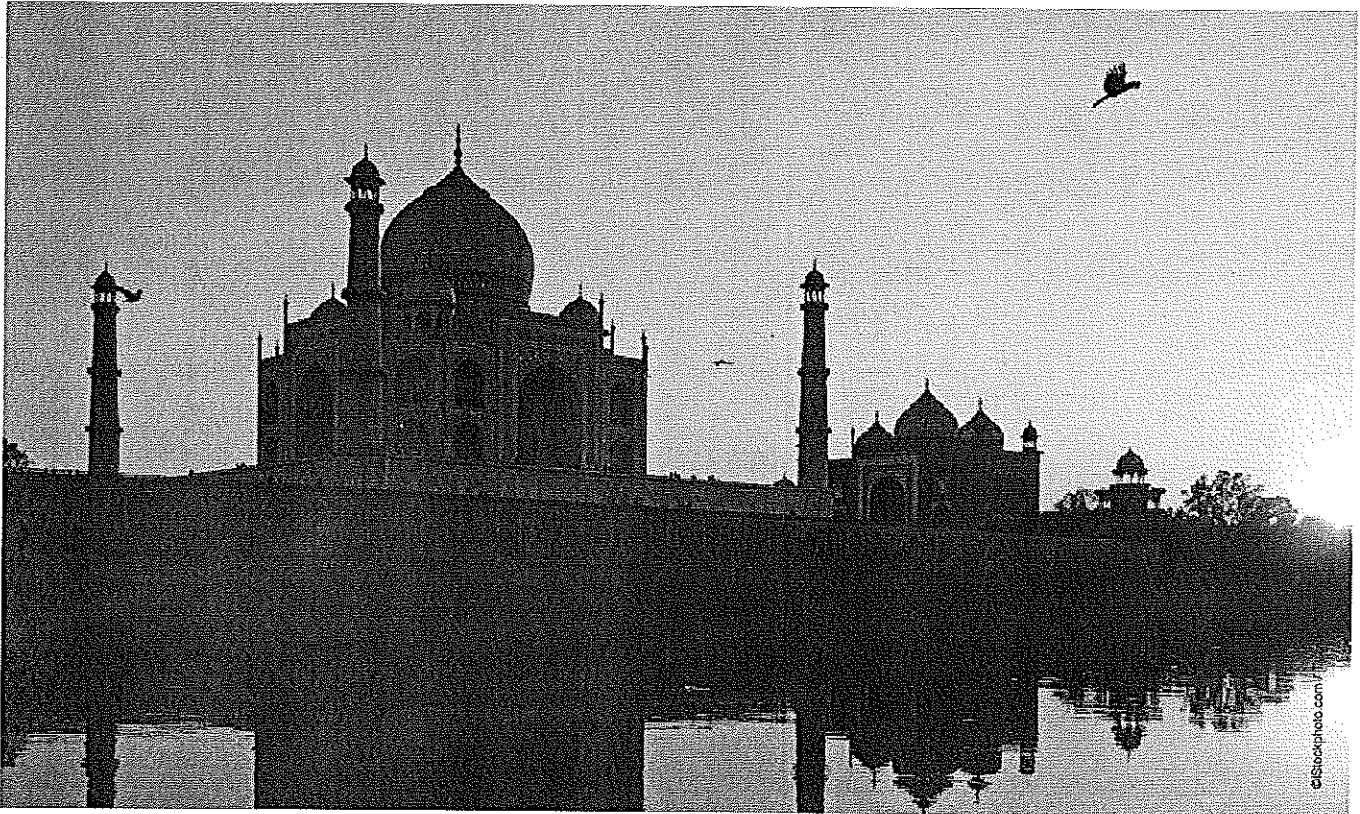
As the year ebbs away, it leaves behind an array of intellectual property (IP) decisions. The shifting tides have formed fresh patterns, and strong swells have carried IP jurisprudence to higher levels than before. This article turns the spotlight on a handful of matters that indicate the amplitude of the Indian IP scenario's transformation.

### Patent linkage

In what was India's first case on 'patent linkage', Cipla sought marketing approval under the Drugs and Cosmetics Act 1940 (the Drugs Act) for a product covered by Bayer's patent for Nexavar. In turn, Bayer alleged that a combined reading of the Drugs Act and the Patents Act 1970 (Patents Act) disallowed marketing approval for drugs patented by third parties. As Bayer's counsel, we argued that, under the Patents Act, a patentee had exclusive rights to "make, use, offer for sale, sell or import" the patented product and that the patent was also binding on the government (which included the drug controller). Further, the provisions of the Drugs Act were supplemental to, and not in derogation of, other laws in force. Thus, read together, the two statutes indicated an in-built provision for 'patent linkage'.

The court opined that such an interpretation would confer jurisdiction on the drug controller, which is empowered to enforce safety and efficacy standards, to adjudicate upon infringement issues and denude powers conferred on the specialised statutory authorities under the Patents Act. Further, if generic manufacturers could only begin to obtain marketing approval after the expiry of a patent, this would amount to an extension of the patent term. Thus, the absence of specific legislative enactments in favour of 'patent linkage' indicated an intention to exclude such a linkage.





Another question put before the court was whether drugs or formulations that infringe patents are 'spurious drugs' under the Drugs Act. The court disagreed, explaining that such a reading would render every generic drug (being a 'deemed substitute' of a patented drug) a 'spurious drug'.

How these issues ultimately pan out remains to be seen, as Bayer has filed an appeal.

### Enhanced efficacy

Leading the charge on another controversial provision of the Patents Act is Novartis's cancer drug, Glivec. The crux of the case is the amended Section 3(d) of the Patents Act, under which new forms of known compounds must demonstrate 'enhanced efficacy' in order to be patentable. However, absent a clear definition of 'enhanced efficacy', the fate of all such patent applications is shrouded in ambiguity. The most famous victim has been the patent application for Glivec, a beta-crystalline form of imatinib mesylate, which was rejected in early 2006. We filed an appeal on behalf of Novartis and after three long years, the verdict has come in.

While the decision of the Patent Office on novelty, inventive step, priority date and even the erstwhile refusal of the process claims now stands reversed, the refusal of the product patent claims under Section 3(d) has been upheld. 'Enhanced efficacy'

has been equated to 'enhanced therapeutic efficacy', and although Glivec may possess properties such as enhanced bioavailability, thermodynamic stability, improved flow properties and lower hygroscopicity, these have been held not to qualify as therapeutic efficacy.

Surprisingly, Section 3(b) of the Patents Act has been stated as an additional ground, implying that the commercial exploitation of Glivec would be contrary to public order. Never before has the pricing of a drug been confused with and forcibly woven into the criteria for patentability. The two issues are clearly distinct, so the order sets a dangerous precedent and one that is against the spirit of TRIPS (Agreement on Trade-Related Aspects of Intellectual Property Rights). On a hopeful note, recent sound bites from the judiciary on another matter indicate that the 'poverty card' may no longer work for infringers.

The matter is now before the Supreme Court.

### Bajaj Auto v. TVS Motor

The prominent battle between Bajaj Auto and TVS Motor, both leading Indian manufacturers of motorbikes, has regularly featured in the news this year. The issue was familiar—whether there existed a *prima facie* case of patent infringement fit for the granting of an interim injunction.

Bajaj's patent related to twin spark plug engine technology, which it claimed was infringed by TVS's motorbike 'Flame', also fitted with a twin spark plug engine. Among the various appeals and counter-appeals, TVS filed for revocation of Bajaj's patent on the grounds of *inter alia* obviousness. This prompted the court to state that, while such an application was pending, an interim injunction should not be granted.

Further, applying the doctrine of pith and marrow, the court held that while Bajaj's claim stressed the novelty of the twin spark plug operation, TVS's product was not exclusively dependent on the twin plugs—its engine also worked differently from Bajaj's engine on account of an extra valve. Thus, the claims of the two parties were distinct and the case did not qualify for an interim injunction.

Bajaj appealed. The Supreme Court once again ruled in favour of TVS, but it ordered maintenance of its sales records so that Bajaj may be adequately compensated if its claims are ultimately upheld. Further, in what bodes well for IP rights holders, it ordered that the main suit be decided within six weeks (by November 30, 2009) and that prescribed timelines (normally four months) be adhered to in all IP matters to ensure quick disposal.

### Scrabulous

One matter that caught the attention of both

THE COURT DIFFERENTIATED BETWEEN AN ARTISTIC WORK CREATED TO HAVE AN INDEPENDENT EXISTENCE, SUCH AS A PAINTING BY A WELL-KNOWN PAINTER, AND DRAWINGS CREATED IN ORDER TO BE APPLIED TO AN ARTICLE THROUGH AN INDUSTRIAL PROCESS. IT HELD THAT THE PURPOSE AND INTENTION WITH WHICH A WORK WAS CREATED DETERMINED THE NATURE OF THE PROTECTION IT WAS ENTITLED TO."

IP experts and the general public involved Mattel's famous board game 'SCRABBLE' and its online version 'SCRABULOUS', which was available through Facebook and promoted through the defendant's websites. Alleging trademark infringement and passing-off, Mattel sought an interim injunction. It also alleged that SCRABULOUS's use of tiles in colours identical to the board game, arranged in identical patterns with a star on the central square, infringed copyright in the board game, which is an 'artistic work'.

The defendants argued that the board was a three-dimensional article and so non-copyrightable. Further, although Mattel could have registered its shape and configuration as a design, it had failed to do so. In lieu of statutory design rights, Mattel might still have claimed a monopoly over the copyright in its design; however, as more than 50 copies (the limit set by the copyright statute) of the board had been produced commercially, this right stood exhausted.

The court cited the doctrine of merger, which postulates that if an expression is such that it is the idea itself, and *vice versa*, it amounts to an inseparable 'merger' of the two. Accordingly, to avoid conferring monopoly on an idea, copyright protection is denied to the articulation of an idea capable of narrow expression. Since the rules of SCRABBLE formed the sole method of expressing

the idea underlying the game, Mattel's copyright claim failed.

The trademark claims, however, were upheld. The court found that SCRABBLE, although popular, was not *per se* descriptive. Mattel had demonstrated that SCRABBLE was proprietary to it and, further, it held trademark registrations in India. SCRABULOUS, being phonetically and semantically very close to SCRABBLE, was thus unavailable for use by the defendants.

### Designs on upholstery fabric

Another seminal judgment on the copyright/design overlap involved designs on upholstery fabrics. Microfibres alleged that its copyright in the 'artistic works' applied to its fabrics had been infringed on account of substantial reproduction in the fabric designs of the defendant.

The court differentiated between an artistic work created to have an independent existence, such as a painting by a well-known painter, and drawings created in order to be applied to an article through an industrial process. It held that the purpose and intention with which a work was created determined the nature of the protection it was entitled to. Further, the exclusion of 'copyrightable artistic works' from the definition of 'design' under the Designs Act 2000 only meant to exclude artistic works that were pieces of art in themselves. Thus, given that Microfibres' fabric drawings were meant for commercial exploitation, they qualified for design and not copyright protection. In turn, the absence of a design registration meant that Microfibres was not entitled to any relief.

On appeal, the court declared that the legislature intended to grant higher protection to purely artistic works, such as paintings, etc., and a lesser period of protection to commercial design activity. This was further borne out by the fact that, under the copyright statute, more than 50 reproductions of an artistic work in different forms leads to cessation of copyright in the original design.

All in all, dual protection (design and copyright) cannot be claimed.

### Harry Potter

Moving from fabrics to fiction, *Harry Potter* is about as famous a literary character as one can get. Thus, not many were surprised when Warner Bros. (registered proprietor of the 'Harry Potter' mark in India in various classes) cried foul and sought to stay the release of a movie titled *Hari Puttar* (pronounced 'hurry' 'pu-tahr')—a comedy of terrors.

However, 'Hari' is a common first name in India and 'Puttar' means 'son'. Making this observation, the court stated that the meaning of the title, the different language and the theme of the film had nothing in common with the Harry Potter series. The educated elite familiar with Harry Potter would easily discern the difference between the two and those unaware of the fictional character, in any case, stood no chance of being confused. This aspect invited massive debate and almost overshadowed the pivotal point of the case—that Warner Bros. first became aware of the movie in 2005 and yet it only approached the court in 2008, just prior to release of the film. Further, it suppressed material facts to conceal the delay. Its conduct was interpreted as acquiescence and relief was denied.

### Conclusion

On analysis, the relatively nascent field of patent litigation is fast maturing. Concurrently, the flow of ideas into new mediums has churned the waters of established principles of trademark, copyright and design law. The evolution of the Indian legal system in tackling new IP rights and disputes remains a work in progress, but given the progressive currents, India is well on course to forging a robust IP regime.

Bisman Kaur is a senior attorney with Remfry & Sagar. She can be contacted at: [remfry-sagar@remfry.com](mailto:remfry-sagar@remfry.com)



Bisman Kaur

Bisman Kaur holds degrees in history and law from the University of Delhi, and joined the practice in 2002. She is well acquainted with all aspects relating to trademarks, with a particular interest in the finer nuances of assignment and licensing. Given her wide experience, she provides strategic counsel to clients and has authored several articles on diverse issues.