



SINGH & ASSOCIATES
Founder - Manoj K. Singh
ADVOCATES & SOLICITORS

INTELLECTUAL PROPERTY AND TECHNOLOGY LAW UPDATES

S&A IP-Tech

NOVEMBER 2017

CONTENTS

- INDIA’S TAKE ON CONSERVATION OF BIOLOGICAL DIVERSITY3
- AN INTRODUCTION TO SECTION 3(F) OF THE PATENTS ACT, 1970 6
- IPR EXCHANGE INDIA: A BUSINESS CASE FOR IPR.....8
- TRADEMARK BATTLE OVER THE WORD ‘GRAM’- INSTAGRAM VS
MICROSOFT CORPORATION LLC..... 12
- NEWSBYTE.....15

INDIA'S TAKE ON CONSERVATION OF BIOLOGICAL DIVERSITY

By Shrimant Singh

Introduction

To meet the obligations under the Convention on Biological Diversity also known as *Biodiversity Convention*, India enacted The Biological Diversity Act, 2002 [hereinafter termed as “the Act”]. The present article is an effort to provide the context and summarize main provisions and stipulations under the Act.

The objective of the Act is “*conservation of biological diversity, sustainable use of its components and fair and equitable sharing of the benefits arising out of the use of biological resources, knowledge and for matters connected therewith or incidental thereto.*” India is amongst the foremost developing nations to initiate the process of identification of its vast biodiversity, formulating guidelines for sharing of knowledge and use of it biodiversity, and setting up the National Biodiversity Authority to facilitate the same. The Act aims at striking a balance between a regulated and fair use of the country’s biodiversity.

The **National Biodiversity Authority** (NBA) was established as per the provisions of the Act in 2003 at Chennai, under the Ministry of Environment and Forests, Government of India. The same was followed by State Biodiversity Boards (SBB) in 28 States along with 31,574 Biological Management Committees (for each local

body) across India¹. The NBA consists of a Chairperson, five non-official and ten ex-officio members to be appointed by the Central Government to represent various Ministries. The prime objective of NBA is to account for, maintain/conservate biodiversity and ensure sustainable use of India’s rich biodiversity and associated knowledge.

The NBA, *inter alia*, deals with matters relating to requests by foreign individuals, institutions or companies for access to India’s biological resources and transfer of results of research to any foreigner. The SBBs constituted by the State Governments deal with all matters relating to access by Indians for commercial purposes. The institutions of self-governments set up Biodiversity Management Committees (BMCs) in their respective areas for conservation, sustainable use, documentation of biodiversity and chronicling of knowledge related to biodiversity.

Under Section 2(b) “biological diversity” is defined as *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*. Further, as per Section 2(c), “biological resources” means *plants, animals and micro-organisms or parts thereof, their genetic material and by-products (excluding value added products) with actual or potential use or value, but does not include human genetic material*.

Section 3 of the Act stipulates that all foreign entities, including foreign individuals, non-

¹https://en.wikipedia.org/wiki/Biological_Diversity_Act,_2002

residents or body corporate, shall get approval from the NBA prior to obtaining any biological resource occurring in India or knowledge associated thereto for research or for commercial utilization or for bio-survey and bio-utilization.

Section 4 prohibits transfer of results of any research relating to any biological resources occurring in, or obtained from India, to any person who is not a citizen of India or a citizen of India who is non-resident as per Income Tax Act or a body corporate not registered in India or having non-Indian participation in its share capital or management.

With regards to Intellectual Property Rights (IPR) vis-à-vis Biological Resource, Section 6 of the act stipulates that-

(1) No person shall apply for IPR protection in or outside India for any invention based on research or information on a biological resource obtained from India without obtaining the previous approval of the NBA before making such application.

Provided that if a person applies for a patent, permission of the NBA may be obtained after the acceptance of the patent but before the sealing of title patent by the patent authority concerned.

Provided that the NBA shall dispose of the application for permission made to it within a period of ninety days from the date of receipt thereof.

(2) The NBA may, while granting the approval under this section, impose benefit sharing fee or royalty or both or impose

conditions including the sharing of financial benefits arising out of the commercial utilization of such rights.

(3) The provisions of this section shall not apply to any person making an application for any right under any law relating to protection of plant varieties enacted by Parliament.

(4) Where any right is granted under law referred to in sub-section (3), the concerned authority granting such right shall endorse a copy of such document granting the right to the National Biodiversity Authority.

Accordingly, before applying for IPR protection for an invention based on research or information regarding biological resource obtained from India, the applicant is first required to obtain approval from the NBA. However, in case of patent protection, said permission or approval from NBA can be obtained any time before recordal of patent at the respective patent authority in India or outside India. Further, the provision is not applicable for registration under Plant Varieties Act. However, the concerned authority while granting such registration is required to provide a copy of the same to the NBA.

In view of the “NBA approval” required for IPR protection, especially for patents, we have observed that under the current Indian Patent Office (IPO) practice, the Controller as a routine inserts a requirement in the first examination report (office action) for furnishing of NBA approval in the case of use of any biological resource obtained from India. Accordingly, the applicant needs to comply with this extra requirement if the

invention is based on or has even a mention of the biological resource obtained from India in its specification.

The NBA plays a vital role in achieving the objectives of the Biological Diversity Act. The functions and powers of the NBA are lined out in Section 18 of the Act, which stipulates that:

(1) It shall be the duty of the NBA to regulate activities referred to in sections 3, 4 and 6 and by regulations issue guidelines for access to biological resources and for fair and equitable benefit sharing.

(2) The NBA may grant approval for undertaking any activity referred to in sections 3, 4 and 6.

(3) The NBA may (a) advise the Central Government on matters relating to the conservation of biodiversity, sustainable use of its components and equitable sharing of benefits arising out of the utilization of biological resources; (b) advise the State Governments in the selection of areas of biodiversity importance to be notified under sub-section (1) of section 37 as heritage sites and measures for the management of such heritage sites; (c) perform such other functions as may be necessary to carry out the provisions of this Act.

(4) The NBA may, on behalf of the Central Government, take any measures necessary to oppose the grant of intellectual property rights in any country outside India on any biological resource obtained from India or knowledge associated with such biological resource which is derived from India.

So as to enforce the regulations prescribed Sections 2, 4 and 6 of the Act, the penalties are given under Section 55(1), which is self explanatory: Whoever contravenes or abets to the contravention of the provisions of section 3 or section 4 or section 6 shall be punishable with imprisonment for a term which may extend to five years, or with fine which may extend to ten lakh rupees [1 million INR] and where the damage caused exceeds ten lakh rupees such fine may commensurate with the damage caused, or with both.

Thus, while restrictions are there, the same also facilitate sustainable use and informed sharing of knowledge relating to India's biological resources. In today's time when commercialization has penetrated each walk of life and innumerable resources which were unrecognized as resources only a few decades back, legislations such as Biological Diversity Act place checks and balances over uses and knowledge sharing of a biological resource and protecting it from excessive/harmful misuse in future.

AGGREGATION OF SEPARATE MECHANISM, FUNCTIONING INDEPENDENTLY-

An Introduction to Section 3(f) of the Patents Act, 1970

By Aayush Sharma

Introduction

In today's modern world, use of devices with combined solutions, is rapidly increasing and widely popular among people. A device which is integrated with one or more devices and serves more than one purpose is considered to be a combined solution or the multipurpose device. The best way to understand the multipurpose device is 'MOBILE PHONE'. The mobile phones that integrate the functions of a camera, A/V Player, speaker, calculator, alarm clock, organiser and many more. The IP protections involved in such an integration of devices or their functions may be sought by invention patents or design registration or both, as applicable. Under the Patents Act, 1970, Section 3(f) deals with the patentability of a multipurpose device. According to the section 3(f) of the Act, 'the mere arrangement or re-arrangement or duplication of known devices each functioning independently of one another in a known way' is not patentable – for example a bucket fitted with torch, an umbrella with fan, a clock and radio in a single cabinet and a flour-mill provided with sieving.

The section, therefore, precludes those inventions from getting patentable which define a mere arrangement or rearrangement or duplication of known devices each functioning independently of one another.

The said section may be better understood with the help of a few case laws.

In *Ram Pratap v Bhabha Atomic Research Centre (1976) IPLR 28 at 35*, it was held that a mere juxtaposition of features already known before the priority date, which have arbitrarily been chosen from among a number of different combinations which could be chosen, was not a patentable invention. It has further held that when two or more features of an apparatus or device are known and juxtaposed without any interdependence on their functioning of the apparatus or device should be held to have been already known.

In *Biswanath Prasad Radhey Shyam v. Hindustan Metal Industries [1978] Insc 255*, the court held that it is important to bear in mind that, in order to be patentable an improvement on something known before or a combination of different matters already known, should be something more than a mere workshop improvement; and must independently satisfy the test of invention or an inventive step. To be patentable the improvement or combination must produce a new result or a new article or a better article than before. The court further held that mere collocation of more than one integer or things, which not involving the exercise of any inventive faculty, does not qualify the grant of patent.

In a landmark judgement *British Celanese Ltd. V Courtaulds Ltd (52) RFC 171*, section 3(f) of the Act has been explained very clearly, wherein Lord Tomlin laid down the law as follows:

A mere juxtaposition of known devices in which each device functions independently is not considered patentable. It is accepted as

sound law that merely placing, side-by-side, old integers so that each integer performs its function independently of the other/s, is not a patentable combination. For example, a floor mill provided with sieving means. However, where the old integers when placed together have some working interrelation, producing new or improved results, then there is a patentable subject matter in the idea of the working interrelation brought about by the collocation of the integers.

In opposition to patent no 139046 for invention of "Safety Razor Blades", it was held that even though the applicant's invention might appear to be a new combination of known devices, but the application of the combination is clearly meant to achieve a useful purpose in a better and simple way, and therefore, the applicant's combination was not a mere arrangement or re-arrangement of the known devices acting independently of one another in a known way.

Arrangement and re-arrangement of patent invention is always a point of concern among the inventors. To understand s. 3(f), various discussions have been done and theories have been laid from time to time by the court of law in the past. Recently the Madras High court dismissed a petition in Mannivanan v. IPAB & Ors. The petitioner in this case, K. Manivannan is a manufacturer of a machine that is used to thresh paddy. Respondent, M. Mani had filed an infringement suit against the petitioners. Countering this, the petitioners filed for revocation of the respondent's patent, which was eventually dismissed by the IPAB. A writ was filed by the petitioner in the Madras High Court challenging the order of the IPAB maintaining the patent. The Madras High

Court dismissed the writ petition challenging the dismissal of a revocation application by the IPAB. The petitioner also argued that the respondent's patent was a mere rearrangement of known devices, and therefore falls under section 3(f). The court found that the respondent's machine could not be a rearrangement of known devices under Section 3(f). Section 3(f) clearly says that mere juxtaposition of features, already known before the priority date, which have been selected arbitrarily from amongst the number of different combinations, which could be chosen, is not a patentable invention.

IPR EXCHANGE INDIA: A BUSINESS CASE FOR IPR

By Monika Shailesh

Introduction

Intellectual property is the outcome of human genius, creativity and the power of imagination. IP relates to inventions, new designs, brands and artistic works. IPR provides a way to protect the Intellectual Property of an individual or an organization. IPRs are geographical in nature and provide exclusive rights for certain duration. These rights can include Copyrights, Patents, Trademarks and Trade secrets. Lately, the world has seen a very bitter war between various players in the technological industry over the intellectual property rights. Google and Oracle entered into a fierce fight over the patent and copyright relating to the JAVA programming and ended in decisions that denied outright victory to either firm. Giant organizations like Samsung, Apple, Sony, Yahoo etc. are in a state of constant war with each other and other players, on the IPR front. Accusations abound that innovation is taking a back seat to litigation. The current situation thus calls for a transparent and just environment where IDEAS shall be available for the correct user at the correct time. It is this underlying philosophy that the idea of offering Intellectual property rights as “Unit License Rights” which can be bought and sold like shares. A ULR grants a one-time right to use a particular technology in a single product; example a new type of airbag sensor in a car. If a company wants to use the technology in 100,000 cars, it buys 100,000 ULRs at the market price. ULRs are also expected to be traded on secondary markets. This is less complex and cheaper than a lawyer-intensive process of negotiating

bilateral licenses for Intellectual property. Due to the current situation the cost of acquiring new technology or idea has been sky rocketing and forces small business houses out of competition and even leads to unused patents and hampers innovation.

Micro, small and medium enterprises (MSMEs) and startups are the backbone of effervescent economies. In India, MSMEs, as they are commonly referred to, total up to around 30 million units which , create employment for about 70 million people and manufacture over 8000 products ranging from traditional goods to high-tech items. Because of their massive contribution - about 45 per cent of the manufacturing output and about 40 per cent of the exports, they are aptly termed as the pillars of Indian economy². Because of the high cost involved, the MSMEs seldom plan to acquire or protect intangible assets like the IPR. The national Manufacturing Competiveness Programme of Government of India, has always been emphasizing on the role that IPR plays in sustainable growth of the MSMEs. IPRs are sometimes used as a tool to keep competition at bay. Since MSMEs generally do not have economies of scale they are forced to move out of the market because of the IPR. Since MSMEs have been contributing a significant chunk in India’s growth, there has been a relentless effort of public support initiatives such as IP facilitation centers (Ministry of MSME) and initiatives from Academia, Research Institutions and Private bodies. More and more entrepreneurs and innovators have started getting their innovations protected through different IPR instruments. Also for innovators, who are unable to realize their

² http://www.iprexchange.in/about_us.php

patents or ideas commercially, many Intellectual Properties remain unused which this leads to demotivation of innovators. One of the major missing links in making a business case for IPRs has been absence of a market place where after identification and protection, IPR holders can also exchange them commercially.

In view of the national interest and India's potential, the idea of an IPR exchange has been proposed. India is on a growth track when it comes to innovation, research and development. The country also has a very balanced policy towards commercial viability of IPR and its effect on the Indian society. As per the reports released by the Office of Controller General of Patents, Design, Trademarks and Geographical indications, there has been a 30% rise in filling of intellectual property applications. The federation of Indian Micro, Small and Medium Enterprise (FISME), with support of the prosperity fund through British High Commission in India, have established one such platform where commercial exchange of IPRs can be done online (<http://www.iprexchange.in/index.php>).

Despite evidence of ever increasing technology licensing and sales, the market for IP continues to suffer from illiquidity, high transaction costs, a lack of price discovery, and other information asymmetries. IPR Exchange seeks to alleviate these problems and create an efficient trading platform for buyers and sellers of intellectual property rights.³

How does the online exchange platform work?

³ http://www.iprexchange.in/about_us.php

For Seller

First, get the Intellectual property protected and acquire rights via various instruments like: Patents, Copyrights, Trademarks, Designs and Trade secrets.

Second, register with iprexchange.in; provide details of the intellectual property with probable commercial usage.

Third, define the priorities - like if one wants to sell the IPR out right or is interested in licensing or giving it out for franchising rights etc.

For Buyers

First, register at iprexchange.in with requisite the details.

Second, search for the interest that is patent, copyright, design, trade secret etc.

Third, negotiate directly with the owner and strike out the deal.

Managing different IPR instruments - Patent, Copyrights, Trademarks etc. can become difficult as one has to keep track of filing and renewals dates. The inbuilt online IPR management tool in the exchange keeps record of IPR instruments of the users and sends them reminders/ alerts. The online portal also offers a number of IPR management tools and services.

Various IPR services offered by the subject online portal are as below:

THROUGH FISME's IPFCS

- Conducting IP Audits to help identify IP assets in MSMEs
- Consulting & Training
- Protection

- Drafting and filing of applications for Patents, Trademarks, Copyrights, Industrial designs, GIs
- Prior-art search/ patentability reporting
- Attending post filing queries: PER/PCT etc.

Through IPR Exchange

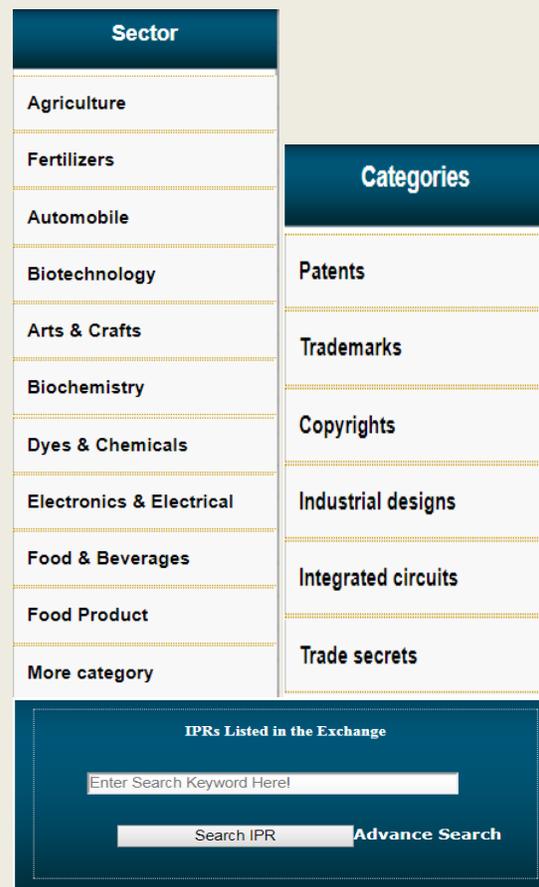
- Online Management of IP assets
- Commercial Exchange
- Valuation of IP assets
- Commercial exchange of IP assets through IP Exchange

Additional Value-added Services By IPR Exchange

- IP Audits: Conducting IP Audits to help identify IP assets in MSMEs
- IP Valuation: Valuation of IP assets of MSMEs by a panel of IP Experts
- IP Management: A unique net-based IP management system for management of IP assets of MSMEs
- Technical Landscaping: Special technical research reports for technology mapping and scoping for specific sectors and products
- Legal Agreements: Assistance in drafting legal agreement for technology transfer, franchising, licensing etc.

The online exchange portal has a very easy and user-friendly graphical interface. It segregates the IPRs sector wise for example the IPRs related to agriculture are listed under one head. Similarly, all IPRs related to a particular sector can be selected based on the sectors listed on the left-hand side of the web page. After the sector selection, the exchange portal has provided a segregation

of categories of instruments of IPR to select the best applicable choice. In case, the user wants to search for a particular IP, the web interface of the exchange portal also provides an advance search functionality where the user can use keywords to search for the required IP.



There is a variety of membership types on offer, which can be selected based on specific requirements. This provides a very flexible membership plan for the intended user/s. Memberships are based on the type of the member whether Individual or MSME or Corporate. Below is the detail of various types of memberships.

Comparison of Membership Package / Plan

Already a Member, Please [Login here](#)

Services	Individual	MSME	Corporate / Large
12 months	10 Products profile	20 Products profile	50 Products profile
Free listing of IPRs	✓	✓	✓
Account Management & Support Services	✓	✓	✓
General Search for IPRs	✓	✓	✓
Advanced Search for IPRs	✓	✓	✓
Access to IPR Details	✓	✓	✓
Access to Owner's contact details	✓	✓	✓
Legal assistance in transfer of IPRs	✓	✓	✓
Weekly e-mail alerts	✓	✓	✓

Conclusion

With a growth potential of 7.1%, India is on the radar of investors from all over the world. To grab the opportunity India needs make every possible effort to keep the momentum of MSMEs going. Lately, the success of startups and the increase in IPR fillings clearly narrate the success story. Plans like 'Make in India, are in harmony with this concept. To tap the full potential of Entrepreneur India, no stone should be left unturned towards a transparent and flexible IPR system. IPR exchange portal will definitely help the Indian Business diaspora to safeguard its interest by becoming resistant to patent trolls. The IPR exchange will definitely help the young innovators and will provide the motivation that is required to drive the growth of indigenous as well international Innovation, Research and Development programs. This entire drive will help increase the awareness about the importance of IPR in the commercial world.

TRADEMARK BATTLE OVER THE WORD 'GRAM'- INSTAGRAM VS MICROSOFT CORPORATION LLC

By Shrabani Rout

Introduction

Created by Kevin Systrom and Mike Krieger in 2010, Instagram is a social media platform for sharing photos and videos which has become quite popular in the recent years with teenagers and adults alike. Instagram lets registered users upload photos or videos to the platform.

Due to the enormous success it garnered in such a short period of time, Instagram is very aware of its intellectual property rights as can be seen from their newly updated guidelines for usage wherein they have banned third party apps from using variations of its name in the name of their apps. Third parties are also banned from using the Instagram logo or name in their app icons. After social media giant Facebook acquired Instagram in the year 2012, it has gone after apps like "SONSTAGRAM", "FAMILYGRAM" and "INSTANEWS" to name a few.

However, recently Instagram took upon another American tech titan, Microsoft Corporation who wanted to register the mark "ACTIONGRAM" in the class of goods and services that covers "Computer software for virtual reality visualization, manipulation, immersion and integration of audio, video, text, binary, still images, graphics and multimedia files; operating system software; computer software, namely, software for setting up, operating, configuring, and controlling wearable hardware and wearable

computer peripherals" with the US Patent and Trademark Office(USPTO).

According to Instagram's Notice of Opposition with the US Patent and Trademark Office (USPTO) the company is convinced that it "will be damaged by the registration of the Actiongram mark," as Microsoft's "goods claimed in its application are related to the goods and services offered by Instagram in connection with its Instagram trademarks."

Likelihood of confusion?

The pertinent question that arises is whether Actiongram is confusingly similar to Instagram or not. The answer depends on several factors, including the goods and services, the consumers' perception, the marketplace of the marks, etc.

Microsoft has proposed to use the mark "Actiongram" for its holographic story telling medium whereby people can juxtapose the holographic content in their everyday life and thereby create a Mixed Reality Capture (MRC) video. At the outset, it is quite clear that the proposed use of the mark is quite different from Instagram's purpose i.e sharing pictures with the world at large through one's account on Instagram.

Further, it is also very important to note that Microsoft is continuously advertising 'Actiongram' as its own product thereby minimizing the possibility of confusion among consumers. Furthermore, the difference in classes of users, to which the two social media platform cater to, are of utmost importance because while Instagram is for individuals that like sharing pictures, Actiongram will appeal to the creative user who like to use their imagination to create a

new video. The sophistication of the users has to be taken into account in order to ascertain whether Actiongram is confusingly or deceptively similar to Instagram.

#Instaopposition-Legal standpoint

Can INSTAGRAM really ban other companies from using the generic terms ‘insta’ and ‘gram’ with respect to their apps? In September 2016, Instagram has filed an application with the OHIM in Europe to register the word “gram”. If such a registration was granted, any company using the word gram would be held to infringe Instagram’s rights.

It is a settled principle in trade mark law that one cannot claim monopoly over a ‘prefix’ or a ‘suffix’ it is necessary to assess the marks in question as a whole and if one mark appears to be deceptively similar to the other in any manner—visual or phonetic, a case for infringement of trade mark can be successfully made out.

Instagram wants to trademark a common prefix referring to something being quick/instantaneous and an equally common suffix used for all types of recordings/writings which is also the name of an international standard unit for weights and measures. If Instagram is given the trademark monopoly over the word ‘gram’, several other third party apps will have to bear the costs of rebranding themselves.

However it is also pertinent to mention that Instagram has been quite specific that they want the trademark for “Downloadable computer software for modifying and enabling transmission of images, audio-visual and video context; downloadable computer software for viewing and

interacting with a feed of images, audio-visual and video content and associated text and data; computer software for social networking.”

Instagram wants to limit the use of ‘gram’ in the software sense which when granted would not allow people to come up with software that have the word ‘gram’ in it.

Conclusion

On June 21, 2017 the Trial and Appellate Board of the United States Patent and Trademark Office passed an order settling the case between the two parties.

Microsoft agreed to Instagram’s terms and amended the goods in class 9 from “Computer software for virtual reality visualization, manipulation, immersion and integration of audio, video, text, binary, still images, graphics and multimedia files; operating system software; computer software, namely, software for setting up, operating, configuring, and controlling wearable hardware and wearable computer peripherals”

To

“Computer software for virtual reality visualization, manipulation, immersion and integration of holographic content for the purpose of making virtual reality audio/visual content that incorporates holograms or holographic content; operating system software; computer software, namely, software for setting up, operating, configuring and controlling wearable hardware and wearable computer peripherals.”

Subsequently, Instagram has now withdrawn its opposition.

Microsoft Corporation having enormous resources at its disposal could settle the case with Instagram while all other entities with their limited resources against Instagram's huge ones bite the dust.

NEWSBYTE

The Controller General of Patents Design and Trademarks (CGPDTM) office is taking various measures to make the system of the patent office more user friendly and transparent. Recently the 2 steps taken in this regards are:

- SMS alert facility for patent applications has been operationalized – The CGPDTM has started the SMS alert facility for Applicants and Agents whereby they will receive alert informing them the progress of applications at various stages of processing.



The alerts will also be indicating timelines and non-compliance which may lead to refusal/abandonment of applications. The updates would be sent on the mobile numbers provided in the address for service.

- Publication of Examination reports generated – CGPDTM will publish in the weekly official journal of the Patent Office, the details of the First Examination Reports (FER) generated.