



# INTELLECTUAL PROPERTY AND TECHNOLOGY LAW UPDATES

S&A IP-Tech

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# BEST STRATEGIES FOR PERFORMING PATENT SEARCHES IN INDIA

*HEENA LAMBA*

Those associated with the fraternity of Intellectual Property Rights have witnessed many changes in the Indian Patent Office (IPO) system during the past decade. Clearly, it has become acclimatized with the changing technologies and has done good work in making documents available for each application. This change has been quite evident in the case of Patents and Trademarks, however, a lot needs to be done for making the system transparent in terms of Designs. For Trademarks, confidentiality of important documents is being well maintained by the IPO.

Patent Searches: Patent searches in India are officially performed using the Indian Patent Advanced Search System (inPASS) which was introduced in the year 2015. It allows full-text search of all Indian Patents and Patent applications using Boolean Operators (AND, OR and/or NOT). The fields in which the search can be performed in the database inPASS include title, abstract, complete specification, application number, applicant name, patent number, inventor name, IPC class, date of priority, priority country, date of filing and/or date of grant. Even though such an extensive searching system has been put in place by the IPO, its reliability is still questionable owing to the following reasons:

- Digitization of abstract and complete specification by the IPO is erroneous at times.
- Digitization of non-English characters is erroneous most of the times.

In view of the above, technical searches like chemical compounds and formulae-based search is not possible using inPASS, which limits the usage of this extensive search system to basic search functions using specific search terms only with/without use of Boolean Operators.

Patent searching Softwares like Questel Orbit, PatSeer, Dennemeyer Octimine, AcclaimIP from Anaqua, DartsIP and many more also provide databases of Indian Patents and Patent Applications for more reliable and advanced searching. However, it would be pertinent to mention here that if such databases are compiled using inPASS information then reliability of that database also becomes questionable. Also, a common problem that is observed in using such software is that it is difficult to trace the applications having first and/or only filing in India. Since such applications do not have any Patent family nor do they take priority from any foreign application, such applications cannot be mapped using WIPO or USPTO or EPO databases which are usually the source of information in such databases. On the contrary, if the patent applications have corresponding filing outside India, then the probability of coverage of such patent is usually high.

Based on our experience of using few search software, we can say that we have not come across any database which has full coverage of the Indian Patents and Patent Applications. The same is also evident from the fact that the relevant searches

obtained on searching in inPASS are always higher than in any professional software.

IPC/CPC classification: The International Patent Classification (IPC) provides for a hierarchical system of language independent symbols for the classification of patents and utility models according to the different areas of technology to which they pertain<sup>1</sup>. IPC is used in more than 100 countries for classifying patent documents. As such, it is a very powerful tool for searching patent related databases. You can carry out a search (or modify your term-based search) using IPC symbols in almost all patent related databases especially US and JP. The Cooperative Patent Classification (CPC) is an extension of the IPC and is jointly managed by the EPO and the US Patent and Trademark Office. It is divided into nine sections, A-H and Y, which in turn are sub-divided into classes, sub-classes, groups, and sub-groups. Using the CPC, you can carry out a high-precision search in the EP and US Patent documentation in their Patent databases and also in the Japanese documentation using specific search terms<sup>2</sup>.

In the Indian Patent Office database inPASS, we have observed that an IPO classification of the subject matter of ordinary and international applications (PCT National Phase and Conventional) are done in two different formats, first, being continuous number format (i.e., C07C0231120000, C07C0209100000, C07C0253300000, C07C0221000000, C07H0015040000) and second, being more recognizable format (A61K 31/047,

A61K 9/48, A61P 15/00). In view of the said dissimilarity in classification formats, search results obtained are not very reliable and therefore, narrowing search results using IPC/CPC classification is not successful while searching for relevant patents in India<sup>3</sup>.

Another issue observed while searching relevant patents in Indian database inPASS is that Form 13 for intermediary amendments is not published and therefore, it is difficult to capture such amendments via the search portals. Our readers must be aware that Form 13 is filed at IPO for making amendments in the complete specification and/or claims in any patent application that may or may not be accepted by the Controller at the time of grant. Such amendments may become necessary to be monitored by the competitors to know whether the technical knowledge of interest is now available in the public domain or not. Patent searching in India does not publish or digitize such amendments and therefore, such information may not be readily available in searchable form. Additional search in relevant patent applications is required to be conducted to have this further information.

Keeping in mind the above drawbacks, we can conclude that even though there are many advanced patent databases available in India to search for relevant patent information, but to get precise results, additional efforts need to be made in the IPO searching database inPASS.

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1 International Patent Classification (IPC). Available at <https://www.wipo.int/classifications/ipc/en/>

2 International Patent Classification (IPC). Available at <https://www.wipo.int/classifications/ipc/en/faq/>

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3 Indian Patent Office official Journals. Available at <https://ipindia.gov.in/journal-patents.htm>

# REQUIREMENT OF FOREIGN FILING LICENSE IN INDIA

*TUSHAR KOHLI*

As per Section 39 of the Indian Patent Act, 1970, in cases where the inventor is an Indian resident and wants to file a first patent application in foreign country without filing in India, it is mandatory for the inventor to obtain a Foreign Filing License (FFL) from the Indian Patent Office (IPO), wherein a written permission from the IPO is issued to the Indian inventor.

Amongst other advantages related to obtaining FFL, the most important one is that the mandatory requirement of first filing a patent application in India is waived-off, allowing Indian residents to directly file a patent application outside India for an invention. The decision to file first patent application to foreign countries rather than filing in India can be:

- the subject matter of the invention is non-patentable as per <sup>4</sup>Section 3 of Indian Patent Act, 1970; and
- the invention holds no potential in Indian market.

Another important reason for obtaining FFL is for the protection of national security. There are several technologies which are used in defense agencies related to the military purposes and if exported, it can be detrimental to the safety of the country. The grant of a Foreign Filing License provides a go-ahead from the government ensuring that the technology disclosed in the patent application does not belong to a sensitive matter like defense or atomic energy.

<sup>5</sup>**Section 39:** Residents not to apply for patents outside India without prior permission:

- No person who is resident in India shall, except under the authority of a written permit sought in the manner prescribed and granted by or on behalf of the Controller, make or cause to be made, any application outside India for the grant of a patent for an invention unless - (a) an application for a patent for the same invention has been made in India, not less than six weeks before the application outside India; and (b) either no direction has been given under subsection (1) of Section 35 in relation to the application in India, or all such directions have been revoked.
- The Controller shall dispose-off every such application within such period as may be prescribed, provided that if the invention is relevant for defence purpose or atomic energy, the Controller shall not grant permit without the prior consent of the Central Government.
- This Section shall not apply in relation to an invention for which an application for protection has first been filed in a country outside India by a person residing outside India.

<sup>6</sup>**Rule 71:** Permission for making patent application outside India under Section 39

- The request for permission for making patent application outside India shall be made in Form 25.

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4 <https://ipindia.gov.in/writereaddata/Portal/ev/sections/ps3.html>

5 <https://ipindia.gov.in/writereaddata/Portal/ev/sections/ps39.html>

6 <https://ipindia.gov.in/writereaddata/Portal/ev/rules/pr71.html>

- The time within which the Controller disposes-off the request made under sub-rule (1), except in case of inventions relating to defence and atomic energy applications, shall ordinarily be within a period of 21 days from the date of filing of such request.
- Power of Attorney from the inventor(s) or the patent applicant who are resident in India, where a patent agent is appointed to represent them before the Indian Patent Office.
- Form 28- In case the applicant is a Small Entity.

FFL can be obtained by disclosing the subject matter of the invention to the Indian Patent Office (IPO) along with a request made through Form 25. Once the request has been made, the IPO generally grants permission within 21 days from the date of making the request.

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<sup>7</sup>Requisite documents required to file FFL are as follows:

- Form 25- Application for permission for making Patent Application outside India.
- Disclosure of the invention, along with the Foreign Filing License (FFL) form
- Name and addresses of inventor(s) who are resident of India.
- Name of the countries in which the invention would be filed and reason for making such an application.
- Name and addresses of assignee, if any.
- The name of the country/countries in which the patent application is expected to be filed after obtaining the Foreign Filing License (FFL) from the Indian Patent Office.

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<sup>7</sup> <https://www.mondaq.com/india/patent/1026126/foreign-filing-license-of-patent-in-india>

# COMPARATIVE ADVERTISING

**KHUSHBOO TOMAR**

“The very purpose of comparative advertising negates infringement. Infringement defeats the purpose of comparative advertising. Comparative advertising is antithetical to infringement.”

- In comparative advertising, the advertiser portrays superiority of his goods and services, thereby, influencing the patron to prefer them over those of their competitor.<sup>8</sup> It can be opined that comparative advertising may go against the mandate of section 29(8) & Section 30(1) of the Trade Marks Act, 1999. A trader is permitted to match his goods with those of another trader. He can make this comparison by highlighting the qualities and efficaciousness of his goods without stating or commenting on these aspects of his competitor's goods. This can be a form of comparative advertisement conceptualized in Section 30 of the Trade Marks Act, 1999. The Act states that such depiction shall not, inter alia, be unfair or detrimental to the “repute” of the trade mark. In other words, the reputation of the goods cannot be lowered. Moreover, the employment of the mark should be honest. A trader is allowed to match his product with that of another, in a billboard. Generally, advertisements are taken as a hyperbole by reasonable people.<sup>9</sup>
- The primary objective of Sections 29(8) and 30(1) of the Trade Marks Act, 1999, is to permit comparative advertising as long as the use of a

competitor's mark is honest. The test of honest use is an objective test which depends on whether the utilization is considered honest by the members of audience.<sup>10</sup> It is quite apparent upon the bare text reading of the said section that not all comparative advertising will offend trade mark. It will constitute an infringement of registered trade mark only if the advertisement constitutes an unfair advantage or is contrary to honest practices in industrial and commercial matters or is detrimental to the distinctive character of the competitor's trade mark or is against the reputation of the trade mark of the competitor.<sup>11</sup> In *Havells India Ltd v. Amritanshu Khaitan*,<sup>12</sup> it was ruled by hon'ble Delhi High Court that although in comparative advertising a certain amount of disparagement is implicit, yet the same is legally permissible so long as it does not mislead.

- In *Colgate Palmolive Company v. Hindustan Unilever Ltd.*,<sup>13</sup> it was ruled that in comparative advertising, a specific amount of disparagement is implicit and as long as the advertisement is restricted only to puffing, there can be no actionable claim against the same. It is now a settled law that mere puffing is not actionable. A tradesman can say his goods are best or better in comparison but cannot slander or defame the products of the competitor. Neither can he call them bad or inferior. The settled law on the

<sup>8</sup> *Reckitt Benckiser Healthcare India Ltd. v. Emami Limited*, 2015 SCC OnLine Cal 121.

<sup>9</sup> *Reckitt Benckiser (India) Ltd. v. Hindustan Unilever Ltd.*, 2013 SCC OnLine Cal 17896.

<sup>10</sup> *Horlicks Ltd. v. Heinz India Private Ltd.*, 2018 SCC OnLine Del 12975.

<sup>11</sup> *Ibid.*

<sup>12</sup> 2015 (62) PTC 64 (Del).

<sup>13</sup> 2014 (57) PTC 47 [Del](DB).

point appears to be that a manufacturer is entitled to make a statement that his goods are the best and can also make some statements for puffing his goods and the same will not give a cause of action to other traders or manufacturers of similar goods to institute proceedings as there is no disparagement or defamation to their goods. However, a manufacturer is not entitled to say that his competitor's goods are bad so as to puff and promote his goods. It, then, appears that if an action lies for defamation an injunction may be granted.<sup>14</sup> Passing-off is different from comparative advertisement. In the former case, the defendant attempts to pass off his goods as those of the plaintiff's while in latter, the defendant manifests the superiority of his product over plaintiff's product.

It emerges that there is no dispute that comparative advertising is permissible in law. There are however certain guidelines that the courts have recognized when it comes to comparison of competing products. The comparative advertising campaign should be genuine comparison. Valuable information often forms a part of advertisements and might promote healthy competition within the market. If this is the message conveyed, the courts would be resilient and permit the negative derivatives of comparison. This is because the final outcome is positive. However, if it may be gauged that the message broadly demonstrates slanderous or indiscriminate negative comparison or insinuation, then such an act will be a direct assault upon the cannons of ethical marketing.<sup>15</sup>

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<sup>14</sup> *Reckitt & Colman of India Ltd. v. Kiwi T.T.K. Ltd*, 1996 SCC OnLine Del 335.

<sup>15</sup> *Dabur India Ltd v Emami Limited*, 2019 SCC OnLine Del 9022.



# HOW TO BUILD VALUE AND GROWTH FOR START-UPS AND MSMEs THROUGH IP PROTECTION – A CAPSULE OF CASE STUDIES

*SAIP A BALASUBRAMANIAN*

## INTRODUCTION

The public policymakers of India have introduced several schemes and programs to empower Startups and Micro Medium Small Enterprises (MSMEs). The aim of such schemes is to nurture, protect and encourage Startups and MSMEs, thereby generating more employment, increase exports and to holistically improve the country's economy. In trudging the path of a growing knowledge-based economy, it is important for Startups and MSMEs to embrace Intellectual Property (IP) protection, especially for their technologies, knowhow and brands. There is ample evidence, as witnessed in the past decade, that Startups and MSMEs which apply for patents, trademarks or designs are more likely to grow quickly and succeed than those that do not.

The benefits reaped by Startups and MSMEs in protecting their IP assets are manifold. Following are few examples through which Startups and MSMEs built their businesses using IP protection as key element.

- **Growing license sales and royalty values:** Dr. Milind Rane, a freelance consultant conceived and developed the design for Matrix Heat Recovery Unit (MHRC)<sup>16</sup>. The invention relates to a heat exchanger – an innovative compact design to heat fluids using “waste” heat from exhausts and can be used to heat a variety of fluids. It can recover heat from hot gases and/or

vapors from engines, gensets, boilers or furnaces. Heat is recovered in the form of steam, hot water or hot thermic fluid. Dr. Rane signed a MoU with Unidyne, (a small-scale company) which granted a license to Unidyne to manufacture and sell the MHRUs as engine exhaust fired steam generators and water and thermic heaters. The agreement stipulated a royalty rate of 4.5% of net sales for the inventor. Revenues generated from the down payment and the royalties have helped in the development of other inventions. The process leading to commercialization of the MHRC was an eye-opener for Dr. Rane on the potential benefits that can result from effective use of the patent system.

- **Winning Venture Capital (VC) funding:** Yulu Bikes Private Ltd is a pioneer<sup>17</sup> in micro-mobility space in India that has made urban mobility seamless, affordable and sustainable. The electric bicycle and rental startup is targeting commuters' first and last mile connectivity requirements via dockless, battery-powered two-wheelers. IP protection of Yulu bikes include Patents, Trademarks, domain name and design of Yulu bikes. Such strong IP protection has led several investors including Uber, Blume ventures, 3one4 capital, Wavemaker, etc. to

<sup>16</sup> <https://www.wipo.int/ipadvantage/en/details.jsp?id=2547>

<sup>17</sup> <https://www.bizencyclopedia.com/article/the-success-story-of-the-yulu-bikes>

collaborate with Yulu to build a large-scale micro-mobility business in India.

- **Making Startups/MSMEs more valuable for acquisition:** Mech-Mocha Game Studios, initially known as Hungry Games Pvt. Ltd. is a mobile game development company<sup>18</sup> started in 2011. The company has successfully developed a product known as “Pablo and the Puppet Punch”; it is a casual punching action game in 2D perspective. The game has three themes/theatres “INDIAN”, “ORIENTAL” and “EUROPEAN”. In 2020, the Indian ecommerce major Flipkart announced its acquisition of the intellectual property (IP) of mobile gaming startup Mech-Mocha, the company behind the live-social gaming platform Hello Play. Flipkart took over 10-odd games that Mech-Mocha has developed over the past five years, including Ludo, Carrom, Snakes and Ladders, and Cricket.
- **University research to university spin-out:** Manjeera Digital Systems Pvt. Ltd., started in 2014, incubated with University of Hyderabad<sup>19</sup> and co-incubated with IIT, Hyderabad, is involved in the development of state-of-the-art processor architecture. They have patent applications pending in the following technologies:
  1. Middle stratum operation-based computing;
  2. True data plane architecture which provides very high performance at lower power consumption; and

3. Low gate counts relative to existing technology

Their in-house technologies have applications in high-performance computing, consumer electronic devices, high end computer vision processing for auto infotainment, autonomous driving, remote sensing, surveillance and so on.

- **Using Trade secrets to stay on the competitive radar:** Most startups are deficient in tangible assets, at least at the beginning of their business operations. Therefore, it is important for them to safeguard their data which serves as their primary asset. The said data may be collected over time investing innovative and technical skills. Such data can qualify for copyright protection. Startups which rely on their data, must ensure proper data protection is followed for privacy concerns.
- **Trademarks and commercial partnerships thereon:** SWIGGY® trademark was registered early, when pre-filing searches indicated there were few third-party rights that might prevent its use. As the company grew and moved into the realm of collaborations and commercial partnerships, non-disclosure agreements (NDAs) and trademark registrations were added to its IP estate. The largest food delivery platform in India, SWIGGY® is serving in 300+ cities. SWIGGY® now has strong brand recognition, and the company benefits from valuable goodwill in its name. SWIGGY® has partnered with the following companies to implement its business.

18 <https://www.techinasia.com/walmarts-flipkart-acquihires-mobile-gaming-startup-mech-mocha>

19 <https://startup.siliconindia.com/vendor/manjeera-digital-systems-breaking-the-barriers-in-high-performance-computing-cid-8313.html>

1. Burger King to provide delivery services.
2. Google Local Guide to facilitate customer

reviews

3. Sodexo to enable customers for paying through meal cards.
4. Partnered with Indifi Technologies to facilitate a financing program for partner restaurants.
5. Launched a digital wallet, SWIGGY® Money, in partnership with ICICI Bank.
6. SWIGGY® and drone company ANRA Technologies have started with their trials for drone deliveries in India, as per a recent announcement.

Without trademark registration and damp-proof licensing arrangements, allowing a third party to apply your trademark to their goods would put you at risk of losing it. Trademark Registration typically protects a company's marks for 10 years, but with the advantage that they can be renewed from time to time.

## **CONCLUSION**

IP protection helps in creating value and growth around the intangible assets through licensing, raising capital, pooling and paving way for acquisition. Without IP protection, rolling out new products or processes, or even disseminating new product ideas by startups/MSMEs are at huge risks. Therefore, it is of prime importance for a startup/MSME to consult an IP attorney to identify novelty and industrial applicability of their technologies which will definitely be a 'golden wand' for a seamless IP strategy for successful revenue creation.

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# IMPORTANCE OF IPR IN TODAY'S WORLD

*AAYUSH SHARMA*

IPR is a significant tool in today's era. The risk of an innovation getting infringed without the knowledge of the inventor stands very high. With the increase in the importance of IP, instances of IP crimes have become the part and parcel of the digitized era sometimes even leading to failure of businesses. Companies rely on adequate protection of their patents, trademarks, and copyrights, while customers make use of IP to ensure that they purchase secure, assured goods. An IP asset is like any other physical property offering commercial benefits to businesses. In a web-based world, IP protection is much more relevant as it is comparatively simpler than ever to reproduce any specific template, logo, or functionality. Hence, strong IP laws give protection to IP and contribute to the economy of the respective state. IPR is one of the sources of security for intangible properties which are still open to the public and which can be quickly replicated by anyone.

- **Patent**– A patent is used to prohibit the use or selling by another party, for a defined period of time, of original production. In brief, a sovereign authority awards the inventor the IP right after an examination of its viability.
- **Copyright** – It is the right that protects a tangible form of expression like book, painting etc. It protects the mannerism in which the idea is expressed.
- **Trademark** - It refers to the protection of logo or design that an individual or company uses. The distinguished logo or design helps the

customers to connect with the brand value and thereby ensure trust on the goods and services.

The benefits of IP Rights in current times

- **Innovative idea is a means to earn profit** – Ideas have little to no worth on their own. IP has great untapped potential to turn innovations into products and services which are commercially viable. The registering of copyright and patent will result in a constant stream of fee and increased income that will boost the overall market result.
- **Export Business Opportunities** – The productivity of a company in the export market is also improved by intellectual property. An IP right holder may use these logos or designs to sell products and services in foreign countries and may obtain a franchise arrangement with the overseas corporation or export the proprietary products.
- **Encourage the ideas by securing them** -There will still be people who will attempt to duplicate a unique idea or concept or development for monetary benefit. It is therefore, necessary to protect the IP properties from unlawful infringement from a third party. For all forms and sizes of companies, IP security may be implemented. Thus, after evaluating the market needs and situations, a person should determine which Intellectual Property Rights (trademark, copyright or patent registration) should be used to cover various areas of its IP.

- **Business Growth** – For ensuring growth and profit, it is important for enterprises, more so in case of small-scale businesses to shield their exclusive goods or services from the rivals who may snatch away their market share. Losing market share in the initial phases of business cycle can be dangerous in the long run to an enterprise’s health.

by any person or party, as no one else will make an effort to inform that your IP rights are violated by someone.

In view of the above, it can be concluded that IP Protection is indispensable, and all countries must have strong laws for protecting Intellectual Property Rights. It is high time for all nations to duly recognize the IP rights of their native individuals and companies.

## THE PANDEMIC AND IPR

Political leaders around the world have formed proposals to expand access to IP rights pertaining to COVID-19. For e.g., the EU is considering buying COVID-19 related rights to set up a pool or fund of publicly owned patents. This is an important step in the IP sector and it is an extraordinary attempt by policymakers to ensure that the battle against the pandemic is not obstructed by patents. Several countries are now considering a compulsory license scheme whereby governments permit a third party to perform or use a certain procedure without the patent owner’s consent.

In order to finally improve the structure of IP laws in international trade and to ensure the long-term social and economic development of society, countries need to strike a perfect balance on how to secure the Intellectual Property Rights of individual or companies. The laws should neither be too strict nor should they be too lenient.

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### Strong and Enforced Intellectual Property Rights Protect Consumers and Families

- Strong IP rights help consumers make an educated choice about the safety, reliability, and effectiveness of their purchases.
- Enforced IP rights ensure products are authentic, and of the high-quality that consumers recognize and expect.
- IP rights foster confidence and ease of mind that consumers demand, and markets rely on.

It is imperative to note that it is the sole responsibility of the proprietor to protect his intellectual property from infringement

