CHAPTER-V

ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHT IN INDIA WITH SPECIAL REFERENCE TO THE POST TRIPS AND WTO SCENARIO

The human being is the only creature endowed with the ability to think and is always trying to find solutions to the multifaceted problems faced by him. As a result of his thinking process, new ideas and inventions keep on emerging in every conceivable field of science and technology. Similarly, new creations are made in the field of arts and literature. All this is an outcome of the human brain. The resulting outcome is known as intellectual property. The law extends protection to intellectual property and in case of infringement certain remedies are available to the owner of intellectual property. In this chapter, enforcement of the intellectual property rights has been discussed along with the dispute settlement mechanism.

Intellectual property law is now an integral part of economic life all over the world. It protects the use of ideas and information’s that are of commercial value. It covers patents, copyright, trademarks, designs and so on. These intangible properties are becoming increasingly valuable in the market place. The utility of the intellectual property rights has been recognized throughout the world; hence all the countries of the world have framed statute for the safeguard of the intellectual property. Broadly this chapter is divided in the following headings:-

1. Infringement of the Intellectual Property Rights,
2. Dispute Settlement Mechanism under TRIPS,
3. WTO and Dispute Settlement Mechanism,
4. Remedies for the Infringement of Intellectual Property Rights,
5. Offences and Penalties for the Infringement of the Intellectual Property Rights,

5.1 Infringement of the Intellectual Property Rights

Infringement of the intellectual property rights can be divided into following headings:-

1. Infringement of the Copyright,
2. Infringement of the Patents,
3. Infringement of the Trade Marks,
4. Infringement of the Geographical Indications,
5. Infringement of the Designs.

5.1-1 Infringement of the Copyright

The owner of a copyright has the monopoly right to exploit his work for the commercial gains in multifarious ways. The nature of rights depends on the nature of work. If any person, without proper authorization of the owner of the copyright, exploits his work in a manner such as reproduction in any material form performing the work in public and communication of the work to the public or such other form, with intention to reap monetary gain, is said to have committed infringement of the copyright of the owner.¹ And the owner of the copyright can initiate the infringement proceedings against the wrongdoer.

When a person, without any licence or authority in writing, copies in similar or deceptively similar manner any work entitled to protection under the Copyright Act, 1957 he shall be liable for civil and criminal action in the court of law.² One of the surest tests to determine whether or not there has been a violation of a copyright is to see if the reader, spectator or the viewer, after having read or seen both the works, could get under mistaken impression that the subsequent work appears to be the copy of the first. Copyright infringement is the unauthorized use of material that is protected by copyright in a manner that violates one of the original copyright owner’s exclusive rights, such as the right to reproduce or perform the copyrighted work or to make derivative works that build upon it.

Under Indian law, copyright need not be registered for the initiation of the infringement proceedings. Civil remedies for infringement can be initiated either by the Copyright owner or by the exclusive licensees. It is said that Indian Copyright law and its enforcement is among the best in the world and in fact a shade better than United States of America. People from the entertainment industry are very active in Indian politics and many of them are Members of Parliament. They ensure that Copyright infringement is taken more seriously than other forms of intellectual property infringement. Even in the case of Copyright

² Section 51 of the Copyright Act, 1957.
infringement, the enforcement of copyright is lopsided. The police are particularly partial for the enforcement of Copyrights generated by the movie industry.

Anyone who violates the exclusive rights of the owner of copyrighted work for its commercial exploitation or its communication to the public, without the author’s consent or authority is treated as the infringement of the copyright. Under the Copyright Act infringing copy\(^3\) means:-

i) The reproduction of literary, dramatic, musical or artistic work;

ii) A copy of the cinematograph film made on any medium by any means;

iii) In relation to sound recording any other recording embodying the same sound recording, made by any means;

iv) In relation to a programme or performance, this entails a broadcast reproduction right or a performer’s right, the sound recording or cinematographic film of such programme or performance.

Copyright, in a work is infringed, if any person, without due authorisation of the owner of the copyright, does any act which is against the exclusive right of the copyright owner; or permits for profit a place to be used for communicating the work to the public, unless he was unaware that such communication to the public would be an infringement of copyright; or sells or hires or by way of trade displays or distributes or exhibits in public, any infringing copy, so as to prejudicially affect the owner’s interest. However, import of one copy for private use is not infringement.\(^4\)

The infringement occurs if any of the following acts is committed without authorisation from the author:-

i) The reproduction of the work in a material form;

ii) The publication of the work;

iii) The communication of the work to the public;

iv) The performance of the work in public;

v) The making of its translations and adaptation; and

vi) The commercially exploiting the work, or trying to do so.

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3. *Id.* Section 2(m).
4. *Id.* Section 51.
Exception of Copyright Infringement

A blanket ban on reproduction of a work of science, literature and arts, either in full or part may, in certain circumstances, become inimical to the public purpose that a copyright is intended to serve. The Act recognised such possibility and permits copying and reproduction of and from a copyrighted work in certain circumstances without attracting provisions of infringement. The principle behind such statutory exceptions to infringement is one of fair dealing or fair use of the copyrighted work, which provides balance between the copyright owner’s exclusive rights, and the wider public interest. The fair use is to be determined by considering whether the part reproduced or copied is substantial and amounts to plagiarism. Under Section 52 of the Copyright Act a long list of actions has been given, that is not to be regarded as the infringement of copyright:

i) a fair dealing with a literary, dramatic, musical or artistic work for private use including research, and for criticism or review;

ii) in the case of a computer programme, making copies or adaptation by the lawful possessions of a copy of the programme for the original or back up purposes; or

iii) for understanding its underlying principles and ideas, or for non-commercial personal use;

iv) a fair dealing of the work for reporting current events in newspaper or a periodical, or in a broadcast or a film or by means of a photograph. But the publication of a compilation of addresses or speeches delivered in public is not a fair dealing;

v) reproduction for the purpose of a judicial proceeding or a report of judicial proceedings; or reproduction in a work prepared by the secretariat of a legislature exclusively for the use of members of the legislature;

vi) reading or reciting in public extracts from a published literary or dramatic work;

vii) publication of short passages in a collection for use in educational institutions. But not more than two such passages from works by the same author can be taken.
viii) reproduction by a teacher or a pupil in the course of instruction, or as a part of questions for examination or in answers to such questions;

ix) performance in the course of activities of an educational institution, if the audience is limited to the staff and students and parents and guardians of the students and persons directly connected with the institution;

x) making of sound recordings in respect of any literary, dramatic or musical work, if the person making the recordings:-
   a) has given a notice of his intention to make the recordings,
   b) has provided copies of all covers or labels with which the recordings are to be sold, and
   c) has paid due royalties to the author, at the rate fixed by the copyright Board. (No recording can be made until the expiry of two calendar years from the end of the year in which the first recording of the work was made).

xi) Playing the recording to an audience, if it is utilised in a room in a private residence meant for the common use of residents, or in a club/organisation as part of the amenities provided by it, and which is not conducted for profit;

xii) performance in an amateur club before a non-paying audience, or for the benefit of a religious institution;

xiii) the reproduction in a newspaper, magazine, periodical of an article on current economic, political, social or religious topics, unless the author has reserved to herself the right of such reproduction;

xiv) the publication in a newspaper etc. of a report of a public lecture;

xv) the making of a maximum of three copies for use in a public library, if such work is not available for sale in India;

xvi) the reproduction for the purpose of research and/or private study, or with a view to publishing an unpublished work kept in a library, museum or other public institution. However, if the identity of the author of such work is known, such reproduction is to be made only after more than sixty years have passed since the death of the author; if there are more than one authors, the sixty years are to be counted from the death of the author who died last;
xvii) the reproduction of any matter, published in any official Gazette, except an Act of a Legislature; any Act of a Legislature, if it is reproduced with any commentary thereon or any other original matter; the report of any Committee, Commission, Board or a like body appointed by the Government, if such report has been laid on the Table of the Legislature, unless prohibited by the Government; any judgment of a judicial authority unless prohibited;

xviii) the reproduction/publication of a translation of an Act of Legislature, in any Indian language if no such translation produced by the Government exists, or if such government translation exists, it is not available for sale to public. However, in such cases, it is to be stated at a prominent place that such translation has not been authorised or accepted by the Government;

xix) the making or publishing of a painting, drawing or photographs of a work of architecture;

xx) the making or publishing of a painting, drawing, engraving or photograph of a sculpture or other artistic work, if such work is permanently located in a public place; and

xxi) the inclusion in a cinematograph film of any artistic work permanently situated in a public place, or any other artistic work by way of background, or if such inclusion is incidental to the principal matters represented in the film.

It may be noted that the exceptions to infringement in relation to a literary, dramatic, musical or artistic work, are equally applicable in relation to any translation or adaptation of such a work since they qualify as original works in their own right and copyright subsists in them too. However, for publishing a translation, permission of the author of the original work is necessary and if without the permission of the author published or translated than the same will be treated as the infringement and legal action can be initiated against the infringer.

Impact of WTO/TRIPS on the Copyright in India

Before the independence, India has the Indian Copyright Act, 1914 which was based on the United Kingdom Act which does not fit in with the changed constitutional status of India hence the copyright Act, 1957 has been enacted. In
the meantime, there were various developments at the international level regarding the protection of the copyright. India is also the member of the two International Conventions on Copyright, namely the Bern Convention for the Protection of Literary and Artistic Works (Brussels Text 1948) and the Universal Copyright Convention (1952). The Copyright Act, 1957 conforms to the provisions of these two Conventions. Both these Conventions were revised at Paris in 1971. These revised Conventions provide for certain additional facilities to enable the developing countries to grant compulsory licences for translation and reproduction of works of foreign origin required for the purpose of teaching, scholarship or research or for purposes of systematic instructional activities; if these rights could not be obtained on freely negotiated terms under conditions enabling their publication or ensuring their availability at prices reasonable in their context. As a developing country, it was considered in our interest to adhere to these two revised conventions so as to avail the benefits of the compulsory rights; hence India too amended the Copyright Act in the year 1983.

With the advancement in the science and technology, piracy has become a global problem. It has assumed alarming proportions all over the world and all the countries are trying to meet the challenge by taking stringent legislative and enforcement measures. The problem of piracy and the necessity for taking sufficient anti-piracy measure were also voiced by members of Parliament at the time of the consideration of the Bill to amend the Copyright Act, 1957 in 1984. The amendment made in the year 1984 mainly increase the punishment for the infringement of the copyright, it also provides that the offence of infringement of copyright as an economic offence.

Again the Act was amended in the year 1992 for increasing the term of copyright from fifty to sixty years from the death of the owner of the copyright in all works. The effective copyright protection promotes and rewards human creativity and in modern society an indispensable support for intellectual, cultural and economic activities. It is necessary to enact an independent self-contained law on the subject of copyright in the light of growing public consciousness of the rights and obligations of authors and in the light of experience gained in the

working of the existing law during the last five decades. The law relating to copyright has been under comprehensive review of the Government for sometime, taking into account the difficulties expressed by different groups of copyright owners and others, the experience gained from the administration of law and situation created by various technological developments that have taken place. Hence the Act was again amended in 1994.

India ratified the TRIPS Agreement which imposes an obligation to provide mechanism for the protection of computer programmes; sale or give on commercial rental or sale or for commercial rental any copy of computer programme and broadcasting organizations and performers. In order to met the aforesaid requirements of the TRIPS Agreement the Act was further amended in the year 1999.

5.1-2 Infringement of the Patents

The patent grants to the owner of patent, the right to prevent third parties from making, using, offering for sale, selling or importing the products in India without the consent of patent holder. Any violation of the rights of the patentee will constitute an infringement of patent. Unlike the patent statute in USA, the Indian Patent Act does not address the issue of infringement directly. But the Act provides the procedure and remedies for preventing infringement.6

A patentee has an exclusive monopoly rights over the patented invention to make, use, sell or distribute the invention in India. If any person, other than the patentee or assignor or mortgage, violates his exclusive right than the infringer will be held liable for infringement of patent. A patent provides the proprietor of that patent with the right to exclude others from utilizing the invention claimed in that patent and the person who utilizes that invention, without the permission of the holder of a patent, infringes that patent. Whether the alleged act of a person amounts to an infringement or not depends upon the extent of the monopoly right conferred by the patent. These can be inferred from the specification and claims made by the patentee contained in the patent application.

Infringement is not defined in the Patents Act. Infringement may therefore be interpreted as any violation of the monopoly rights of the patentee. An act

6. Supra note 1 at 105.
which is permitted under the statute e.g. government use of the invention would not amount to infringement. The extent of monopoly rights must first be determined from the specification and the claims. Thereafter, it is important to study whether the infringing act amounts to making, using, exercising selling or distribution of a product or the process patent. The actual manufacturers of the infringing product or the users of the patented process and others who are indirectly connected with such infringing activity. The following acts of the defendant can amount to infringement:

i) Inducing and procuring the infringement of patent.

ii) Sale of non patented articles to be used for the purpose of infringing a patent.

iii) Using parts or combination of integers of a patented product or process.

iv) Sale of parts of patented device.

v) Using mechanical equivalents of an invention.

vi) Making colorable variations in the invention.

vii) Use of patented process in course of manufacture of other goods.

viii) Import of articles made by patented process.

ix) Copying essential features of patented invention.

x) Variation of non-essential features of patented invention.

xi) Infringement of a patent by using a part of the invention.

In *Lallubhai Chakubhai Jariwala v. Chimanlal Chunilal and Co.*, a patent may be infringed by taking a part only of the invention but that depends on whether the part for which protection is asked is new and a material part of the invention. If it is not new then the court must consider what the substance of the invention is and to do so the court has to consider the relative importance of the parts of the invention.

**Who can Sue for the Infringement of the Patents**

For the infringement of the patent, the following persons can sue:

i) The patentee, i.e., the person in whose favour the patent has been registered before the Registrar of Patents as the grantee or proprietor of the patent, or

7. AIR 1936 Bom 99.
ii) The holder of an exclusive licence provided the licence is registered, or

iii) The holder of a compulsory licence; in the event the patentee fails to institute proceedings on the request of the compulsory licence holder,

iv) An assignee of a patent provided an application for registration of assignment has been filed before the date of filing the suit, or

v) A co-owner of a patent is not expressly entitled in the Act to bring an action for infringement on his own without joining the others.

If the patent has lapsed, he is not liable for an infringement. The immunity is from the date on which the patent has lapsed till the application for restoration, if filed, is advertised in the Official Gazette. In case the patentee has not cared to restore his patent within the prescribed period, the patent lapses and the invention is now in the public domain. Any person can exploit any invention covered by any foreign patent if there is no corresponding Indian equivalent patent. If there is any and is in force, such use would amount to infringement of the patent.

**Burden of Proof for the Infringement of Patents**

Basically the onus is on the plaintiff, but in some circumstances the same onus is shifted to the respondent also. If the patent pertains to a process for making a product, and a person makes an identical product, then in a case of infringement he is obliged to prove that the process used to make the product, is different from the patented process. However, the patentee has to prove that the product being made by the infringer is identical to the product from his process. He also has to prove that he is not able to determine the process used by the infringer through reasonable efforts.

When any person infringes the rights of the patentee, a suit for infringement of patent should be instituted in the District Court having jurisdiction to try the suit. A suit for infringement can be instituted only if the patent has been sealed. The patentee cannot institute a suit for infringement during the period between date of advertisement of acceptance of the complete

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9. Id. Section 110.
10. Id. Section 104A.
11. Id. Section 104.
specification and the date of sealing of patent. However, he can claim damages sustained due to infringement during the said period in a separate suit after sealing of patent.

A suit for infringement of a patent, whose term has expired, can be instituted for claiming damages if the infringement occurred during the term of patent. In case the patent was wrongfully obtained by the patentee and was later granted to the true and first inventor, a suit for infringement occurring before the grant of patent cannot be instituted. Where a patent had lapsed but was subsequently restored, the proceedings for infringement cannot be instituted against any infringement committed between the date on which the patent ceased to have effect and the date of advertisement of application for restoration.12 Where the patented invention is merely used for the purpose of experiment or research or for imparting instruction to pupils, it does not amount to infringement of patents. Similarly, any act of making, using or selling a patented invention solely for development of information required under any relevant law does not amount to infringement. Also the importation of patented products by any person from a person who is duly authorised by the patentee will not constitute infringement. The period of limitation for instituting a suit for infringement is three years from the date of infringement. However, it is not necessary to send a notice of infringement to the defendant before filing the suit for infringement.

**Impact of WTO/TRIPS Agreement on the Patents Law in India**

The value of patents has increased considerably as a result of industrial development in almost countries of the world. The establishment of WTO and TRIPS agreement has increased the importance of patent significantly throughout the world. The significance which is attached to the grant of patent is that it encourages establishment of new industries and improves the existing industries and as a result provides employment to unemployed, makes good use of the capital and increases the wealth; that after the expiry of period of term of patent the invention may be used by the public and people can work out the invention themselves.

12. *Id.* Section 62.
The Agreement on TRIPS has laid down minimum standards for the protection of intellectual property rights as well as the procedures and remedies for their enforcement, which are to be adopted by all the member countries of WTO in their national laws governing intellectual property rights. Under the provisions of the TRIPS agreement, one of the intellectual property rights i.e. patent 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. India made three amendments in its patent act; first in 1999, second in 2002 and third in 2005 to comply the TRIPS regulation. A Declaration on the TRIPS agreement and Public Health was also adopted. This was in response to concerns expressed about the possible implications of the TRIPS agreement for access to drugs for people in developing countries. The declaration emphasized that the TRIPS agreement does not and should not prevent members from taking measures to protect public health and reaffirms the right of members to use the full provisions of the TRIPS agreement which provide flexibility for this purpose. In the TRIPS compliant product patent regime in India, issues related to drug price, availability of drugs, and possible dominance of multinational companies over the domestic pharma companies are of major concerns. India needs a balanced approach in terms of policy implementation, so that along with providing intellectual property protection as per TRIPS requirement, the sustained growth of its domestic pharma industry doesn't get hampered. TRIPS flexibilities provide a solution for this which India need to properly use and implement as per its requirement.

5.1-3 Infringement of the Trade Marks

The use of a registered mark can be done by affixing it on the goods or the packaging thereof, or by offers, or exposes goods for sale, puts them in the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark, or by imports or exports goods under the mark, or by using the registered trade mark on business papers or in advertising. A trademark owner has right either to use himself or assign others the use of his trademark. Unauthorized use of trademark which may be identical or deceptively similar to the original trademark would amount to
infringement. Trademarks infringement is a violation of the exclusive rights attaching to a registered trademark without the authorization of the trademark owner or any licencree. Infringement action can only be initiated if the trademark is registered, but as provided under the Trademarks Act, registration is not mandatory hence the passing off action can be taken in case of unregistered trademarks. It is pertinent to mention that both civil and criminal remedies are simultaneously available against the infringement and passing off of the trademarks.

Passing off is a common law tort which can be used to enforce unregistered trademarks rights. The law of passing off prevents one person from misrepresenting his or her goods or services as being the goods and services as being the goods and services of the plaintiff, and also prevents one person from holding out his or her goods or services as having some association or connection with the plaintiff when this is not true. Infringement under the trade mark law means use of a mark which is identical or deceptively similar in relation to any goods 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. Thus a registered user has a remedy of injunction if it is proved that the mark is identical or deceptively similar and need not prove the intent of deceit of the infringer.

Registration of the trade mark gives exclusive right on the registered proprietor to use the mark in relation to the goods for which the mark is registered and obtain relief in respect of infringement. According to Section 29 of the Trade Marks Act, 1999, infringement means the use of a mark identical or deceptively similar to a registered trademark in relation to any marks for which the trademarks is registered. Specifically, infringement is caused in the following cases:-

i) the mark is identical and is used for similar goods/services;

ii) the mark is similar to the registered mark and is used for the same or similar goods/services as covered by the registered trade mark;

13. Supra note 1 at 149.
iii) the mark is identical with the registered trade mark and is used for identical goods; and the mark is therefore likely to cause confusion on the part of the public.

iv) 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:-
a) is identical with or similar to the registered trade mark; and
b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and
c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

v) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

vi) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

vii) A registered trade mark is infringed by any advertising of that trade mark if such advertising:

a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or
b) is detrimental to its distinctive character; or
c) is against the reputation of the trade mark.

However, there are certain circumstances which would not constitute the infringement of the trademarks. These are as follows:-

i) When there is a limitation or conditions of the registered trademark where registration does not extend.

ii) The permitted use of a mark in contract with the registered owner or the proprietor.
iii) Use of one of two or more trade marks registered under this Act which are identical or nearly resemble each other, in exercise of the right to use of that trademark given by registration under the Trade Marks Act.

If a trade mark has a reputation in India, the use of a mark identical with or similar to it, on goods or services which are different, constitutes infringement as such use, without due cause, would take unfair advantage of a reputed trade mark or harm its distinctive character. The Act prohibits adoption of a registered trade mark by another person as trade name, i.e. the name of an enterprise.

**Jurisdiction of the Court**

The jurisdiction for the purpose of filing a civil suit will depend upon the facts and subject to the following conditions:

i) Where the cause of action has occurred;
ii) Where the part of the cause of action has accrued;
iii) Where the properties or violations are taking place;
iv) Where the defendants reside or work for gain.

In short, the jurisdiction for the purpose of filing a case would depend upon the activities of the defendants or their place of business.

**Impact of WTO/TRIPS on Trademark in India**

The Act of 1958 has served its purpose over the last four decades. It was felt that a comprehensive review of the existing law be made in view of developments in trading and commercial practices, increasing globalisation of trade and industry, the need to encourage investment flows and transfer of technology, need for simplification and harmonization of trade mark management systems and to give effect to important judicial decisions. To achieve these objectives, the Parliament repealed the 1958 Act and replaced it by the Trade Marks Act, 1999 to amend and consolidate the law relating to trade marks, to provide for registration and better protection of trade marks for goods and services and for the prevention of the use of fraudulent marks. There is need for the protection of the well known trademarks throughout the world and the TRIPS Agreement lays stress upon the same.
In India the Bill on the amendment of the trademark has been introduced in 2007 which was passed by the Lok Sabha on 25 Feb., 2009\textsuperscript{15} and laid on the Table of the Rajya Sabha on 26 Feb., 2009. It makes special provisions (under chapter IVA) relating to protection of Trade Marks through international Registration under the Madrid Protocol. The Bill is based on the Madrid Protocol which is administered by the World Intellectual Property Organisation. This provides for a single window mechanism for the registration of the trademarks worldwide in those countries which are signatories to the Madrid Protocol. No doubt that the Trade Marks Act, 1999 is compatible with the TRIPS Agreement in the field of protection, assignment and licensing but, earlier there is no such provision for getting the single application of the registration of the trade marks throughout the world, but after the passage of the Bill, the Trade Marks laws in India will be no less than international standards. This is a positive step and would speed up the accession of India to the Madrid Protocol.

5.1-4 Infringement of the Geographical Indications

A registered geographical indication is infringed by a person who is not an authorised user but who uses the indication in a manner which is likely to misled the persons concerned as regards the origin of goods in question, or uses in a way that amounts to unfair competition including passing off in respect of registered geographical indications.\textsuperscript{16} The acts creating confusion, imputing false allegations and misleading as regards the nature, the characteristics or the quality of goods, to name a few, shall be regarded as acts amounting to unfair competition. A person who uses another geographical indication to the goods which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the persons that the goods originate in the territory, region or locality in respect of which a registered geographical indication relates shall be liable of infringement of the said registered geographical indication under the Act.\textsuperscript{17}

A registered geographical indication is infringed by a person who, not being an authorised user thereof uses such geographical indication by any

\textsuperscript{15} As quoted from http://loksabha.nic.in site visited on 26 Feb., 2009.
\textsuperscript{16} Section 22 of the Geographical Indications Act, 1999.
\textsuperscript{17} J. P. Mishra, \textit{An Introduction to Intellectual Property Rights} (2005) at 222.
means in the designations or presentation of goods that indicates or suggests that such goods originate in a geographical area other than the true place of origin of such goods in a manner which misleads the persons as to the geographical origin of such goods. Hence the infringement of registered geographical indication occurs if a person:-

i) uses the geographical indication on the goods or suggests that such goods originate in a geographical area other than the true place of origin of such goods in a manner which misleads the public; or

ii) uses the geographical indication in a manner that constitutes an act of unfair competition; or

iii) uses another geographical indication to the goods in a manner, which falsely represents to the public that the goods originate in the territory, region or locality in respect of which such registered geographical indication relates.

However, where the goods in respect of which a geographical indication has been registered are lawfully acquired by a person other than the authorized user of such geographical indication further dealings in those goods by such person including processing or packaging, shall not constitute an infringement of such geographical indication, except where the condition of goods is impaired after they have been put in the market.¹⁸

Under Section 38 of the Geographical Indications of Goods Act, 1999 a person shall be deemed to falsify a geographical indication who, either, without the assent of the authorised user of the geographical indication makes that geographical indication or deceptively similar geographical indication; or falsifies any genuine geographical indication, whether by alteration, addition, effacement or otherwise. The Section further elaborate that a person shall be deemed to falsely apply to goods a geographical indication who, without the assent of the authorised user of the geographical indication:-

i) applies such geographical indication or a deceptively similar geographical indication to goods or any package containing goods;

¹⁸. Supra note 1 at 183-184.
ii) uses any package bearing a geographical indication which is identical with or deceptively similar to the geographical indication of such authorised user, for the purpose of packing, filling or wrapping therein any goods other than the genuine goods of the authorised user of the geographical indication.

**Burden of Proof**

In any prosecution for falsifying a geographical indication or falsely applying a geographical indication to goods, the burden of proving the assent of proprietor shall lie on the accused.\(^{19}\)

**Impact of the TRIPS on the Geographical Indications in India**

In respect of any agricultural goods or manufactured goods or any goods of handicraft or goods of industry including food stuff there is no specific law governing geographical indications of such goods, which could adequately protect the interest of procedures of such goods. To prevent unauthorized persons from misusing geographical indications would protect consumers from deception and would add to the economic prosperity of the producers of such goods and would also promote goods bearing Indian geographical indications in the export market. Under the TRIPS Agreement other countries are under no obligation to extend protection unless a geographical indication is protected in the country of its origin. In view of developments in trading and commercial practices, increasing of trade and transfer of technology, it was felt desirable to pass Geographical Indication of Goods (Registration & Protection) Act, 1999 to provide for registration and better protection of geographical indication in relation to goods. As per the Act, geographical indication in relation to goods means an indication which indentifies such goods as agricultural goods, natural goods or manufactured goods as originating, or manufactured in the territory of a country, or region or locality in the territory, where a given quality, reputation or other characteristic of goods is essentially attributable to its geographical origin.

The Geographical Indication of Goods (Registration & Protection) Act, 1999 is of considerable importance since it is a central unitary law applicable for

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\(^{19}\) Section 38(4) of the Geographical Indications, 1999.
whole of the country. A look into the scheme of the Act suggests that the object of the law is to deal with the nature of rights which any association of persons or producers or any organisation or authority established by and under any law for the time being in force representing the interest of the producers of the concerned goods could acquire in respect of Geographical Indication, the mode of acquisition and, nature of infringement of such rights and the remedies available therefor. The relief which a Court may grant in any suit for infringement or for passing off includes an injunction, either damages or on account of profits, together with or without any order for the delivery-up to the infringing labels and indications for destruction or erasure. The Act is intended to provide for the registration and better protection of geographical indications relating to goods. If the geographical indications are not protected from infringement the market will be flooded with spurious goods by unscrupulous person by copying well-known geographical indication. Notwithstanding anything contained in any law for the time being in force, any right to a registered geographical indication shall not be the subject matter of assignment, transmission, licensing, pledge, mortgage or any such other agreement.

There is no specific law governing geographical indications of goods prior to the Geographical Indications Act, 1999 in the country which could adequately protect the interests of producers of such goods. It is the impact of the TRIPS Agreement that Indian Parliament has enacted a comprehensive legislation for the registration and for providing adequate protection to the geographical indications.

5.1-5 Infringement of the Designs

Infringement of a copyright in registered design is known as piracy of registered design. It shall not be lawful for any person during the existence of the copyright in design to do the following acts:20

i) for the purpose of sale to apply or cause to be applied to any article in any class of articles in which the design is registered, the design or any fraudulent or obvious imitation thereof, except with the licence or written

consent of the registered proprietor, or to do anything with a view to enable the design to be so applied; or

ii) to import for the purposes of sale, without the consent of the registered proprietor, any article belonging to the class in which the design has been registered, and having applied to it the design or any fraudulent or obvious imitation thereof; or

iii) knowing that the design or any fraudulent or obvious imitation thereof has been applied to any article in any class of articles in which the design is registered without the consent of the registered proprietor, to publish or expose or cause to be published or exposed for sale that article.

The registered proprietor of a design has the exclusive right to apply a design to any article in any class in which it is registered. This right is called a copyright in the design. Copyright in a design can last for a maximum period of fifteen years, thereafter it becomes public property and any body can use it. The Design Act refers only to the piracy of registered design which in substance is the same as infringement of the copyright in the design. During the existence of copyright in the design it is not lawful for any person to do act without the consent or licence of the registered proprietor of the design.\(^{21}\)

If the design was originally created as a work of art, it would have been protected automatically under the Copyright Act, but once the owner use it, or indented to use it, as a model or pattern to produce more than 50 single useful articles or sets of articles, it usually is considered to be an industrial design, which can only be protected under the Industrial Design Act.

In India, section 15 of the Copyright Act, 1957 specifically stipulates that if a creator fails to secure design protection over an article which is capable of being registered under Designs Act, 2000, copyright over the said article shall seize when the article embodying the design has been reproduced more than 50 times by an industrial process. For initiating legal proceeding, registration of design is mandatory and a copyright infringement can be initiated even for an unregistered copyright if the holder is able to prove the ownership. Even though a

design is to remain in force for a period of 10 years which can be extended for a further term of 5 years, after the expiration of the 15 years period, the design holder can convert a successful design into a trademark because the present Trade Marks law permits registration of non-functional and unique shapes that provide distinctiveness to the product.

**Impact of WTO/TRIPS on Design in India**

Since the enactment of the Designs Act, 1911 considerable progress has been made in the field of science and technology. The legal system of the protection of industrial designs requires to be made more efficient in order to ensure effective protection to registered designs. To make efficient and user friendly legal system for the protection of industrial designs, to promote creativity and protection, and to comply with the TRIPs Agreements and accession to the Paris Convention, the Indian Parliament has enacted the Designs Act, 2000.

The Hague Agreement is an international registration system which offers the possibility of requesting protection for industrial designs in several countries, by means of a single international application filed with the International Bureau of WIPO. Under the Hague system, therefore, a single international application replaces a whole series of national applications which, otherwise, should have been effected at the national level with different national Offices. The Designs Act makes the similar kinds of provisions. It has incorporated provisions for registration of designs by foreigners in India on the basis of reciprocity and based on priority date.

**5.2 Dispute Settlement Mechanism under TRIPS**

The TRIPS Agreement for the first time creates a multilateral framework for enforcement of all intellectual property rights which were so far left to the nation states to carry out at their discretion under national laws. It is mandatory agreement attached to WTO. Every member of WTO is required to observe the provisions of TRIPS and provide minimum level of intellectual property rights in

their national laws. Failure to comply with the minimum level of intellectual property rights in their national laws will entail penal provisions of WTO.

With the establishment of the WTO, the importance and role of intellectual property protection has been crystallized in the TRIPS Agreement. Section 2 of the TRIPS Agreement provides the civil and administrative procedure to be followed by the members for the enforcement of the intellectual property rights. Article 41 to 49 of the TRIPS Agreement deal with the enforcement of intellectual property rights. Article 41 of the TRIPS Agreement provides that all the members shall ensure under their law so as to permit effective action against any act of infringement of intellectual property rights. They shall provide the expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. The agreement further provides that the procedures concerning the enforcement of intellectual property rights shall be fair just and equitable. They shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays. The decisions shall be based on the merits of a case and it should preferably be in writing and reasoned and based on the evidence in respect of which the parties were offered the opportunity to be heard.

Article 42 of the TRIPS Agreement provides a fair and equitable procedure to be put in place by members to the agreement. Notice of the claims with sufficient details and time has to be given in writing to the defendant so that he can put forward his case. Parties can be represented by legal counsel and the confidentiality of information shall be protected according to existing constitutional provisions.

A member can authorise the judicial authorities to make preliminary and final determinations based on evidence presented to them; to grant injunctions against infringement, grant declaratory judgments, compensation and damages including attorney's fee. The judicial authorities are also to be given the right to order other remedies, like disposal or destruction of goods that are infringing or to minimise further infringements. The judicial authorities may also be empowered to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the infringing goods or services. Exemption from liability can be provided under the law to public authorities and
officials acting in good faith. The administrative procedures that can be adopted for giving any civil remedy are to be in accordance with the above principles.

Article 43 of the TRIPS Agreement provides that the judicial authorities shall ensure that the confidential information should be protected from disclosure. Under Article 44 of the TRIPS Agreement the judicial authorities shall have the authority to order a party to desist from an infringement, inter alia to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve the infringement of an intellectual property right, immediately after customs clearance of such goods. The provisions have been made for the award of damages in the favour of the person whose intellectual property right has been violated. 23 Not only this, 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. Not only this the judicial authorities shall have the authority to order that goods that they have found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder.

Article 47 provides that the judicial authorities shall have the authority to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the infringing goods or services and of their channels of distribution. Further the provisions has been made under Article 48 that the judicial authorities shall have the authority to order a party at whose request measures were taken and who has abused enforcement procedures to provide to a party wrongfully enjoined or restrained adequate compensation for the injury suffered because of such abuse. The judicial authorities shall also have the authority to order the applicant to pay the defendant expenses, which may include appropriate attorney's fees. Article 50 enables the judicial authorities to adopt provisional measures in appropriate cases to prevent an infringement of intellectual property rights.

23. Article 45 of the TRIPS Agreement.
The TRIPS Agreement makes provisions for prevention and settlement of dispute among member countries. Article 63 of the TRIPS Agreement prescribe for maintenance of transparency with regards to laws, regulation and final decision and administrative ruling which come within the preview of TRIPS Agreement. In order to achieve it aims it is mandatory for the member country to publish or make publically known its laws, regulation, final judicial decision and administrative ruling of general applications. The member countries are obliged under Article 64 of the TRIPS Agreement to notify the laws and regulation of the council for the TRIPS in order to assist the council in its review of operation of the agreement.24

The Dispute Settlement Understanding is the very important part of TRIPS Agreement in respect of settlement of disputes. The Dispute Settlement Understanding contain of comprehensive procedure for purpose of dispute settlement. This procedure may be divided under three heads:-

i) Adjudication of complaints by the Dispute Settlement Board after considering the reports of the panels or the appellate body set up to inquire into the complaint

ii) Resolution of the complaints by the consultation, good offices, cancellation and mediation.

iii) By Arbitration.

The Dispute Settlement Board has been empowered to establish different panels, adopt reports and appellate a body and panels, maintain surveillance of implementation of rulings and recommendations and authorise suspension of concession and other obligations. The TRIPS Agreement provide for the transitional arrangement for implement of the TRIPS Agreement. A member country was obliged to implement the provisions of agreement within a period of one year from the date of coming into force of WTO.25 Presently the TRIPS Agreement is the ‘Grundnorm’ for the protection and enforcement of the intellectual property laws throughout the world.

24. Supra note 5 at 1389-1390.
25. Ibid.
5.3 **WTO and Dispute Settlement Mechanism**

The Dispute Settlement Body is one of the most powerful yet controversial bodies in WTO. It is a central element in providing security and predictability to multilateral trading system. In fact, prompt, just and fair settlement of trade dispute is essential to the effective functioning of WTO. The Dispute Settlement Body is empowered to establish panels, constitute appellate body, and adopt panel reports and exercise surveillance and compliance with its decisions. The Dispute Settlement Body can take help of the following bodies for investigations of a complaint:

i) Working groups;
ii) Panel;
iii) Permanent expert group; and
iv) Arbitration.

The Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), created an integrated system for dispute settlement by bringing all the WTO multilateral agreements under the jurisdiction of DSU\(^\text{26}\) and established automaticity in decision making and time frames for completion of dispute settlement procedure. The DSU and Dispute Settlement Body (DSB) has been conceived to create security, predictability and efficacy in the WTO multilateral trading system reducing the potential of unilateral action by any member including the developed ones which in turns would ensure the governments, policy makers, trades and procedures and consumers response faith in the multilateral rule based international trade.\(^\text{27}\)

Since the establishment of WTO, more than three hundred disputes were initiated under the dispute settlement system involving both the developed and the developing members. The developing countries have equally contested their claims in the dispute settlement systems, which have provided them both the challenges and opportunities to adjusting to the international economic order. The DSU contain 27 Articles and totaling 143 paragraphs plus four appendices, is perhaps the most significant achievement of the Uruguay Round negotiations,

\(^{26}\) Understanding on Rules and Procedures Governing the Settlement of Disputes.
being referred as jewel in the crown of WTO. This dispute settlement system is unique in international trade law for the fact that DSU confers compulsory jurisdiction on the DSB for settlement of disputes as well as the interpretative role of the WTO dispute settlement system is made explicit in Article 3(2) of the DSU which provides that the system serves to clarify the provisions of the WTO Agreements in accordance with the customary principal of international law.  

The central provision pervading the settlement of dispute under the WTO is GATT Articles XXII and XXIII, 1947 incorporated mutatis mutandis in GATT 1994. Article 1 of the DSU sets out the coverage and applicability pursuant to its consultation and dispute settlement provisions concerning the ‘Covered Agreement’. The DSU created three institutions to administer WTO dispute settlement mechanism. The DSB established under Article 2 of the DSU for the purpose of administering rules and procedures and DSB has the power to establish panel reports and Appellate Body reports, supervise the implementation of recommendations and rulings and authorizes sanctions for failure to comply with dispute settlement decisions. The General Council of the WTO serves as DSB but the DSB has its own chairman and follows separate procedures for those of the General Council.  

The dispute settlement system of the WTO is a central element in providing security and predictability to the multilateral trading system. Recommendations or rulings made by the DSB shall be aimed at achieving a satisfactory settlement of the matter in accordance with the rights and obligations under this Understanding and under the covered agreements. The aim of the dispute settlement mechanism is to secure a positive solution to a dispute. A solution mutually acceptable to the parties to a dispute and consistent with the covered agreements is clearly to be preferred. It is understood that requests for conciliation and the use of the dispute settlement procedures should not be intended or considered as contentious acts and that, if a dispute arises, all Members will engage in these procedures in good faith in an effort to resolve the dispute. It is also understood that complaints and counter-complaints in regard to

28. Id. at 63.
29. Ibid.
30. Ibid.
distinct matters should not be linked. Proceedings before Dispute Settlement Board set up by WTO are initiated with a complaint filed by the aggrieved party. The complaint should relate to a dispute arising out of any of the agreements entered into under the GATT or the subjects for which Dispute Settlement Board is the designated settlement body.

**Different stages of Dispute Settlement**

The Understanding on Rules and Procedures Governing the Settlement of Disputes of WTO lays down the detail procedure for the settlement of disputes. There are mainly six stages involved in settling disputes. Each stage has its elaborate procedure and fixed time frame. These six stages are:

i) Consultation,
ii) Establishment of a panel,
iii) Panel Examination,
iv) Adoption of Panel Report,
v) Appellate Review,
vi) Implementation.

i) Consultation

The first stage of settling the dispute is holding consultation between disputing states. Consultation aims to provide solution, which is mutually agreed. It is confidential and does not prejudice the right of members to further proceedings. If a request for consultations is made pursuant to a covered agreement, the Member to which the request is made shall, unless otherwise mutually agreed, reply to the request within 10 days after the date of its receipt and shall enter into consultations in good faith within a period of not more than 30 days after the date of receipt of the request, with a view to reaching a mutually satisfactory solution. If the Member does not respond within 10 days after the date of receipt of the request, or does not enter into consultations within a period of not more than 30 days, or a period otherwise mutually agreed, after the date of

31. Article 3 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU).
33. Supra note 1 at 19-20.
receipt of the request, then the Member that requested the holding of consultations may proceed directly to request the establishment of a panel.34

ii) Establishment of a Panel

If consultation process fails to bring any solution within 60 days, the complainant can ask the Dispute Settlement Board to establish a panel. In case of disputes between developed and developing countries one of the panel experts from developing countries should be included. These panelists serve in their individual capacity and not in their official position. Under Article 6 of the DSU if the complaining party so requests, a panel shall be established at the latest at the DSB meeting following that at which the request first appears as an item on the DSB's agenda, unless at that meeting the DSB decides by consensus not to establish a panel. The request for the establishment of a panel shall be made in writing. It shall indicate whether consultations were held, identify the specific measures at issue and provide a brief summary of the legal basis of the complaint sufficient to present the problem clearly. In case the applicant requests the establishment of a panel with other than standard terms of reference, the written request shall include the proposed text of special terms of reference.

Panels shall be composed of well-qualified governmental and/or non-governmental individuals, including persons who have served on or presented a case to a panel, served as a representative of a Member or of a contracting party to GATT 1947 or as a representative to the Council or Committee of any covered agreement or its predecessor agreement, or in the Secretariat, taught or published on international trade law or policy, or served as a senior trade policy official of a Member.35 Panels shall be composed of three panelists unless the parties to the dispute agree, within 10 days from the establishment of the panel, to a panel composed of five panelists. Members shall be informed promptly of the composition of the panel.

34. Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes.
35. Id. Article 8.
iii) Panel Examination

The panel chosen in consultation with the parties examines the complaint. The panel should complete its exercise within six months and give its final report containing findings and recommendations. However, in case of urgency, the time for giving final report can be reduced to three months. But in no case should the period from establishment of the penal to establishment of the panel to the submission of the final report exceed nine months.

The function of panels is to assist the DSB in discharging its responsibilities under this Understanding and the covered agreements. Accordingly, a panel should make an objective assessment of the matter before it, including an objective assessment of the facts of the case and the applicability of and conformity with the relevant covered agreements, and make such other findings as will assist the DSB in making the recommendations or in giving the rulings provided for in the covered agreements. Panels should consult regularly with the parties to the dispute and give them adequate opportunity to develop a mutually satisfactory solution. Where the parties to the dispute have failed to develop a mutually satisfactory solution, the panel shall submit its findings in the form of a written report to the DSB. Under Article 13 each panel shall have the right to seek information and technical advice from any individual or body which it deems appropriate.

iv) Adoption of Panel Report

The parties to a dispute shall have the right to participate fully in the consideration of the panel report by the DSB, and their views shall be fully recorded. The Dispute Settlement board adopts the panel report 60 days after it is issued. However, the Dispute Settlement Board can invite objection from the disputing members and can consider them before finally adopting the report.

v) Appellate Review

Any party to the dispute can file an appeal against panel report before the Appellate Body. A standing Appellate Body is set up by the Dispute Settlement

36. Id. Article 11.
37. Id. Article 12.
38. Id. Article 16(3).
Board to hear all appeals. The appeal proceedings are to be completed within 60 days but in no case they shall exceed 90 days. Under Article 17 a standing Appellate Body shall be established by the DSB. The Appellate Body shall hear appeals from panel cases. It shall be composed of seven persons, three of whom shall serve on any one case. Persons serving on the Appellate Body shall serve in rotation. Such rotation shall be determined in the working procedures of the Appellate Body. The DSB shall appoint persons to serve on the Appellate Body for a four-year term, and each person may be reappointed once. However, the terms of three of the seven persons appointed immediately after the entry into force of the WTO Agreement shall expire at the end of two years, to be determined by lot. Vacancies shall be filled as they arise.

vi) Implementation

It is the final stage of settlement system. Effective and proper implementation of the ruling of Dispute Settlement Board is necessary for the satisfactory resolution of the dispute. 30 days after the adoption of the panel or Appellate Board report, the party concerned must inform the Dispute Settlement Board of its intention with regard to implementation of ruling. In case of difficulty the member can be granted a reasonable time to implement the ruling. Failure to implement the ruling within granted time can result into suspension of concession. State found guilty of breach can also settle the claim by paying compensation.

Arbitration, Conciliation and Mediation under WTO

Good offices, conciliation and mediation are procedures that are undertaken voluntarily if the parties to the dispute so agree. Good offices, conciliation or mediation may be requested at any time by any party to a dispute. They may begin at any time and be terminated at any time. Once procedures for good offices, conciliation or mediation are terminated, a complaining party may then proceed with a request for the establishment of a panel. The Director-General may, acting in an ex officio capacity, offer good offices, conciliation or mediation with the view to assisting Members to settle a dispute.39

39. Id. Article 5.
Expeditious arbitration within the WTO as an alternative means of dispute settlement can facilitate the solution of certain disputes that concern issues that are clearly defined by both parties.\textsuperscript{40} Except as otherwise provided in the DSU, resort to arbitration shall be subject to mutual agreement of the parties which shall agree on the procedures to be followed. Agreements to resort to arbitration shall be notified to all Members sufficiently in advance of the actual commencement of the arbitration process. Other Members may become party to an arbitration proceeding only upon the agreement of the parties which have agreed to have recourse to arbitration. The parties to the proceeding shall agree to abide by the arbitration award. Arbitration awards shall be notified to the DSB and the Council or Committee of any relevant agreement where any Member may raise any point relating thereto.

The DSU of the WTO is considered as a jewel in the crown of the WTO trading system and the support for the DSU has been acknowledged universally transcending the developed and developing countries with euphoria and exuberance, however from the very beginning there have been proposals submitted to WTO for reform of its dispute settlement system.\textsuperscript{41}

In case any member country of GATT makes representation to another member in respect of operation of GATT, the other party has to consider the same sympathetically and must offered an opportunity for consultation. In order to reach at a satisfactory solution of a dispute a member country may consult another member or members if no solution can be found out by bilateral consultations. Article 23 of the GATT prescribe that if any member country feels that benefits occurred to it under GATT are nullified or impaired because of the failure on the part of another member to carry out its obligations under the GATT or by the application of the other member of any measure whether the same is against the provision of the GATT or not or by the existence of any other situation the member is entitled to submit a written representation or proposal to the other members. The members have to consider such a representation sympathetically.\textsuperscript{42}

\textsuperscript{40} Id. Article 25.
\textsuperscript{41} Supra note 27 at 64.
\textsuperscript{42} Supra note 5 at 1389-1390.
Disputes Settled under the WTO

The USA patent office has granted the patent on Haldi\textsuperscript{43} (Turmeric) and Basmati. In the case of turmeric the Indian Council for Scientific and Industrial Research (ICSIR) collected documented information on the wound healing properties of the turmeric.\textsuperscript{44} It contested the case before the Dispute Settlement Board and the patent for turmeric was revoked. Another patent granted for a Neem by European Patent Office has also been revoked.\textsuperscript{45}

A dangerous provision has been introduced in patents protection and this relates to changing the philosophy of the patent regime whereby products, imported or locally produced will be under patent protection without discrimination. This implies that the patent regime not only tries to establish manufacturing monopoly but it also intends to establish import monopoly. In this situation, the patent holder would resort to import only and the national government would not be able to exercise any price control on the imported products. This provision will help the patent holder to defy all price control measure.\textsuperscript{46}

Settlement through World Court/International Court of Justice

World court is established by the United Nations in 1945 after the II\textsuperscript{nd} World War in the place of the Permanent Court of justice set up by League of Nations at the conclusion of the I\textsuperscript{st} World War. The principal function of the court is to entertain, hear and decide on the disputes between the States which are the Members of United Nations.\textsuperscript{47} There are three ways by which the disputes are presented to the World Court:-

i) The member countries having a special agreement whereby they agree to refer their disputes to the World Court may accordingly approach the court in terms of such agreement.

\begin{itemize}
\item \textsuperscript{43} See Appendix 1.
\item \textsuperscript{44} See Appendix 2.
\item \textsuperscript{45} Supra note 42.
\item \textsuperscript{46} Id. at 1402.
\item \textsuperscript{47} Supra note 32 at 6-7.
\end{itemize}
ii) Where a country has a right to approach the court in pursuance of a term in the treaty between that country and another, may approach the Court by itself in respect of a dispute arising out of that treaty against the other.

iii) The States may agree and file an undertaking before the World court stating that they would abide by the compulsory jurisdiction of the court in certain types of disputes.

In such circumstances also one or the other or both of them may bring their disputes to the World Court. The disputes arising out of GATT in respect of intellectual property rights come under the second category for the conventions referred to in GATT have special provision whereby the signatories to those conventions would have their disputes settled through World court.

5.4 Remedies for the Infringement of the Intellectual Property Rights

In all intellectual property matters, the lowest Courts have the jurisdiction to adjudicate infringement cases in the District Courts. In addition, the Chartered High Courts located in Delhi, Mumbai, Kolkata, and Chennai have the special original jurisdiction to adjudicate intellectual property infringement disputes. The injunction is the most important remedy against the infringement of intellectual property because the defendant is stopped dead in his tracks. Injunction means a judicial process by which one is threatening to invade or has invaded the legal or equitable rights of another is restrained from commencing or continuing such act or is commanded to restore matters to the position in which they stood previous to that action. Other than injunction action of passing off can be filed if there is a violation of legal right. Damages can be awarded for the infringement of the intellectual property rights. Broadly, the remedies for the infringement of intellectual property rights will be divided in the following headings:-

1. Remedies for the Infringement of the Copyright,
2. Remedies for the Infringement of the Patents,
3. Remedies for the Infringement of the Trade Marks,
4. Remedies for the Infringement of the Geographical Indications,
5. Remedies for the Infringement of the Designs.
5.4-1 Remedies for the Infringement of the Copyright

The Civil\textsuperscript{48} and criminal remedies\textsuperscript{49} are introduced to adequately protect the rights from unauthorised use. Owners are entitled to invoke these remedies in case of infringement of rights.\textsuperscript{50} Under Section 62 a suit in respect of infringement of copyright shall be instituted only in the District Court having jurisdiction. The District Court having jurisdiction include the District Court having jurisdiction over the plaintiff. Thus the copyright owner suing for infringement can initiate proceedings in his or her own jurisdictional District Court and need not go before the District Court where the infringement is being committed. All persons including manufacturer, publisher, wholesaler, retailer, etc., of the infringing work are liable for punishment under the Copyright Act. There are three types of remedies against the infringement of the copyright these are:-

i) Civil remedies,  
ii) Criminal proceedings, and  
iii) Administrative remedies.

i) Civil Remedies

The following civil remedies\textsuperscript{51} are available for the infringement of the copyright:-

a) Search and Seizure Orders

It is a kind of preventive measure. The court in England have devised the Anton Pillar Orders in response to the growing concern over the current volume of sound recording, video and other copyright piracy. In appropriate cases the court may, on application by the plaintiff, pass an ex parte order requiring the defendant to permit the plaintiff, accompanied by solicitor or attorney to enter the premises and make an inspection of relevant documents and articles, take copies thereof and remove them from safe custody. It may be equated with ex parte interlocutory order to inspect premises of defendant and take inventory of the

\begin{itemize}
  \item \textsuperscript{48} Section 55-62 of the Copyright Act, 1957.
  \item Id. Section 63-70.
  \item Section 55 of the Copyright Act, 1957.
\end{itemize}
offending articles.\textsuperscript{52} The orders of search and seizure can be made under the Indian law also.

b) Injunction

The plaintiff may seek the relief by way of restraining defendant from infringing his copyright through temporary, permanent or interlocutory injunction in a civil suit at various stages of trial. Injunction is a normal remedy, though discretionary on the part of the court. It stops the infringement during the pendency of the proceedings and ensures that no further loss/damage is caused to the owner of the copyright during the period when the injunction is in force.

c) Interlocutory Injunction

Interlocutory injunction secures the immediate protection of copyright from the continuance of infringement or an anticipated infringement. A plaintiff may pray for an interlocutory injunction pending trial or further orders.\textsuperscript{53} For obtaining the same the plaintiff has to establish that there is a prima facie case in his favour, that a balance of convenience is in his favour, and that the refusal to grant interlocutory injunction would cause irreparable injury to the plaintiff. In \textit{Super Cassettes Industries Ltd. v. Chanda Cassettes Pvt. Ltd.},\textsuperscript{54} the Delhi High Court has laid down the test for the grant of interlocutory injunction there must be an existence of a prima facie case in favour of the person seeking the relief, a balance of convenience being in his favour, and non-grant of discretionary relief is likely to result in irreparable loss to such person.

d) Damages and Accounts

The plaintiff is entitled for the damages on account of profits for the infringement of his copyright work as well as for the conversion of his copyrighted work into another form. Damages account for the loss in money terms suffered by the owner of the copyright due to infringement. Accounts relates to the accounts of net profits earned by the defendant (infringer). If there are no profits, accounts is not ordered as a remedy. Damages and accounts are alternative remedies; the owner can choose only one of them, not both. Otherwise, as a remedy, it is a

\footnotesize{\textsuperscript{52} Supra note 1 at 62. \\
\textsuperscript{53} Id. at 63. \\
\textsuperscript{54} MIPR 2007 (1) 0232.}
general provision authorising the court to grant such other reliefs as the court may deem necessary for complete redressel of the complaint, e.g., destruction of the infringing material.

**e) Delivery of Infringing Copies**

Once infringement is established all infringing copies of the work and all plates used or intended to be used for the production of such infringing copies shall be deemed to be the property of the owner of copyright. The plaintiff may take proceedings for the recovery of possession or conversion thereof unless the defendant proves innocent infringement.55

**f) Damages for Conversion**

Interim orders and order for destruction of infringing material can be granted by the court. Hence the owner of copyright himself is normally the plaintiff. But for the purposes of civil remedies the copyrights Act has wisely interpreted the term owner. Section 54 of the Copyright Act, 1957 defines the owner of copyright which includes:

i) an exclusive licensee;

ii) in the case of an anonymous or pseudonymous work the publisher of the work till such time the identity of such anonymous or pseudonymous author is publicly established.

In a civil suit or other proceeding regarding infringement instituted by an exclusive licensee, the owner of copyright shall be made a defendant unless the court otherwise directs. In cases where the exclusive licensee makes the owner of copyright a defendant, he shall have the right to dispute the claim of exclusive license.56

**ii) Criminal Proceedings**

The Copyright Act provides not only civil remedies against infringement of copyright but also criminal proceedings. These two remedies are distinct and independent and can be availed simultaneously. Criminal proceedings are detailed in Chapter 13 of the Copyright Act, 1957 titled ‘Offences’. An offence

55. Section 58 of the Copyright Act, 1957.
56. Id. Section 61.
under the Copyright Act, 1957 is cognizable, therefore the police have the power to register an FIR, investigate, search and seize the goods without the permission of the court. Section 63 defines what constitutes a criminal offence. Any person who knowingly infringes or abets the infringement of the copyright in a work, or any other right which include broadcast reproduction right\(^{57}\) and performers right\(^{58}\) conferred by the Act and will be punished with imprisonment for a minimum term of six months and a maximum of three years and with a fine which may vary from a minimum of 50,000 rupees to two lakh rupees.

Knowledge of the accused is an essential ingredient to constitute the offence of infringement for criminal prosecution. This general rule is applicable to criminal proceedings under copyright law also. The offence of infringement or abetment of infringement must be done knowingly, that is with the knowledge that what is done is an offence, that the act in question would infringe the copyright in a work or any other right conferred by the Act. A person will not be held guilty unless he knowingly infringes or abets the infringement. Knowledge is the essence of finding of an offence.

Section 64 confers on Police officers not below the rank of a sub inspector, if they are satisfied that an infringement or abetment of infringement of copyright in any work has been or is likely to be committed, he may seize without warrant all copies of the work and all plates used for the purpose of making infringing copies, wherever found. The copies so seized should be produced before a magistrate as soon as practicable. The use of the words “wherever found” indicates that not only copies found in the premises of the infringer but also those found in the premises of the retailers may also be sized.

Any person who has any interest in any copies of a work seized by the police may, within 15 days of such seizure apply to the magistrate for restoration to him of such copies. The magistrate shall, after hearing the complainant and after making any enquiries if necessary, pass such order as he may deem fit.\(^{59}\)

All infringing copies of the work in which copyright subsists and all plates used or are intended to be used for the production of such copies are deemed to

\(^{57}\) Id. Section 37.
\(^{58}\) Id. Section 38.
\(^{59}\) Id. Section 64(2).
be the property of the owner of the copyright in the work. In a civil proceeding the owner has to initiate proceedings for the recovery of possession or in respect of conversion thereof. However, in a criminal proceeding, Section 66 provides that the court trying the offence may order that all copies of the work which appears to be infringing copies or plates for the purpose of making infringing copies in the possession of the accused be delivered to the owner for copyright without any further proceeding.

Section 52A of the Copyright Act requires that certain particulars be displayed on the sound recording and any container thereof. The section clearly prohibits publication of any sound recording in India unless the following particulars are displayed either on the container or on the sound recording itself:

a) name and address of the person who made the record,

b) the name and addresses of the owner of copyright

c) the year of its first publication.

In the case of video films the following particulars are required to be displayed in the video film when exhibited and on the videocassette and on other container thereof:

a) if the work is a cinematograph film required to be certified by Central Board of Film Certification, copy of a certificate thereof;

b) Name and address of the person who has made the video film and a declaration by him that he has obtained the necessary license or consent from the owner of the copyright in such work for making such video films; and

c) The name and address of the owner of copyright in such work.

Section 68A of the Copyright Act, 1957 makes it a criminal offence if there is any contradiction to the above stated provision. Therefore if anyone publishes a sound recording or video film without furnishing the particulars required under Section 52A he shall be punishable with imprisonment which may extend to three years and shall also be liable to fine.
iii) Administrative Remedies

The Registrar and copyright Board have also been vested with some power to check violation of copyright. The Act provides for an effective administrative remedy to prevent importation into India of copies of a copyright work made outside India, which if made in India, would infringe the copyright in the work. The Copyright Act empowers the Registrar of Copyright to make an order prohibiting the importation into India of such copies on the application of the owner of the copyright in any work, or his duly authorized agent, after making such enquiry as he deems fit. The Registrar's order prohibiting such import brings into play the provisions of the Customs Act as goods the importation of which is banned in the Act. The only difference is that the copies confiscated under this provision do not vest in the Government of India but are to be delivered to the owner of copyright in the work.

The Act mandates that the business of issuing or granting licenses in respect of any work on behalf of the author can only be done through a copyright society. However the owner of copyrights still retains his authority to issue licenses in respect of his own works. The Act prescribes elaborate procedures for forming a Copyright Society. The issuance of licenses by such societies on behalf of its member right owners is called collective administration of copyright.

A copyright society is a registered collective administration society. Such a society is formed by copyright owners following the procedures prescribed in the Act. The minimum membership required for registration of a society is seven. Ordinarily, only one society is registered to do business in respect of the same class of work. A copyright society can issue or grant licenses in respect of any work in which copyright subsists or in respect of any other right given by the Copyright Act.

Under Section 34 of the Copyright Act, a copyright society may accept from the owner exclusive authorization to administer any right in any work. A copyright society may:-

i) Issue licenses in respect of the rights administered by the society.

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60. Supra note 1 at 66.
61. Section 53 of the Copyright Act, 1957.
62. Id. Section 33.
ii) Collect fees in pursuance of such licenses.

iii) Distribute such fees among owners of copyright after making deductions for the administrative expenses.

In India various copyright societies are working in the field like Indian Performing Rights Society (IPRS) which administers public performance rights of the authors in music, Phonographic Performance Limited (PPL) which administers the rights in the sound records.

**International Provisions for the Protection of Copyrights**

In general all Intellectual Property laws are territorial laws. Section 13 (2) of the Copyright Act discusses the works in which copyright subsists. In case of published works the Act applies only to works first published in India irrespective of the nationality of the author. In case of an unpublished work copyright subsists only if the author at the time of making the work a citizen of India. And in the case of a work of architecture the copyright subsist only if the work is located in India.

However, Section 40 of the Copyright Act gives the Government of India the power to extend the benefits to all or any of the provisions of the Act to works first published in a foreign country. This is done by notification in the official gazette of India of an order called International Copyright Order. The countries mentioned in the International Copyright Order are countries that are members of the Conventions in the field of copyright to which India is a party. One common feature of international conventions in the field of intellectual property is the requirements that all members to provide protection to citizens of other member States as if they were national of the country. Thus all citizens of a Berne Convention country will get their copyright protected as if they were Indian citizens. Similarly, Indian authors get protection for their works in foreign countries that are members of Berne Convention as if they are nationals of that country. This principle is called national treatment. Berne Convention for the Protection of Literary and Artistic Works is the primary convention in the copyright field. However, there is an exception to the national treatment rule. In respect of the term of copyright, it shall not exceed the term as was enjoyed in the country of origin of the work.
**Damages under the Infringement of Copyrights**

Damages have been traditionally defined as pecuniary compensation obtained by success in an action, for a wrong which is either a tort or a breach of contract. The primary purpose of the damages is to restore those losses to the plaintiff. Three kinds of damages are being awarded by the Court which includes:

i) **Nominal Damages**

Nominal damages are usually awarded where a legal right of the Plaintiff is found to be infringed and there is, however, no proof of actual loss or where there is loss but there is no evidence as to its exact quantum.

ii) **Exemplary Damages**

Exemplary damages are also known as punitive damages, such damages are commonly given in addition to compensatory damages. It is useful for retribution, deterrence, compensation, education and law enforcement.

iii) **Compensatory Damages**

A loss may be pecuniary loss or an intangible loss which would be non-pecuniary which includes mental and emotional distress. Compensatory damages are awarded to compensate a plaintiff for the loss suffered by him.

Copyright infringement is a tort and the overriding principle in tort law is that damages should be compensatory. A damage in tort aims to put the victim back to his position before the tort is committed. If the right of a person is infringed under the law of torts the same can be restored by paying the unliquidated damages. Nominal damages are always awarded where legal rights have been infringed irrespective of the actual damage. Under the provisions of the Copyright Act, 1957 if there is any piracy or infringement of the work of the author than the infringer is held liable for the infringement of the same.

### 5.4-2 Remedies for the Infringement of the Patents

In India patent infringement is not a criminal offence and it will provide the patentee only a civil cause of action. Section 104 of the Patent Act provides that a patent infringement case or a declaration of non-infringement can be filed in a
court not lower than a District Court. However if a case is filed in a District Court, the defendant would invariably challenged the validity of the Patent and when that occurs, the matter will have to be transferred to High Court as under proviso of Section 104, the power to pronounce on the validity of the patent has been conferred only on the High Court. The Indian Patents Act provides the procedure and various remedies against the infringement of the patent. The Act provides the remedies for the violation of the Patents Act these are civil and criminal.

i) Civil Remedies

The patentee or a holder of a compulsory licence can bring a suit of infringement in a District Court. However where the counterclaim is made by the alleged infringer for the revocation of a patent, the suit along with the counterclaim shall be transferred to the High Court.\(^{63}\) Where a person, whether entitled to or interested in a patent or not, threatens another person of infringement proceedings, the latter can bring a suit praying for:

a) A declaration by the court that these threats are unjustifiable;

b) An injunction against the threats; and

c) Damages.

A suit for infringement can be instituted only after the patent has been sealed.\(^{64}\) However, damages can be claimed only for the infringement committed in the period between the date of acceptance of the complete specification and the date of sealing which is a minimum of 6 months if no opposition has been filed by a third party pursuant to the notification of the acceptance of the complete specification in the Official Gazette.

The relief, which the court may grant in a suit of infringement, include an injunction and, at the option of the plaintiff, either damages or an account of profits. Where the validity of a patent has been contested at Appellate Board or High Court and the same has been upheld, the Board or the court shall furnish a certificate to this effect. While disposing of a suit of infringement or any other suit under the Act, if the Court feels that the help and advice of a scientific advisor is

63. Supra note 11.
64. Id. Section 24.
necessary, it may appoint an independent scientific advisor to assist the court.\textsuperscript{65} However, a suit for infringement filed before a court in which a defendant has pleaded invalidity as a defence is maintainable even though a petition for revocation of the patent by the defendant is pending before another court.\textsuperscript{66}

The patentee, on being successful in a suit for infringement is entitled to an injunction, damages or accounts, and otherwise. ‘Injunction’ is a normal remedy, though discretionary on the part of the Court. It stops the infringement during the pendency of the proceedings. ‘Damages’ account for the loss in money terms suffered by the owner of the patent due to infringement. ‘Accounts’ relates to the account of net profits earned by the defendant (infringer). If there are no profits, ‘accounts’ is not a remedy. Damages and Accounts are alternative remedies; the owner can chose only one of them, not both. ‘Otherwise’ as a remedy is a general provision which authorises the court to grant such other reliefs as it may deem necessary for complete redressal of the complaint. The court may order that the infringing goods or materials and implements shall be seized, forfeited or destroyed.

\textbf{ii) Criminal Remedies}

The Patents Act makes the provision for punishment for an unauthorized claim of the patent. The Act also makes the provision of fine and imprisonment for the failure to furnish information as required or not to comply with the directions as issued under the Act. There is no penal provision for the infringement of the patent under the Patent Act, 1970.

There are no specialized courts in India for trying out suits for infringement. In cases of appeals against decision, order or direction of the Controller for e.g. in case of opposition, compulsory licensing, restoration of lapsed patents etc. the Act provides for an Appellate Board to which an interested party can appeal.\textsuperscript{67}

An application for an injunction would be effective against the infringer’s supplier as well as customers on the basis of the orders passed by the Court. Usually, the injunction is affected against the defendants. However, after

\textsuperscript{65} Supra note 17 at 149.  
\textsuperscript{66} Neiveli Ceramics v. Hindustan Sanitaryware, (1976) IPLR 66 at 73.  
\textsuperscript{67} Section 117A of the Patents Act, 1970.
notification of acceptance in the Official Gazette, any person may institute a suit for declaration as to non-infringement, under Section 105, against a patentee or exclusive licensee, even if no assertion to the contrary has been made by the patentee or the licensee, if it is shown that the Plaintiff had applied in writing to the patentee or the exclusive licensee for:-

i) written acknowledgements that the use by him of any process or product does not, or would not constitute an infringement of a patent, and

ii) that the said patentee or the exclusive licensee had refused or neglected to give such an acknowledgement.

**Burden of Proof**

The burden of proof normally rests on the plaintiff for establishing infringement. However, under the Act, where the subject matter of the infringement is a process patent relating to a new product and there is a substantial likelihood that an identical product has been made by the same process which the Plaintiff has been unable to discover, the burden of proof is on the defendant.68

A patent may be considered invalid on any of the grounds mentioned under Section 64. A petition for revocation may be filed in the High Court by any "interested" person or the Central Government. The burden of proof is on the "interested" person. An "interested" person is one who has a direct, present and tangible commercial interest, which is injured or affected by the continuance of the patent on the register.69

**Damages under the Infringement of Patents**

A plaintiff is entitled to damages in respect of actual infringement of his patent, or at his option, an account of profits. Damages should be equivalent to the injury which the plaintiff has suffered from wrongful acts of the defendant. Only those injuries would be taken into accounts which have been resulted to plaintiff from the natural consequences of the wrongful acts of the defendant. If the patentee licences his patent, the easier way of assessing the damages is

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68. *Supra* note 10.
royalty payment which the defendant would have made, had he got the licence from the patentee.

Damages may be refused by the court where by the court where the infringement is innocent or the renewal fee has not been paid within the prescribed period or where the amendment of a specification is allowed, the infringement caused by defendant before the date of the infringement caused by defendant before the date of the decision allowing the amendment.

5.4-3 Remedies for the Infringement of the Trade Marks

A suit for infringement of registered trade mark must be filed in the district court within whose territorial jurisdiction, the plaintiff instituting the suit or proceeding actually and voluntarily resides or carries on business or personally works for gain. The legal remedies relating to the infringement of the trademark is not confine to infringement and passing off but also to falsification of the trademark and breach of other statutory obligations. Broadly, the remedies can be divided in the following headings:-

i) Civil Remedies

ii) Criminal Remedies

i) Civil Remedies

The civil remedies available for the infringement of the trade marks are:-

a) Injunctions

Injunction is one of the reliefs which an aggrieved person may obtain in any suit for the infringement of registered trademark or for passing off of the registered or unregistered trademark. The object of an interlocutory injunction is to protect the plaintiff against injury by violation of the rights for which he could not be adequately compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial. The need for such protection must be weighted against the corresponding need of the Defendant to be protected against injury resulting from his having been prevented from exercising his own legal rights for which he could not be adequately compensated. The

70. if there are more than one plaintiff, any one of them.
Court must weight one need against the other and determine whether the balance of convenience lies.72

b) Damages

Damages are the compensations awarded to the plaintiff by the defendant for the legal injury caused by him to the plaintiff. Damages are the notional compensation paid to the plaintiff irrespective of the actual amount of loss suffered by the plaintiff.

c) Accounts of Profits

Accounts of profits are not compensatory in nature. On the contrary accounts of profits are the actual profits which the defendant has made by infringing the trademark of the plaintiff.

ii) Criminal Remedies

Criminal prosecution can be initiated against the infringer of the trademark. The act of reproducing, altering, adding, effacing a genuine trademark of another person of which he is proprietor without his prior consent amounts to falsifying a trademark.73 Section 104 of the Trade Marks Act, 1999 makes the penal provision for selling goods or providing services to which false trademark or false description is applied. The Trademarks Act further lays down that if any person removes for sale these goods or cotton yarn or cotton threads which are not marked in accordance with the provisions of the Act, all such goods will be forfeited to the Government and the person shall be punishable with fine.74 The false representation of a trade mark as registered is also an offence. Section 107 of the Trade Marks Act, 1999 makes it clear that the use of ® in relation to unregistered trademark is an offence. Section 108 further lays down that the use of any words which lead to the belief that a person’s place of business is officially connected with the trademarks office is a punishable offence. Section 109 contains provisions for penalty for falsification of entries in the register.75

72. Cable News Network LP, LLLP (CNN) v. Cam News Network Ltd., MIPR 2008 (1) 0113 at 0121.
73. Section 102 of the Trade Marks Act, 1999.
74. Id. Section 106.
75. Supra note 5 at 294-305.
Criminal remedies can be initiated by filing a criminal complaint before the Chief Judicial Magistrate or Metropolitan Magistrate, of the concerned jurisdiction and if the court is satisfied, it can issue a General Search and Seizure Warrant, for conducting raid, search and seizure of the infringing material from any premises where infringing material is manufactured, packed, stored, stocked, or labels are printed. Under Section 91 and 92 of the Cr. P. C. for the issuance of the search and seizure warrants. The provisions of the Trademarks Act, 1999, the offences under the Act are cognizable and the police can register an FIR and prosecute the offenders directly. The court can issue the orders or directions for the search and seizure of the infringing material. Under Section 156 of the Code of Criminal procedure, 1973, FIR can be lodge against the infringer and for search and seizure of the goods.

Under the Trade Mark Act, Section 103 provides a minimum mandatory sentence of 6 month, which may extend up to 3 years in addition to a fine of Rs 50,000 (Fifty Thousand) to 1,00,000 (One Lakh). Section 105 provides for enhanced punishment for subsequent conviction and the infringing goods can be forfeited and destroyed. Section 115 provides that criminal prosecution can be launched either before a Metropolitan Magistrate or Judicial Magistrate (1st Class) the same section further provides that an officer not below the rank of Deputy Superintendent of Police can arrest the accused without a warrant and search premises even without Judicial authorization. If the infringing goods are imported through Port or Sea, the Customs Officer can prevent the entry of these goods under Section 112(b) of the Customs Act.

Difference between Infringement Proceedings and Action for Passing off

The oldest of the modern legal regime for the protection of trade symbols is the action for passing off. An action of passing off was first recognized in the Elizabethan case of J G v. Samford.\textsuperscript{76} It was also generally acknowledged that the common law roots of the action are found in the torts of deceit and misrepresentation with the strictures of the common law action being mollified in a number of Chancery cases in the early nineteenth century.

\textsuperscript{76} As quoted in Lionel Bently and Brad Sherman, \textit{Intellectual Property Law} (2001) at 707.
Trademark infringement action asserts "the right to exclusive use of the trademark" per se, whereas a passing off action asserts the exclusive right of the trader to make use of his goodwill earned over the years. While claiming under a passing off action one asserts that by way of use of the plaintiff's trademark the defendant is in essence capitalizing on the former's goodwill and passing off his goods as that of the plaintiff; the right to use the trademark hereby being claimed indirectly, just as a means of ensuring that others do not pass off their goods as that of the plaintiff. Further if the trademark is unregistered the burden on the plaintiff is first to prove that it is the symbol of his market goodwill and second that his right to its exclusive use is being infringed by the defendant, as an action of trademark infringement under tort law. But in case of a passing off action the second argument gets changed to: "that in order to carry out his trade using his goodwill exclusively, the use of the trademark by others not authorised to do so, may be injunctioned".77

As in copyright law, Trade Marks law provides remedies and defences for infringement of the trademark and also for marks which tend to affect the trademarks in a deceptive manner which is called as passing off. Under the Act the remedies of infringement is available only for the registered user of trademark whereas, unregistered cannot invoke the infringement remedy but however, can have remedies under passing off concept. The common law remedy of passing off to protect the unregistered and registered trademark has invoked by many traders to safeguard their business interest and the courts following the settled principle of passing off gave appropriate remedies.

Passing off is a remedy under the common law, where the unregistered user can move a suit against anyone using the mark of the unregistered user. In this case the onus is on the plaintiff to prove the usage where the defendant has sold the goods as the goods of the plaintiff. In such case the plaintiff has to prove that though the unregistered, the goods have been associated with the public with his mark and may deceive the public and cause confusion where by it will prove to be injurious to his business reputation and should also move the court for injunction within a reasonable period. The essential difference between

passing off and infringement is that, passing off is a remedy for an unregistered remedy under common law relief, whereby the action is based on deceit and not upon a statutory right like that of infringement suit by a registered user.

The tort of passing off is, in effect, a common law version of trademark law. Indeed, trademark law developed from passing off, which in turn developed from the tort of deceit. Being common law, passing off can be more flexible than trademark law, and can protect marks that would not be sufficiently distinctive for registration as a trademark or are otherwise unregisterable. Passing off protects the goodwill of a trader which he has developed in association of his business.\(^78\)

The action against passing off is based on the principles that “a man may not sell his own goods under the pretence that they are the goods of another man.” A passing off action is a direct subject matter of the law of tort or common law of right.\(^79\)

An action for infringement, which is a statutory right, is dependent on the validity of the registration of the mark. Unlike infringement, passing off is not a proprietary right in the name or the get-up, which has been misappropriated by the defendant. A passing off action is independent of a statutory right and is established by evidence of reputation and goodwill of the business.\(^80\) In a passing off action, the registration of the trademark or similar mark is irrelevant. Here, the priority in adoption and use of trademark is superior to priority in registration.\(^81\)

**Damages under the Infringement of Trade Marks**

The persons whose right is being intruded by the competitors must keep vigil and must not sleep over their. Law needs to be put into motion as and when somebody’s legitimate rights are invaded otherwise it will be taken that he has given consent to other party to carry on such business.\(^82\) The aims of the punitive damages are to discourage and dishearten law breakers who indulge in violation

\(^81\) *Kishore Zarda Factory (P) Ltd. v. J.P. Tobacco*, AIR 1999 Del 172.
\(^82\) MIPR 2007 (1) 0320.
with impunity. In trademark infringement cases, it is sufficient for the plaintiff to prove that his right has been invaded. He need not prove special damage in order to get damages. If a plaintiff succeeds in getting an injunction for the infringement of his trademark he is entitled to claim damages. But where the suit for infringement relates to a certification mark, the court cannot grant relief by way of damages other than nominal damages. The plaintiff is entitled only to nominal damages, where the infringement is innocent and the infringer discontinues the use of plaintiff’s trademark the moment he becomes aware of the infringement. In trademark infringement cases, the defendant is liable for the loss actually sustained by the plaintiff which was the natural and direct consequence of the unlawful acts of the defendant. But if the plaintiff claims substantial damages, the onus is on him to prove that the action of the defendant has resulted in substantial damages to him.

5.4-4 Remedies for the Infringement of the Geographical Indications

The suit for the infringement of a registered geographical indication or relating to any right in a registered geographical indication or for passing off arising out of use by the defendant of any geographical indication which is identical or deceptively similar to the geographical indication of plaintiff whether registered or unregistered shall be instituted in District Court having jurisdiction to try the suit.

Section 67 of the Geographical Indications of Goods Act, 1999 provides the relief which a court can grant in any suit for infringement or for passing off includes injunction and at the option of the plaintiff, either damages or account of profits. The Court may grant the following relief in any suit for infringement or for passing off good:-

i) Injunction,

ii) Damages or account of profit, and

iii) Delivery of the infringing labels and indication for destruction or erasure.

The court can grant to the plaintiff relief in the form of injunction and, at the option of the plaintiff, either damages or account of profits together with any

order for destruction or erasure of infringing labels and indications, if necessary. However, the court shall not grant relief by way of damages or account of profits, if the defendant satisfies the court that he was unaware and had no reasonable ground to believe that the geographical indication complained of was on the register in the name of plaintiff and that when he became aware of the existence and the nature of the plaintiff’s right in the geographical indications, he forthwith ceased to use it. Appeals against an order or decision of the Registrar or the rules framed under the Act lies to the Appellate Board, established under the Trade Mark Act, 1999. The aggrieved person may prefer an appeal to the Appellate Board normally within three months from the date on which the order or decision is communicated. After this period, no appeal is admitted.

5.4-5 Remedies for the Infringement of the Designs

The civil remedies available against infringement of copyright in a design are an injunction, damages of compensation, and delivery up of infringing articles.

An injunction may be interlocutory injunction and final injunction.

i) **Interlocutory Injunction**: The principles applicable to the grant of interlocutory injunction in case of infringement of designs are summed up as:-

a) The plaintiff should make out a prima facie case,

b) The balance of convenience is in favour of the plaintiff,

c) Interlocutory injunction may not be granted when the plaintiff can be adequately compensated in the event of his success in the action,

d) Interlocutory injunction will give relief which the plaintiff requires,

e) If the interlocutory injunction is granted the plaintiff will have to give a cross undertaking in damages to recoup the defendant for any loss sustained if the plaintiff fails in the action.\(^{84}\)

ii) **Final Injunction**: Normally the plaintiff will be entitled to permanent injunction when he succeeds at the trial in establishing the infringement of

his registered design. The intention of granting permanent injunction is to maintain status quo and prevent the defendant from fraudulent or obvious intimation of the registered design of the plaintiff.

If the plaintiff succeeds in the action the defendant is liable to pay by way of compensation a sum of Rs. 500/- for each of the three categories of infringement, namely commercial application of the design to article subject to a maximum of thousand rupees. If the proprietor elects to bring a suit for injunction and recovery of damages the amount of damages may be assessed on the same basis as in patent cases as the two are an analogous. There is no provision for the criminal proceedings against piracy of designs.

Piracy of registered Design merely provides a civil cause of action to the Design right holder. Section 22 of the Designs Act, 2000 specifically provide that the maximum compensation recoverable in the case of a design infringement shall not exceed Rs. 50,000/-. The Designs Act, 2000 does not make an infringement of a registered design a punishable offence under criminal law. However, there have been instances where the Design right holders have been able to convince the jurisdictional police that Design infringement is a form of Passing Off, which is a form of cheating punishable under Section 420 of Indian Penal Code, 1860 which is a cognizable offence where the police officer can arrest and search without a warrant. Usually, after successful raids and seizure of goods, the intellectual property holder considers it wise to arrive at a compromise with the infringer rather than pushing the criminal proceedings to its logical end.

In many jurisdictions around the world, sometimes copyright and design protection can co-exist over a same product.

**Damages under the Infringement of Designs**

The main purpose of the damages is to restore the plaintiff to his position before the infringement. Such damages are therefore compensatory. If the proprietor elects to bring a suit for the suit recovery of damages for any such contravention and for an injunction against the repetition thereof, the infringer is liable to pay such damages as may be awarded and to be restrained accordingly.
5.5 Offences and Penalties for the Infringement of the Intellectual Property Rights

The violation of the intellectual property rights will lead to the infringement proceedings in the appropriate court of law. Under different statutes, the person infringing the intellectual property rights are held liable for the same. Broadly, the offences and penalties for the infringement of the intellectual property rights will be divided in the following headings:

1. Offences and Penalties for the Infringement of Copyright,
2. Offences and Penalties for the Infringement of Patents,
3. Offences and Penalties for the Infringement of Trade Marks,
4. Offences and Penalties for the Infringement of Geographical Indications,
5. Offences and Penalties for the Infringement of Designs.

5.5-1 Offences and Penalties for the Infringement of Copyright

Chapter XIII of the Copyright Act deals with the offences. Section 63 to 70 prescribes the penal provisions for the violation of various provisions of the Copyright Act. A person who knowingly infringes or abets the infringement of a copyright is punishable with imprisonment ranging from six months to three years, and with a fine ranging from fifty thousand rupees to two lakh rupees.\(^{85}\) If the infringement has not been done for gain or in trade or business, the court may reduce the term of imprisonment and the amount of fine; and mention the reasons for doing so in the judgment. In the case of second, and every subsequent, conviction, the term of imprisonment is minimum one year that may go up to three years, and the amount of fine is minimum one lakh rupees that may go up to two lakh rupees.\(^{86}\)

A person who knowingly uses on computer an infringing copy of a computer programme is punishable with a prison term ranging from seven days to three years and a minimum fine of fifty thousand rupees which may go up to two lakh rupees. However, if the use has not been for gain or in trade or business, the court may not impose a prison term and may impose a fine, which may go up

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\(^{85}\) Section 63 of the Copyright Act, 1957.

\(^{86}\) Id. Section 63A.
to fifty thousand rupees; the reasons for reduced sentence are to be mentioned in the judgment.87

A sound recording is required to display on the recording itself, and on the container, the names and addresses of the person making the recording, and the owner of the copyright, as also the year of its first publication. Similarly, a video (cinematograph) film has to show the following particulars in the film, as well as on the video cassette or other container: a copy of certificate granted by the Board of Film Certification; the name and address of the person making the film with permission from the owner of the copyright to make such film; the name and address of the copyright owner. A person making a sound recording or a video film, which contravenes these provisions, is punishable with imprisonment up to three years and shall also be liable to a fine.

As per Section 65 of the Act any person who makes, or has in his possession, any plates for the purpose of making infringing copies of any work in which copyright subsists is punishable with imprisonment which may extend to two years, and with fine. There are also penalties for making false in the Register of Copyrights88 and penalty for making false statements for the purpose of deceiving or influencing any authority in relation to the Act.89

5.5-2 Offences and Penalties for the Infringement of Patents

Under the Patents Act, 1970 certain acts and omissions committed by an individual or the company have been declared as an offence and the provisions for the punishment and/or fine have been made under various provisions. If any person fails to comply with any direction regarding the secrecy,90 shall be punishable with imprisonment, or with fine, or with both.91 These acts or omissions includes:-92

i) Contravention of secrecy directions given by the Controller prohibiting the publication or communication of information relating to inventions relevant for the defence purpose;

87. Id. Section 63B.
88. Id. Section 67.
89. Id. Section 68.
90. Section 35 of the Patents Act, 1970.
91. Id. Section 118.
92. Supra note 5 at 784.
ii) fabrication of entries in the register of patents\footnote{93} or production of false copy of an entry in the register as evidence;

iii) wrongful use of the words by any person which will lead to the belief that his place of business is connected with the patent office;\footnote{94}

iv) making false representation by a person that any article sold by him is patented in India\footnote{95} or is subject of an application for a patent;

v) a false indication that the goods are subject of an existing patent, and

vi) describing or holding himself out by any person as a patent agent who is not a registered patent agent.\footnote{96} There is no provision for taking criminal proceedings against infringement of patents as in trade marks and copyright.

Under Section 122 the refusal or failure on the part of a person, to supply information to the Central Government or to the Controller any information which he is required to furnish he shall be punishable with fine which may extend to ten lakh rupees. And if any person submit any information or statement which is false and which he either knows or has reason to believe to be false or does not believe to be true, he shall be punishable with imprisonment which may extend to six months, or with fine, or with both. Under Section 124 of the Patents Act, if the offence has been committed by company, every person in charge of and responsible to the company for the conduct of its business at the time of the commission of the offence shall be deemed to be guilty of offences.

\textbf{5.5-3 Offences and Penalties for the Infringement of Trade Marks}

A person making a registered trade mark or a deceptively similar mark is deemed to falsify a trade mark if he is doing it without the consent of the proprietor of the trade mark. Any alteration, addition, effacement of a genuine trade mark also amounts to its falsification. A person who, without authorisation, applies registered trade mark or a deceptively similar mark to goods or services or any package containing goods is deemed to falsely apply the genuine trade mark. If any person uses any package bearing a mark which is identical with or

\footnote{93} Section 119 of the Patents Act, 1970.
\footnote{94} Id. Section 121.
\footnote{95} Id. Section 120.
\footnote{96} Id. Section 123.
deceptively similar to the registered trade mark for the purpose of packing, filling or wrapping any goods other than the genuine goods of the proprietor of the trade mark he is guilty of falsely applying the trade mark.

Offence under the Act is committed if a person makes, disposes of, or has in his possession, any die, block, machine, plate or other instrument for the purpose of falsifying or of being used for falsifying a trade mark:-

i) applies any false trade description to goods or services, or

ii) applies a false indication of the country or place where the goods were produced or name and address of the manufacturer, or of the person for whom they are produced.

iii) tampers with, alters or effaces an indication of origin which has been applied to any goods to which it is required to be applied,

The above mentioned offences shall be punishable with imprisonment for a term of minimum of six months but which may extend to three years and with a minimum fine of fifty thousand rupees but which may extend to two lakh rupees. For adequate and special reasons mentioned in the judgement, the court may impose a sentence of imprisonment for a term of less than six months or a fine of less than fifty thousand rupees.97

Penalty for selling goods or providing services to which false trade mark or false trade description is applied is punishable with imprisonment for a minimum term of six months but which may extend to three years and with a minimum fine of fifty thousand rupees but which may extend to two lakh rupees.98 Enhanced penalty can be imposed on second or subsequent conviction. Such offences shall be punishable with imprisonment for a term between one to three years and with fine between one lakh rupees to two lakh rupees.99

A person, who represents an unregistered trade mark as a registered trade mark, shall be punishable with imprisonment for a term which may extend to three years, or with fine, or with both.100 The penalty for falsification of entries in the register is imprisonment for a term, which may extend to two years, or a

97. Section 103 of the Trade Marks Act, 1999.
98. Id. Section 104.
100. Id. Section 107.
fine, or both.\textsuperscript{101} The use of words, which may falsely suggest that a person’s place of business is officially connected with the trade mark office, attracts imprisonment for a term up to two years or a fine or both.\textsuperscript{102} Under Section 114, if the person committing an offence under this Act is a company, the company as well as every person in charge of, and responsible to, the company for the conduct of its business at the time of the commission of the offence shall be deemed to be guilty of the offence. A company means any corporate body; includes a firm or other association of individuals. Abetment of any offence is punishable as if the abettor himself committed that offence.

5.5-4 Offences and Penalties for the Infringement of Geographical Indications

A person will be considered to have committed offence under the Geographical Indications Act in the following circumstances:

i) falsely applying geographical indication;
ii) falsifying a geographical indication.

The punishments for the offences committed by the accused are as under:

A person who does any of the following things will be punishable with imprisonment for a term between six months and three years and a fine between fifty thousand rupees and two lakh rupees:-\textsuperscript{103}

i) falsifies any geographical indication; or
ii) falsely applies to goods any geographical indication; or
iii) makes, disposes of, or has in possession, any die, block, machine, plate or other instrument for the purpose of falsifying a geographical indication, or
iv) applies to any goods a false indication of country, place, manufacturers name or address; or
v) tempers with an indication of origin applied to any goods.

However, no punishment will be given if he proves that he acted without intent to defraud. The court may award a lesser term of imprisonment, and a lesser fine if there are adequate and special reasons to be recorded in judgment.

\textsuperscript{101} Id. Section 109.
\textsuperscript{102} Id. Section 108.
\textsuperscript{103} Section 39 of the Geographical Indications Act, 1999.
Under Section 40 of the Geographical Indications Act, 1999 a person who sells or lets for hire, or has in possession for sale, goods or things to which any false geographical indication is applied is punishable with imprisonment for a term, which shall not be less than six months but may extend to three years and with fine ranging from fifty thousand to two lakh rupees. The court may reduce the term of imprisonment or the amount of fine below the minimum as prescribed if adequate special reasons exist. These reasons are to be mentioned in the judgement. However, it is open to the alleged offender to prove that at the time of the alleged offence all reasonable precautions against committing such offence had been taken, and there was no reason to suspect that the Geographical Indication was not genuine or that any offence had been committed in respect of the goods.

There is a provision of enhanced penalty on second or subsequent conviction for the second and every subsequent offence. The period of imprisonment is between one and three years accompanied by a fine of one to two lakh rupees. However, the court may, for adequate and special reasons to be mentioned in the judgment, impose a sentence of imprisonment for a term of less than one year or a fine of less than one lakh rupees.

A person shall be punishable with imprisonment for a term, which may extend to three years, or with fine, or with both for making any representation falsely representing a geographical indication as registered geographical indication.

Under section 43, if any person uses on his place of business, or on any document issued by him, or otherwise, words which would reasonably lead to the false belief that his place of business is, or is officially connected with, the Geographical Indications Registry, he shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

A person who makes or causes to be made a false entry in the Register of the Geographical Indications shall be punishable with imprisonment for a term, which may extend to two years, or with fine, or with both. Under Section 45 no

104. Id. Section 41.
105. Id. Section 42.
106. Id. Section 44.
act or omission shall be deemed to be an offence relating to a registered geographical indication if the act or omission is permitted under the Act, or under any other law in force. The Act places a time limit of three years for initiating prosecution after the commission of the offence charged or two years after the discovery thereof by the prosecutor, whichever expiration first happens.

5.5-5 Offences and Penalties for the Infringement of Designs

During the existence of copyright over any design, other persons are prohibited from using the design except or with the permission of the proprietor, his licensee or assignee. The following activities are considered to be infringement.

i) To apply the design or any fraudulent imitation of it to any article for sale;
ii) To import for sale any article to which the design or fraudulent or obvious imitation of it, has been applied;
iii) To publish or to expose for sale knowing that the design or any fraudulent or obvious imitation of it has been applied to it.

Any person engaged in activities mentioned above shall be liable for every contravention to pay to the registered proprietor of the design, a sum not exceeding twenty-five thousand rupees recoverable as a contract debt, or if the proprietor elects to bring a suit for the recovery of damages for any such contravention, and for an injunction against the repetition thereof, the infringer shall be liable to pay such damages as may be awarded and to be restrained by injunction accordingly; provided that the total sum recoverable in respect of any one design shall not exceed fifty thousand rupees. The district court will be the lowest court of jurisdiction.

5.6 Judicial Response

Indian judicial system is a creation of the Constitution of India, and is absolutely independent of the executive and legislative government. India being a vast and densely populated country, it is very difficult to completely cease piracy completely or infringement or violation of intellectual property rights. However, the civil and criminal legal actions have their own advantages and limitations. Generally, piracy in India takes place in unorganized sectors and in small scale
industries, which are difficult propositions from the enforcement point of view. In civil suits, filed against infringer, a separate suit has been filed against each and every company or firm or individual, as infringer by each pirate will amount a new cause of action and as such, separate suits have to be filed against each of them. The choice of civil or criminal remedies will depend upon the facts and circumstances pertaining to every case, and the same cannot be universalized.

In *Time Incorporated v. Lokesh Srivastava*,\(^{107}\) the Delhi High Court has awarded punitive damages in addition to compensatory damages, emphasizing that the award of compensatory damages to a plaintiff is aimed at compensating the plaintiff for the loss suffered by him, where as the punitive damages are aimed at deterring a wrong doer and the like minded from indulging in such unlawful activities.

In *Hridayananda Sharma v. State of Assam*,\(^{108}\) the court reiterated the settled principle that the offence under the Copyright Act punishable with three years of imprisonment is a non-bailable offence and the parties are not entitled to a pre-arrest bail.

In *P. N. Krishna Murthy v. Co-operative for American Relief Everywhere*,\(^{109}\) the court found that there is copyright infringement as 9,847 million copies of the book were published and circulated accordingly the court calculated Rs. 16,92,950/- as damages.

In *R. G. Anand v. M/s Deluxe Films*,\(^{110}\) the Apex Court determine the safest test whether there has been a violation of copyright is to see if the reader, spectator or the viewer after having read or seen both the works are clearly of the opinion and gets an unmistaken impression that the subsequent work appears to be a copy of the original.

In *Prestige Housewares Ltd. v. Dinesh Gupta*,\(^{111}\) the Delhi High Court has imposed a damage of Rs. 25,000 and the cost of the suit upon the defendant for the infringement of trademark of the plaintiff.

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107. 2005 (30) PTC 3 (Del).
108. 2003 (27) PTC 219 (Gau).
109. AIR 2001 Del 258.
110. AIR 1978 SC 1613.
111. MIPR 2007 (1) 0313.
In *Fedder North American v. Show Line*,112 there was the agreement between the parties that about the use of the trade mark “Fedders” which was registered trade mark of the plaintiff. The earlier owner of trade mark assigned the mark to the defendant. Ex-licensee continued to use the mark after expiry of period of licence. It was held that this is a clear case of infringement of mark and the interim injunction was granted in favour of the plaintiff.

In *Glaxo Group Limited v. Manjit Patel*,113 it was held by the Delhi High Court that deceptively similar trademark cannot be used in respect of similar products as it leads of infringement of trademark rights. The mark must be compared as a whole, it is not right to take a portion of the word and say that because that portion of the word differs from the corresponding portion of the word in the other there is no sufficient similarity to cause confusion.114

In *FMI Limited v. Ashok Jain*,115 it was held by the Delhi High Court that, where the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights is violated.

The importance of the trade mark has also been recognized by the Supreme Court in *Colgate Palmolive v. K.V. Swaminathan*,116 the Apex Court observed that in modern times certain trades cannot be carried on without the aid of trade mark duly protected by the law. Hence the protection of trade mark is necessary to protect the commercial venture of vesting trade mark in person who initiated such intellectual effort and it also assures value to the investments. In *Acqua Minerals Ltd v. Pramod Borse*,117 the Delhi High Court in an ex-parte judgment has held that the trademark owner has an exclusive right under trademark law to register the trademark as domain name.

In *Marico Limited v. Raj Oil Mills Limited*,118 the Plaintiff is a manufacturer of coconut oil uses a particular type of cap for its bottle. Defendant also a manufacturer of coconut oil uses the same type of cap as the Plaintiff. Justice S.A. Bobde, views that the article in question i.e. the cap in which the Plaintiff has

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112. 2006 (32) PTC 573.
113. MIPR 2007 (1) 0223.
115. MIPR 2007 (1) 0157.
117. 2001 PTC 619 (Del).
118. MIPR 2007 (2) 0080.
a registered design was not an article within the meaning of Section 2(a) which was capable of registration. The Plaintiff, therefore, does not have a prima facie right to an injunction to restrain the Defendant from using a similar cap under the infringement of the design.

In A. C. footwear Co. v. Deiem (India) Pvt. Ltd.,\textsuperscript{119} the subject matter of the dispute was the design in respect of the sole of the shoe which had been registered with the Controller of Patents and Designs, Calcutta. It was the submission of the petitioner that design ought not to have been registered in view of the dual plea; firstly that the design had been previously registered in India and secondly, the design was not a new or an original design. The plea raised by the respondent was that the petitioner was pirating the design of the respondent which was original. Moreover, there was prior registration of design in favour of another company. Both the designs appeared to be practically identical. The direction was given for the cancellation of registration of design.

In Dabur India Limited v. Emami Ltd,\textsuperscript{120} the allegation was made for violation of interim injunction. The similarity in the design of product of the parties had restraint on T.V. commercial by using similar bottles. The defendant claimed to have changed the bottle and expressed unconditional apology. The apology was accepted and the application was disposed of.

In Ramdev Food Products Pvt. Ltd. v. Arvindbhai Rambhai Patel,\textsuperscript{121} the Apex Court held that, it may not be necessary to show more than loss of goodwill and reputation to fulfil the condition of irreparable injury. If an infringement is established the onus would be on the defendants to show that he is entitled thereto either by acquiescence on the part of the proprietor or he himself has acquired a right thereto. In a case of infringement of trademark, injunction would ordinarily follow where it is established that the defendant had infringed the trademark and had not been able to discharge its burden as regard the defense taken by it. The court restrained the respondents from using the trademark including the trade name 'Ramdev Masala' in any of their products but, however,

\textsuperscript{119.} 2006 (32) PTC 91.

\textsuperscript{120.} 2006 (32) PTC 125.

permitted them to carry on their business in any other name insofar as manufacturing of spices is concerned.

To sum up, Intellectual Property Rights have always been recognized as an important civil right under Indian laws and in case of infringement of such right the infringer has to bear civil as well as criminal liability for the same. Recourse to Court by law is a well-recognized concept world over and firmly entrenched in the Constitutional and other laws of India. Therefore, any person can claim a statutorily or customarily recognized right to property. Due to the protection of intellectual property rights, the society, or State or even the whole world rises to the heights of culture, status and development. The status or standards of society as a whole are being lifted by such protection. The role of inventors is being recognized and encouragement is forwarded to them for continuing researches in their respective fields in order to make further advancement in their work. Indian Judiciary is no doubt playing a very distinctive role in determining the rights of the parties in relation to intellectual property rights.

The importance of the intellectual property law cannot be under estimated in the present scenario. This is the reason the developed countries have negotiated trade related aspects of intellectual property not under the World Intellectual Property Organisation which is a body for intellectual property but under the auspicious of General Agreement of Tariffs and Trade which is a forum for international trade.

Patent laws are one of the instruments of the national policy. There must be endeavored to promote the development of the country by facilitating the transfer of technology in consistent with basic public policy. Now the Patents Act, 1970 has been amended in conformity with the TRIPS Agreement negotiations. TRIPS Agreement was not designed to fulfill the requirements of developing and under developed countries but to satisfy the overwhelming demands of developed countries. It remains difficult to isolate the effect of the patent regime on development; we have to evaluate the benefits and cost of patents on economic and scientific development. Now there is high time to give impetus to our scientific and technological research and development so that patents laws can be compatible to the development of our country. Indian scientists have to do
much to compete with the inventor of other developed countries. The intangible right of patent is becoming increasingly valuable in a market place. The utility of patents has been recognizing not only in the economically developed countries but also in the developing countries like India.

No doubt the Patents Act makes various provisions for the proper implementations of the Act, but still there is a need for the proper implementation of the Act. Under the Patent Act, there is a lack of penal provisions if there is infringement of the patent. Without the specific provision for punishment and impositions of fines for the infringement of the patents, it will discourage the inventor for developing their skills. For research and development abundance of funds are needed but when there is not any deterrent punishment than it will motivate the infringer for making the similar process and product. There is not proper awareness among the people about the patent's right, in fact, the traditional Universities are providing Intellectual Property as an optional subject, no doubt the national Universities are providing Intellectual Property as a complete subject, but the numbers of National Universities are less as compared to the Traditional Universities. Hence, there is a need to impose the Intellectual Property as a compulsory subject so as to encourage the intellectual skills in the country.

The essence of the copyright law is 'thou shall not steal'. The aim of the copyright law should be to protect the rights of the intellectuals and jurists, authors who contribute a lot for the upliftment of society. Copyright law should safeguard the interests of the authors and other creators. In India, there is no provision under the Copyright Act, 1957 for the award of additional damages in special circumstances such as the flagrancy of the infringement or the fortune reaped by the defendant by his misdeed. Therefore, there is a need that the Copyright Act should be modified in order to cover additional damages under its provisions.

Civil and criminal remedies are available against the infringement of the copyrights. The civil remedies are an injunction and either damages or accounts for profits. In addition damages can be claimed for convention which may be very substantial. Criminal remedies include imprisonment and heavy fine and seizure of infringing copies of the work which will be delivered to the copyright owner.
Other than the above mentioned provisions for the enforcement of the intellectual property rights, the Customs Act, 1962 creates a liability for the violation of the provisions of intellectual property rights and provides the complete machinery for obtaining redress against any import or export in breach of law. The customs Act makes the provisions for the detention and confiscation of the pirated works, infringing copyright or goods bearing false trademarks when they are imported into India.

The police are under an obligation to register an FIR, investigate the case and prosecute the offenders, but generally they are apprehensive about action themselves, due to peculiar nature of the Trademarks Act, 1999 and the Copyright Act, 1957 and lack of knowledge of law and its applicability. Thus, it is advisable to file a criminal complaint in the court, which after satisfying itself as per law, may issue General Search and seizure warrant to conduct an inquiry itself or through the police.

The Trade Mark Act is based on the principle for the protection of the consumer’s right that they should not be got confused at the time of the purchasing goods and availing services. Under the Act specific has been made to tackle the infringement of the trade marks. The civil and criminal provisions has been made for the proper implementation of the Act, but there is a need on the part of the general people to aware themselves about there rights, and help the enforcement agencies for the proper implementation of the Act. The owner of the trademarks should change their mind regarding the infringement of their trademark because they only approach the courts for injunction and rarely for the penal provisions, if they take the remedy under the penal provisions than it will be a precedent for the infringer of the trademarks which control more effectively the infringement of the trademarks.

For the enforcement of geographical indication rights the right holders both individual and group has a locus standi under the Act.\(^{122}\) The government is not the custodian of a geographical indication as envisaged under the Lisbon Agreement. There is a need to be vigilant and vary of overharnessing and check the same by way of local awareness and legal action under Biodiversity Laws.

\(^{122}\) Section 21 and 22.
Proper awareness is needed for the geographical indication because at the local levels peoples are aware of the specialty of the product from a particular region but not even through out the country.

There is no criminal remedy available for the infringement of patent or a registered design. Innocent infringement or without knowledge infringement of patent should not require payment of damages and a share of profit. It is suggested that some deterrent provisions should be provided by imposing a penal provisions under the Patent and Designs Act. Under the Act, there is a need to have the strong penal provisions for the protection of the intellectual rights.

From the above study it is cleared that, the protection of the trademark right against the copyright, patent, design and geographical indication are more effective, though the punishment imposed is not severe and the burden of proof is shifted to the accused. The requirement that the aggrieved person alone should initiate criminal prosecution is also absent, basically the entire principal is based upon the welfare of the consumer so that he must not be get cheated by the false use of the trademarks.

No doubt that the Indian judiciary plays an important role form protecting the owner from the infringement of their intellectual property rights, but remedies are not always sufficient deterrents. When the infringement has become a profitable business, the closing down of one plant with the assistance of the courts and law enforcement authorities, may only mean that the same might open somewhere else. Not only the police and judiciary but the custom authorities and administrations have to play an important role in the enforcement of intellectual property rights. In this context it is needed that these departments of the government should help each other for the protection and proper enforcement of the intellectual property rights.

Despite the magnitude of intellectual property right infringement, most of the States have not constituted a special cell for the prevention of the intellectual property right infringement. Usually, these cases are handled by Corps of detectives which is over worked or by the jurisdictional police to whom the infringers have a good and friendly access which hinder the process of
investigation and enforcement, which has adversely effect the enforcement of the same.

There are adequate penal and civil provisions envisaged in the legislation to safeguard the interest of the creator who plays an important role in the development and advancement of the socio, cultural, economic and political environment in the country. There is a need for a well-trained and equipped specialized police force for the detection and enforcement of crimes relating to the violation of the intellectual property rights and there is also a need for change of the judicial mindset in dealing with the intellectual property rights cases. Stress should also be laid on the speedy justice so that justice should not only be done but should manifestly and undoubtly seems to be done.
Appendix 1

US Patent for Turmeric

United States Patent [19]

Das et al.

[54] USE OF TURMERIC IN WOUND HEALING

[75] Inventors: Saman K. Das; Harri Har P. Cohly, both of Jackson, Miss.

[73] Assignee: University of Mississippi Medical Center, Jackson, Miss.


[22] Filed: Dec. 28, 1993

[51] Int. Cl. 524/926; 524/927; 524/928

[56] References Cited

U.S. PATENT DOCUMENTS

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5,132,551 6/1992 Ooi ——— 424/195.1

OTHER PUBLICATIONS

Institute GA. Of JVR 53:16252 (1993) of JPN. 58-162520

We claim:

1. A METHOD OF PROMOTING HEALING OF A WOUND IN A PATIENT, WHICH CONSISTS ESSENTIALLY OF ADMINISTERING A WOUND-HEALING AGENT CONSISTING OF AN EFFECTIVE AMOUNT OF TURMERIC POWDER TO SAID PATIENT.

2. THE METHOD ACCORDING TO CLAIM 1, WHEREIN SAID TURMERIC IS ORALLY ADMINISTERED TO SAID PATIENT.

3. THE METHOD ACCORDING TO CLAIM 1, WHEREIN SAID TURMERIC IS TOPICALLY ADMINISTERED TO SAID PATIENT.

4. THE METHOD ACCORDING TO CLAIM 1, WHEREIN SAID TURMERIC IS BOTH ORALLY AND TOPICALLY ADMINISTERED TO SAID PATIENT.

5. THE METHOD ACCORDING TO CLAIM 1, WHEREIN SAID WOUND IS A SURGICAL WOUND.

6. THE METHOD ACCORDING TO CLAIM 1, WHEREIN SAID WOUND IS A BODY ULCER.

5,401,504

Method of promoting healing of a wound by administering turmeric to a patient afflicted with the wound.

6 Claims, No Drawings
Appendix 2

Prior Art for Turmeric in Urd

Haldi/Haldi powder:
* Taken directly as bl
* Cures jaundice
* Analgesic (locally a
* Antiinflammatory
* Extract — best tonic
* Wound healing/wound

Reference: Makhzanul Audviya (Urdu), by Maulvi Noor Kareem.