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## EDITORIAL

E-JAIRIPA (E-Journal of Academic Innovation and Research in Intellectual Property Assets) is a Peer Reviewed E-Journal of the Centre for Innovation Research and Facilitation in Intellectual Property for Humanity and Development (CIRF –in-IPHD) of Chanakya National Law University the JAIRIPA is a half yearly journal of Academic Innovation and Research on the issues related to copyright, Patents, Trade Marks, Geographical Indications, Plant Varieties and Farmer's Rights, Bio Diversity, Layout design and integrated circuits, Industrial Design, Traditional Knowledge, on current Academic issues. It is a half-yearly e- Journal, Vol. III, Issue 01 (Jan-June, 2023). This E-Journal shall have open access to all the concern world-wide for Common Good. The ISSN will be obtained later as per Rule.

This journal welcomes publications from law students, professionals, academicians for academic research and study in the field of Intellectual property and the assets produced by it. Academic research is the medium of fostering understanding of the latest contemporary developments in the field.

In today's world where the generation of data in the online world is so abundant it becomes essential to protect the originality of the content and grant due credits to the creator of that content which can only be possible through Intellectual Property Rights. The main goal behind the publication of this journal is to promote creativity and innovation among people. Human minds have been the source of intellectual property since years but now emerges an urgent need for a designated protection of work created on digital platforms like Metaverse or Artificial Intelligence.

The current issue seeks to address the issues of lack of patency in Bio- technological Patents, new challenges posed to intellectual property due to online digitization post corona period. The pandemic led to the shift of workplace from physical to online space creating problems in securing the rights of original creator. Are the current laws sufficient? How can the rights be strategically be protected in online medium? The other significant themes delved into in this issue includes how can the rights of the visual artists be protected against infringement through the VARA Act? Examination of the GI registration mechanism in India, Protection of Trade Secrets, Issues pertaining to academic piracy within the contours of ELSEVIER LTD. V. ALEXANDRA ELBAKYAN case and Expansion of Copyright applicability to OTT Content.

All the papers have been peer reviewed, and similarities checked. The editors and reviewers have tried their best to allow the best possible papers before the readers. The comments, criticism, and advice of the readers are most welcome for further improvement. Hence this half- yearly E-Journal (JAIRIPA) is hereby submitted with all humility before the readers.

**PROF. (DR.) SUBHASH C. ROY**

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**TABLE OF CONTENTS**

<b>Sr. No.</b>	<b>TITLE</b>	<b>AUTHOR</b>	<b>PAGE NO.</b>
1	Lack Of Patency in Bio-Patents: Grey Areas Within the Legal Provisions	Debapriya Biswas	1-12
2	Destruction Of Copyrighted Materials: In the Light of VARA Act	Aditi Manya	13-27
3	Analysis Of the Effectiveness of Existing Mechanism for Registration of Geographical Indications in India with Special Emphasis on East India Leather- GI And Its Practical Implications	Mohamed Adnan Sami S	28-38
4	Unraveling The Conspicuousness of Trade Secrets Concealed by A Veil	Ritika Guj & Naman Tarun Khulbe	39-51
5	Geographical Indications and Trademark: A Battle of Titans	Meena Kadian & Dheeraj Kumar	52-63
6	Novel Challenges Pertaining to Intellectual Property Laws During and Post Corona Due to Digitalization and Virtualization	Piyush Bharti & Prachi Kumari	64-73
7	YouTube's Biggest Content A Hoax? - Probing into the Grey Areas Of Streaming W.R.T. Free Speech & The Need For Specialised Courts	Tanya Verma & Jigisha Khunteta	74-84
8	Trade Secret Laws in India: A Critical Analysis	Vartika Tickoo	85-94
9	Is Scientific Knowledge a Public Resource? A study on Academic Piracy with reference to Elsevier Ltd. V. Alexandra Elbakyan	Prakhar Dubey	95-108
10	The Balance of Competition and intellectual property Rights: An insight into a complex landscape	Isha Bharti	109-120





## E- Journal of Academic Innovation and Research in Intellectual Property Assets (E-JAIRIPA)

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### LACK OF PATENCY IN BIO-PATENTS: GREY AREAS WITHIN THE LEGAL PROVISIONS

Debapriya Biswas<sup>1</sup>

#### Abstract

*While patency may mean non-obviousness and unobstructed in the literal translation, it is not quite so in the actual legal definition and procedure of the term – especially when it is in the context of biotechnical inventions. Even with the rapid development in the field of biotechnology and the innovations being made in the said field, the laws in many countries are yet to catch up to protect them.*

*And while there are attempts, the issue arises when that attempt leaves behind grey areas by not explicitly defining certain key terms. In this paper, we explore what is biotechnology and how its relevance has grown in the past few years along with the issues faced by the inventors of such biotechnical inventions when they try to opt for protection.*

*We further discuss various protections given by international conventions and agreements, based on which domestic patent laws are framed and how these domestic laws may vary based on different interpretations of such grey areas.*

*Lastly, the paper explores the Indian perspective on both the biotechnical inventions as well as the grey areas that may arise when one seeks the protection of bio-patent in the nation. Some steps and suggestions are also discussed in the conclusion while hoping that such matters be resolved at the earliest to avoid any obstruction that may result in the delay of our development just because of the unfounded prejudice against genetic engineering and biotechnology.*

**Keywords:** Biotechnical Invention, Bio-patents, Patent law, Biotechnology and Genetic Resources.

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## **Introduction**

With the rapid development in science, time as well as technology have been changing around us at an unprecedented speed. This could be especially observed through the scientific development made in the field of Biotechnology, where humans can now synthesize artificially modified food that can give us the required nutrients as per our needs and desires.

While life and living organisms were something that was previously believed to be strictly God-given, humans have finally come to a stage where we can modify even those God-given gifts; let it be for the purpose of food, medicines or even future experiments. This new development has caused quite a turmoil in the world since it challenges the views many people have harboured for so long.

Since human technology has advanced beyond what one may consider the boundaries of morality, the legal provisions helped to create a barrier for such developments from harming or indiscriminately exploiting any life form as well as resources while also providing them with a level of protection to foster the innovation that may help humanity to develop further. One such legal protection is the protection given under the Patent law. Patents, as one may already know, are a part of the intellectual property rights that are granted to a person in relation to the use or sale of a product/process that has been invented by them or assigned/licenced to them by the original inventor. In simpler terms, a patent gives the official title and rights of an invention to the rightful owner (inventor).

The protection given under patent law allows the inventor a monopoly over the commercial usage and distribution of their invention once the patent for the invention is granted. However, there are many catches to that single requirement of being granted a patent since the process itself is both complex and quite obstructing. Since the right of a patented invention is quite absolute in the context of commercial exploitation, the protection is granted after passing quite a few thorough procedures and eligibility criteria. And the main issue that arises is in the eligibility criteria itself rather than the straightforward procedures.

While the international minimum criteria of patent protection given in TRIPS is adopted by most of its signatory countries, the additional exclusion and protection to be given is left in the hands of the domestic legal system of the respective countries. This, unfortunately, has resulted in many grey areas not being defined or protected in the domestic arenas. Thus, making the protection

given under Patent law limited and ambiguous regarding some of the inventions; especially in the context of biotechnical inventions, which are often rejected protection due to the nature of the resources used for the making of the invention.

In this paper, we will cover the status of such grey areas in both the international and domestic legal arena in a detailed manner.

### **Growth of biotechnical inventions**

Biotechnical inventions, as the term suggests, are inventions made in the field of biotechnology, which is nothing more than the usage of technology in a manner to manipulate and modify biological products and processes.<sup>2</sup> In simpler terms, inventions that are made from biological resources and modified in a manner to get the desired product or result are commonly known as biotechnical inventions.

And while many people may think that such inventions or even the application of biotechnology have been a recent advancement of humanity, it isn't quite so. In fact, biotechnology has existed since the beginning of civilization and is so common that we often are not even aware that the products we are using might be a result of it. From the brewing of wine to the curdling of milk to the making of yoghurt, all these processes are a part of biotechnology which would not have existed without human influence and desire for domestication. Other more relevant examples in the context of modified products would be crossbred plants like seedless bananas, orange carrots and lemons – most of which would not have existed without deliberate human intervention.

Many methods of crossbreeding animals and isolation of desired gene pools to get better animal products (milk, meat, leather, etc.) can also be accounted as biotechnology that humanity has been using since the dawn of civilization. The modern biotechnology that we see through vaccines, genetically modified or transgenic plants and medicines are more of the recent development that has brought some important breakthroughs in a lot of fields and has become as relevant to humanity as any other field of technology; maybe even more so in cases like health, medication and environment, where such inventions can stand unparalleled to any.

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<sup>2</sup> Organisation for Economic Co-Operation and Development (OECD), “*Report on Genetic Inventions, Intellectual Property Rights and Licensing Practices*”, Evidence and Policies (2002).

We can take the innovation of the biotechnical invention the ‘liquid tree’ as an example, which is helping to resolve the issue of excessive pollution in metropolitan cities with little to no carbon footprint of its own.<sup>3</sup> One can also take the example of the artificial insulin and hormones synthesized for disabled people whose bodies are lacking as such and need external dosage for survival. In addition, artificial pacemakers, lab-grown organs and other medical devices have also helped in increasing the life expectancy of humans indisputably.

However, while biotechnology is unparalleled in its growth and relevancy, there are still many hurdles and misconceptions that are yet to be cleared to give biotechnical inventions full legal protection.

While biotechnical products have been used by humans for quite a few centuries, the actual protection given to such products in terms of their commercialization is quite limited in scope. This is mostly because of the ideology that any and all life forms belong to the nature and cannot be claimed by any human as an invention. This mentality, however, was first challenged in 1980 when a genetically modified microorganism was patented in the USA.

It was the landmark case of *Diamond v Anand Chakrabarty*<sup>4</sup> which broadened the scope of legal protection of biotechnical inventions and lit the spark of innovation in the minds of many biochemical scientists. In this case, the respondent was a microbiologist who genetically modified a bacterium to be able to digest hydrocarbons like various types of oils. In a nutshell, the genetically modified microbe had the ability (as well as speed) to break down oils in the oil spill without any further adverse effects on the environment.<sup>5</sup>

At the time, not only was such an invention revolutionary but also had a dire need due to several oil spill incidents taking place frequently in the country as well as around the world. Keeping this fact in mind, the respondent had filed a patent application to the Patent Office where the Controller, the Appellant, had rejected the application on the prejudice that no life form could be claimed as an invention. However, this rejection was reversed in the appeal to the Appellant Board before moving further to the Supreme Court where it was held that the Patent application claimed a non-natural phenomenon that was genetically modified into the microbe by the respondent. Without the human

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<sup>3</sup> S. Singh & Dr. M. Dake, 2023, “*Liquid Tree: the Future for Cleaner Air*”, Dr. D. Y. Patil Biotechnology and Bioinformatics Institute, available at: <https://biotech.dpu.edu.in/blogs/liquid-tree-the-dystopian-bush-is-here> (Last visited: Aug. 10, 2023).

<sup>4</sup> (1980) 447 U.S. 303.

<sup>5</sup> Frank P. Darr, “*Policy Implications of Diamond v. Chakrabarty*”, Patent Coverage, Ohio State Law Journal, Vol. 42:1061.

intervention as provided by the inventor, there would be no such microbe occurring in the natural domain. Thus, keeping this in mind, the first Patent for a genetically modified living organism was granted in 1980.

Before this case, the natural principle doctrine established in the case of *Funk Brothers Seed Co. v. Kalo Inoculant Co.*<sup>6</sup> was followed, which stated that a mere observation or isolation of any natural /biological process did not amount to invention or discovery within the scope of patent laws and thus would not be protected as such. However, after the *Chakrabarty case*,<sup>7</sup> this doctrine was denounced to some extent.

After this judgement, rapid growth of innovation was observed in the field of biotechnology as the scope of legal protection was finally extended to protect genetically modified or transgenic living organisms. However, despite such a ground-breaking new development, many nations were still on the fence regarding the allowance of granting such legal protection. Since genetic modification could lead to indiscriminate exploration of natural and biological resources, many developing countries scrutinized such landmark judgments for the fear that they would be exploited unhesitatingly. The other concerns of morality and fear of cruel experimentation on animals and plants along with such practices being against the religious views of many also led to prejudice as other nations speculated whether to grant protection to such inventions within their territories or not.<sup>8</sup> And since a Patent is a territorial law, without the domestic law allowing it, such inventions would get no protection.

This, in turn, resulted in biotechnical inventions becoming a grey area as many nations allowed them legal protection under Patent law while many didn't. The best way to explain this is through the case of *Harvard College v Canada (Commissioner of Patents)*,<sup>9</sup> which is also commonly known as the 'oncomouse' case. In this case, the researchers at Harvard College developed one of the first transgenic animals, which was a mouse that was highly susceptible to cancer due to the introduction of an oncogene or tumour-causing gene in its DNA. Since many medicinal as well as food products often need to be tested on animals (mostly lab rats) to see whether there will be any adverse effects upon consumption, such transgenic mice could help in the easier detection of cancer-causing

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<sup>6</sup> 333 U.S. 127 (1948).

<sup>7</sup> (1980) 447 U.S. 303.

<sup>8</sup> A. Jauhar & S. Narnaulia, "Patenting Life the American, European and Indian Way", Journal of Intellectual Property Rights Vol 15, pp 55-65 (2009).

<sup>9</sup> 2002 SCC 76, 219 D.L.R. (4th) 577, 21 C.P.R. (4th) 417, [2004] 235 F.T.R. 214.

ingredients or elements.<sup>10</sup>

In fact, such transgenic animals could also help further the research in the field of cancer with ease as their sensitive system could develop cancerous tumors quite easily. Thus, with such beneficial utilities, Harvard College sought patent protection in several countries including Canada, the USA and the European Union (EU) Patent Office.

While the USA Patent Office granted transgenic animal protection quite easily, observing how the patent claim explicitly focused only on animals and not humans, the EU patent office hesitated. After extensive consideration, the patent application in the EU patent office was also approved; though, not before making some minor amendments to the patent claims, which were narrowed down from the term ‘animals’ to only ‘mice’.

However, in the case of Canada, the Patent application was rejected since it was held that ‘higher life forms’ such as animals and plants were not patentable and that the process of ‘manufacture’ in their patent laws was to be interpreted as a non-living process. Thus, this case highlights the different approaches taken by different nations in regard to the interpretation of grey area terms such as ‘higher life forms’ and ‘manufacture.’

Despite such different approaches, a uniform system of protection was established by several international treaties and agreements, which we shall discuss in the next section of the paper.

### **Protection under international agreements**

Since Intellectual Property (IP) law is still an evolving concept, there is a lot of ambiguity in its concepts which had previously led to varying laws around the globe with little to no uniformity. To resolve this issue, as well as to promote the protection and commercialization of intellectual property in developing and underdeveloped countries, several conventions and treaties were conducted with the aim of bringing standardization in IP laws around the globe by setting a minimum standard of protection.

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<sup>10</sup>“*Bioethics and Patent Law: The Case of the Oncomouse*”, WIPO Magazine, available at: [https://www.wipo.int/wipo\\_magazine/en/2006/03/article\\_0006.html](https://www.wipo.int/wipo_magazine/en/2006/03/article_0006.html) (Last visited: Aug. 13, 2023).

One of such major international agreements for IP law included the Trade Related Intellectual Property Rights (TRIPs), which established the basic minimum standards for the protection of intellectual property in all its signatory or member countries. However, TRIPs did not focus much on biotechnical inventions or even mention any scope of patency in the field of biotechnology. The main objective of the agreement, instead, was to prioritize the protection of the rights of an individual IP holder regardless of the nature of their intellectual property.

Article 27 of the TRIPs<sup>11</sup> Agreement lays down the scope of patentable subject matter, which is used as a guideline by many nations while framing their own patent laws especially developing countries like India. According to the aforesaid Article, patents shall be granted to any and all inventions (process or product) regardless of their fields of technology, given that they are eligible for the patent protection.

However, the Article also states the exceptions that cannot be patented in order to protect public order and morality, which includes the protection of human, animal and plant lives. Further exceptions were also provided under Article 27 (3), where sub-clause (b) explicitly talks about animals, plants and biological processes occurring in nature.<sup>12</sup> While the sub-clause states it in a manner not of compulsion but rather a suggestion, it still does not clarify the terms mentioned, resulting in a grey area due to varying interpretations in the respective domestic jurisdictions.

On the other hand, the United Nations Convention on Biological Diversity (CBD) focuses solely on biological and genetic resources and their usage as intellectual property around the globe. With the aim of the convention being to sustainably use the resources while conserving biodiversity and sharing access to all the genetic data relating to it, CBD does not directly address the topic of bio-patents. Unlike TRIPs, CBD mostly works towards forming an alliance among its member countries for collective development in the field of biotechnology – especially in the context of genetic resources.

There are two protocols under the CBD convention; the Nagoya Protocol and the Cartagena Protocol, in which the former deals with the legal framework of access and benefit sharing in regards to genetic resources while the latter deals with the regulation of transfer of Living Modified Organisms (LMOs) from one nation to another.

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<sup>11</sup> Trade Related Intellectual Property Rights, 1995, Art. 27.

<sup>12</sup> Trade Related Intellectual Property Rights, 1995, Art. 27 (3) (b).

Both the Protocols, while dealing with biotechnical inventions, do not directly cover nor clarify the grey areas of bio-patents. And while Genetically Modified Organisms (GMOs) as well as LMOs are clarified and explained well under the Cartagena Protocol, none of the other grey area terms such as inventions, discovery, manufacturing, biological processes, etc., were explained explicitly.

The last convention that directly and indirectly deals with the field of biotechnology is the International Convention of the International Union for the Protection of New Varieties of Plants (UPOV), which deals with the protection of genetically engineered or transgenic plants. As its name suggests, the convention lays down the legal provisions to protect the rights of the breeders, farmers and researchers in the context of plants genetically modified through crossbreeding, hybridization or another method of biotechnology.

This convention covers the aspect of transgenic plants which cannot be protected under the patent law. However, since the main focus is only circled around the rights, many terms are left with an open interpretation, including the terms essential biological processes and plant variety.

There are many other treaties like the International Treaty on Plant Genetic Resources for Food and Agriculture of 2001 and the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure of 1977 that also vaguely encompasses the field of biotechnology with its subject matters, such as plants (or seeds) and its genetic resources, which can often be used as references for bio-patent applications.

However, despite many such international conventions and agreements setting a baseline for IP protection, as discussed above, most of them do not explicitly define or even mention terms like life forms, biological processes or other grey areas which may result in different interpretations in different jurisdictions even when all the member countries followed the same guidelines and frameworks provided by the treaties.

### **Differing interpretation**

As seen in the *oncomouse case*,<sup>13</sup> different jurisdictions or nations may interpret the same terms differently due to how broad the interpretation of such terms could be. These terms are often what causes grey areas to arise when filing for bio-patents since whether or not one may get a patent is not guaranteed.

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<sup>13</sup> 2002 SCC 76, 219 D.L.R. (4th) 577, 21 C.P.R. (4th) 417, [2004] 235 F.T.R. 214.



As we noticed in the aforesaid case, the EU patent office granted Harvard College the bio-patent after some contemplation. However, in a similar case known as the *Upjohn mouse case*,<sup>14</sup> the EU patent office did not grant a patent to the transgenic mouse which was genetically modified to be susceptible to losing its hair for the conduction of more accurate and efficient tests for products to resolve human baldness and to explore fur production methods.

Such duality occurred due to the utilitarian approach taken by the EU patent office while considering such bio-patents. However, this approach was not opted by other jurisdictions' Patent offices, as seen in the context of the USA and Canada.

Moreover, unlike the developed countries as discussed above, developing countries have more rigid patent laws with even harsher barriers for bio-patents to avoid any harm to the public order and morality, let it be from a social or religious perspective. In countries like China and India, all living organisms except microbes are not patentable; even biological processes or other biological materials like organs, cells, tissues, etc., are not patentable even when artificially created or manufactured.<sup>15</sup>

One may wonder why there are so many irregularities or lack of consensus regarding bio-patents among the nations despite having the same base framework and that is because of how the international conventions only provide the minimum standards and leave the rest to the nations themselves to decide how much protection beyond the provisions they would like to provide.

And since Article 27 (3) of the TRIPs Agreement is not mandatory but rather discretionary, many nations opted to apply it to their legal provisions while others did not, with India and most of the other developing and underdeveloped countries being in the former category while the developed countries like the EU, USA and Australia being in the latter.

Due to this very reason, many aspects of biotechnology like transgenic plants and animals along with artificially manufactured organs, muscles, protein, meat, etc., have become a part of the grey area which is not defined whether to be patentable or not directly in the patent laws of many nations, leaving its Patent offices and judicial system to determine that on the basis of precedents and their interpretations of the provisions.<sup>16</sup>

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<sup>14</sup> The *Upjohn Pharmaceutical Company vs. Akzo Nobel Pharma B.V.* [1999] ECLI: EP: BA: 1999:T079196.19991115.

<sup>15</sup> Debapriya Biswas, "Protection of Bio-Technical Inventions: First Step to Sustainable Development", ILE Intellectual Property and Corporate Law Review, Pg. 19-24 (2023).

<sup>16</sup> Jauhar & Narnaulia, *supra* note 7.

In a nutshell, this discrepancy regarding the patentability of biotechnical inventions from nation to nation and territory to territory has led to many grey areas that are often not clarified in the Patent laws itself and are only resolved when brought or appealed to the Judiciary.

### **Indian perspective**

The quite interesting thing about the Indian Patent laws is that while the Patent Act of 1970 does clarify the eligibility criteria to be patentable, it does not specify exactly what is patentable. Instead, Sections 3 and 4 of the aforesaid Act<sup>17</sup> outline exactly what is non-patentable, giving a wider scope to those which are not mentioned in these exceptions.

Before the 2005 amendment of the Indian Patent Act, the scope was quite limited since all life forms and any related process and product to them were mostly garnered to be non-patentable. This only changed after the landmark case of *Dimminaco vs. Controller of Patent Designs*,<sup>18</sup> in which the Calcutta High Court granted a patent to Appellant for the process of preparation of a live vaccine for the Bursitis disease.

With the only reason for the patent application's previous rejection being that the end product produced a living organism, the Court granted the patent to the process of manufacturing the vaccine, drawing the conclusion that the invention meets all the eligibility of patentability and the process can be interpreted as 'manufacturing', as given under the (then) Patent Act.

However, even after the 2005 amendment, some issues still persisted since Section 3 (j) still restricts the patentability of any biotechnical product or process except in relation to microbes and genetic resources.<sup>19</sup> This limits the patentable subject matter in the field of biotechnology quite a bit considering how there is still an ambiguity when it comes to the explicit definition and meaning of the term 'microorganisms' or microbes in the Act.

And, although that is quite an obstruction in itself, further issues are created when many terms used under the Act regarding such restrictions are not clearly defined; for example, plant variety, manufacture, essential biological processes, etc. In fact, terms like inventions are not clearly defined

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<sup>17</sup> The Patents (Amendment) Act, 2005, § 3 & 4.

<sup>18</sup> (2002) I.P.L.R. 255 (Cal).

<sup>19</sup> The Patents (Amendment) Act, 2005, § 3 (j).

either, beyond their basic eligibility for the grant of a patent – leaving the speculation upon the Patent Office’s discretion as the applicants get trapped in the uncertainty of the scope of these terms.

Let us take an instance to get a better understanding; Biotechnology has many techniques, one of which is the cell-fusion technique in which two (or more) different types of cells are engineered to be combined in such a manner that a new cell is created.<sup>20</sup> It is most commonly seen to be used for the procedure of In-vitro fertilization (IVF) for the making of test tube babies.

The other examples can be taken from the studies being conducted on human antibodies by fusing them with the respective disease cells to create an even stronger batch of antibodies. This study was mostly conducted in relation to measles cells and their antibodies, before exploring the field of cancer cells as well to create such antibodies with its fusion that might have anti-tumor potency.<sup>21</sup>

Supposing that such an anti-body was created that could cure cancer even at its later stage, it would still not be patentable under the Indian Patent Act due to being in contravention of Section 3 (j). While some may argue that the substantial human intervention in the creation of such a cell or anti-body was akin to a manufacturing process since the scope of the term itself is ambiguous under the current laws, the above biotechnical invention would be left uncertain in its patentability still till it is brought in front of the judicial system.

Furthermore, such artificial antibodies can also be interpreted as non-inventions due to both the cells already existing in nature (or the human body) and the product formed being a mere fusion or ‘mixture’ of those two naturally occurring substance. This can lead to even further ambiguity and confusion. Such is also the case for the term ‘plant variety’, which is admittedly protected under a different Act altogether but leaves an uncertainty as to the scope regardless. The most common example of it would be the *Bacillus Thuringiensis* (BT) cotton, which is a transgenic plant genetically modified to be resistant to all kinds of pests and bacterial diseases.

As given in its very description, it is a genetically modified plant, which should be accounted as a non-natural organism that is artificially created by deliberate human intervention. Taking it as a ‘plant variety’, which should be occurring in nature whether as a mutation or by crossbreeding and hybridization leaves a lot to interpret. This was exactly why there was quite a conflict regarding this

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<sup>20</sup> T. Nakamura, K.W. Peng, S. Vongpunsawad, M. Harvey, H. Mizuguchi, T. Hayakawa, R. Cattaneo & S.J. Russell, “Antibody-targeted cell fusion”, *Nature Biotechnology* 22, pp 331–336 (2004).

<sup>21</sup> *Ibid.*

topic when BT cotton and other types of transgenic plants were first introduced in India.<sup>22</sup>

Such grey areas and limited subject matter scope for biotechnical inventions have left the status of bio-patents in India as a rather hit-or-miss concept except in cases of genetic resources and microbes.

## Conclusion

With the rapid development of technology in all fields, biotechnology has been highlighted for the past few years due to its wide scope of utility and innovation. However, while many countries are accommodating in accordance with these new developments and innovations, there are also many nations reluctant to provide greater IP protection to biotechnical inventions for the fear of its potential misuse or contravention of morality and public order.

Especially in developing and underdeveloped countries, where the blanket of IP protection took longer to spread, such new developments are still a far thought to be caught up to, considering their conflicting position on the protection of an individual's (IP owner) commercial interest versus the State and public's moral as well as social interest.

Thus, the first step to establishing a balance between the two is to lessen the ambiguity caused due to the grey areas left by the legal provisions by bringing uniform and working definitions that can be abided by. The second step should be to address and dissuade the unneeded paranoia of the public concerning biotechnology and its products as well as processes.

Without these two steps, the obstruction to further development will only enlarge and may result in us being left behind in the changing times due to the ambiguity of the scope of the overtly complex provisions.

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<sup>22</sup> P. Ramasundaram, A. Suresh & R. Chand, "Manipulating Technology for Surplus Extraction: The Case of Bt Cotton in India", *Economic and Political Weekly*, vol. 46, no. 43, pp. 23–26 (2011).



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### DESTRUCTION OF COPYRIGHTED MATERIALS: IN THE LIGHT OF VARA ACT

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#### Abstract

*Visual Artists Rights Act, 1990 deals with the idea of protecting moral rights of artists who have created works that are covered under the definition of “Work of visual art” under 17 U.S.C. 101. But, the question arises that the definition above mentioned is very limited in scope and fails to cover all kinds of copyrightable materials giving space to other creators of copyright materials to question the mechanism on the basis that why their right falls outside the ambit of protection. The paper tries to analyse the statutory working of the act. The paper also emphasizes upon the inception of the act, its validity, and the loophole it has which leads to dispute and at last, it tries to lay suggestions to fulfil the lacunas of the Act to make it stand better.*

Keywords: Copyright violation, Destruction, VARA Act, Copyrighted materials, Visual Art, Moral rights.

#### **Introduction**

Is it possible for an artist to exercise certain kind of rights over his creation even after legally giving it away to somebody else? Can an artist have a say over mutilation, alteration or destruction of his visual work even after it has been legally sold away to somebody else? Answering these questions in affirmation was difficult before the year of 1990. Year of 1990 marked an era of considerable change in the rights of artists that was a myth before the year of 1990 in United States. Now, before delving into the features of change that made artists better in their own rights, it is desirable to understand what the subject matter of such change is. The

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protection extended after the year of 1990 was for visual art works of artists and hence, that makes copyright the subject matter of the same. What is copyright? Copyright is one kind of intellectual property rights which is exercised by artists for their original literary and artistic works. Technically observing, we all are copyright owners. Copyright law doesn't make it mandatory to register the work to be a holder of copyright for any original literary or artistic work so; we all have copyright in our names. But, the question is after getting a copyright, how much right an artist can exercise over his copyrighted material when the material is lawfully transferred to someone else?

The answer to this question is addressed successfully by Visual Artists Rights Act, 1990 (VARA Act). The act is the first federal copyright law of United States that protects the moral rights of artists. Upon research conducted by Copyright office of U.S. it was found that nine states were there that recognised moral rights of artists before enactment of VARA Act. Those nine states followed two different kinds of model for recognising moral rights of artists:

1. "Preservation Model" – This model protects artists' right to attribution and right to integrity and also empowers them against unauthorized destruction of their work.

What exactly is right to attribution and right to integrity, we will see in the later part of the paper.

2. "Moral Rights Statutes" – These statutes didn't protect artists against unauthorized destruction. They provided protection only regarding attribution and integrity in visual and graphic works of recognised quality.

3. "Third Model" – This model was adopted by the tenth state after enactment of VARA Act. It protected the right against alteration or destruction and also protected the right of attribution. But, this model only applies to work publicly displayed in state buildings.

These models were adopted by states before and after enactment of VARA Act but were more or less somewhat different from VARA Act. VARA Act came into existence by the means of 17 U.S.C. 106A. VARA Act extends protection to those artistic and visual works which fulfil some requirements of the act and this way, artists of those works are given some additional rights under the act. For instance, a painter painted a painting, the copyright of the work lies with the painter and he has all the exclusive rights over the painting till the time the painting is with him but what after he sells away the painting to somebody else? Will he lose all his rights attached to the painting? VARA Act answers the question in this way. It says, if the creation of the painter fulfils all the requirements led down by the act, the painter will have the right of reputation over the painting even after its ownership has been lawfully transferred to someone. The person will not be

allowed to mutilate, alter, destruct or do any such thing with the work that will affect the reputation of artist who created it.

Visual Artists Rights Act is the first federal copyright law of United States that protects moral rights of the artists i.e., protects the reputation of the artist by protecting his creation to which his goodwill is attached. This protection of VARA Act extends even after the ownership of the creation is not with the artist anymore. The act successfully guards over the person who has been transferred the lawful ownership of the creation by the artist. But, the guard over owner by VARA Act is not absolute, it remains intact until the artist himself waives off his right of protection. The waiver in the part of the artist must be through an agreement in writing, signed or else it will not be considered valid. The agreement must also specify the waiver is regarding which work of the artist and also it should mention the precise uses to which the waiver applies. Also, when any waiver is done it is the duty of the examiner to check the background of such waiver for ascertaining whether it's a free waiver or not. The right of waiver was not recognized before the enactment of VARA Act. The history of protection of artist's moral rights can be traced back to France and other European countries and back then artists didn't have a right to waive off their own right of moral rights protection.

VARA Act came as a consequence of Berne Convention in 1990 in which it was demanded from the signatories to invoke protection of moral rights in their domestic laws. The law was enforced in year 1992. The act lays down some requirements which need to be fulfilled by the creation for it to be protected under VARA Act. The requirements are:

1. Protection of VARA Act applies to these categories of works only and those are:
  - a. Paintings;
  - b. Drawings;
  - c. Prints;
  - d. Sculptures;
  - e. Still photographic images.
2. The work must be produced for exhibition only;
3. The work must exist in single copy or in limited editions of 200 or fewer copies.
4. The visual art must be signed and numbered by the artist.

If these requirements are fulfilled by the visual work then VARA Act provides artist with some additional rights under 17 U.S.C. 106A and those are:

#### A. Rights of Attribution:

1. Right to claim authorship;
2. Right to prevent the use of one's name on any work the author didn't create;
3. Right to prevent use of one's name on any work that has been distorted, mutilated, or modified in a way that would be prejudicial to the author's honour or reputation
4. Right to prevent distortion, mutilation, or modification that would prejudice the author's honour or reputation.

#### B. Rights of Integrity

1. Any intentional mutilation, distortion or modification that is detrimental to the honour or reputation of the author shall be prevented;
2. Prevention of destruction of any work that is recognized stature.

After reading through the introduction of VARA Act, we all have a fair share of idea about what VARA Act is all about and it extends its protection till where. But, now the question arises whether the act is self-sufficient in protecting the moral rights of artists or it has some loopholes that create space for amendment in the act. The VARA Act protects visual arts only which include drawings, paintings, sculptures, prints and still photographic images. The limited area of VARA act makes it controversial with the contention that whether creators of other forms of copyrightable items shouldn't be protected? The root of the act lies in the reputation of creator and then further it limits the subject matter which eventually leads to the conclusion that other works are not bearers of creator's reputation which is a very untrue fact to state. All the copyrightable materials bear reputation of their respective creators and hence, the protection should be extended to them all. This very contention calls for an amendment in VARA Act.

In this paper, this question will be tried to be answered with the help of concepts, facts, theories and case laws.

#### **What is Visual art?**

Understanding of what is visual art is necessary because the whole idea of the act and moral rights is based upon the requirement of a work being a visual art only. Visual art has been defined under 17 U.S.C. 101. The section specifies, "*(1) a painting, drawing, print, or sculpture, existing in a single copy, in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author, or, in the case of a sculpture, in multiple cast, carved, or fabricated sculptures of 200 or fewer that are consecutively numbered by the author and bear the signature or other identifying mark of the author; (2) a still photographic image produced*



*for exhibition purposes only, existing in a single copy that is signed by the author, or in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author.”<sup>24</sup>*

*“To further clarify the matter it goes on to identify what is not considered to be a **"work of visual art"**:*

*(A) (i) any poster, map, globe, chart, technical drawing, diagram, model, applied art, motion picture or other audio-visual work, book, magazine, newspaper, periodical, data base, electronic information service, electronic publication, or similar publication;*

*(ii) any merchandising item or advertising, promotional, descriptive, covering, or packaging material or container;*

*(iii) any portion or part of any item described in clause (i) or (ii);*

*(B) any work made for hire; or*

*(C) any work not subject to copyright protection under this title.”<sup>25</sup>*

The visual arts include disciplines like ceramics, drawing, painting, sculpture, printmaking, design, crafts, photography, video, filmmaking, and architecture that produce largely visual works. Since many artistic fields (such as performing arts, conceptual art, and textile arts) incorporate elements of both the visual and other types of arts, it is important not to apply these criteria too rigorously. The applied arts, such as industrial design, graphic design, fashion design, interior design, and ornamental art, are also categorised within the visual arts.

Although it wasn't always the case, the phrase “visual arts” now refers to fine art and the applied, ornamental, and craft disciplines. The term “artist” was frequently limited to a man employed in the visual arts (such as painting, sculpture, or printmaking) rather than the handicraft, craft, or applied art media before the Arts and Crafts Movement in Britain and abroad around the turn of the 20th century. The dichotomy was underlined by Arts & Crafts Movement painters who respected popular as well as fine art. Since a craftsman could not be regarded as an artist, art schools distinguished between the fine arts and the crafts.

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<sup>24</sup> The Visual Artists Rights Act, 1990, §106A.

<sup>25</sup> *Ibid.*

## **Moral rights of artists**

The phrase “moral rights” is a version of the French phrase “droit moral,” and it has nothing to do with the “morals” that the religious right promotes, but rather with the power of authors to decide how their works will ultimately be used. Authors are believed to have the “moral right” to be in charge of their creations. Thus, the relationship between a writer and her creation is essential to the idea of moral rights. Moral rights safeguard a work's creator's personal and reputational value in addition to its monetary worth. Although the extent of an author's moral rights is unclear and varies with provided by the traditional of authorship and ownership, they may include the right to accept or reject credit for one's work, to stop it from being changed without one's consent, to decide who owns the work, to decide whether and how it will be showcased, and/or to receive royalties from sales of one's creations. Through court interpretation of many copyright, trademark, privacy, and defamation statutes as well as under 17 U.S.C. 106A, often known as the Visual Artists Rights Act of 1990, moral rights are safeguarded under American law (VARA). VARA only pertains to visual art. Moral rights are much more extensively protected by regular copyright law in Europe and elsewhere.

The phrase “moral rights” often refers to an author's ability to stop revisions, alterations, or distortions of her work in the United States, independent of the ownership of the work. A visual work's creator has the moral right, as defined in VARA, to avoid association with works that aren't wholly her own and to stop defacing her own creations.

There is a special bond between an artist and his or her creation, and that bond is protected by moral rights. They allow the user to direct the production process. In French, the term for moral rights is “Droit Moral.” The creator of a work does not gain any monetary benefit from moral rights. They aid in keeping the original text intact. The originality of a piece of writing can never be compromised thanks to moral rights. The concept of moral rights does not directly oppose the concept of immoral rights or legal rights.

Moral rights are principally protected in the US through VARA. The “derivative work” clause of the Copyright Act, the defamation laws, the rights to privacy and press coverage, the principle of misappropriation, and particularly the Lanham Act, which regulates trademarks and unfair competition, were all difficult for courts and commentators to find moral rights in before VARA was passed.

### **A. What constitutes infringement of moral rights?**

Authors of visual works are given two rights by VARA: the right of attribution as well as the right of integrity. With the help of the right of attribution, an author can stop a work from being wrongly credited and demand that the authorship be kept a secret (i.e. remain anonymous). The right to integrity prohibits the deliberate alteration, mutilation, or even other modification of a composition if doing so is likely to damage the author's reputation. It also forbids the eradication of any well-known work. Therefore, I would have violated the moral rights of the artist under VARA if I painted moustaches on a work by a well-known painter like Roy Lichtenstein or Frank Stella. On the other hand, if I draw a moustache on an Andy Warhol painting, I will not have infringed Warhol's VARA rights because the protection provided by the VARA terminates when the creator passes away.

Due to trademark laws' protection of the integrity of some works not covered by VARA, the number of ways wherein moral rights may be violated in the United States may grow (especially works for hire). According to the Lanham Act (15 U.S.C. 1051), "unfair competition" is prohibited if someone tries to pass off another person's work as their own or the author's own work. Any alteration or distortion of the work may be considered trademark "dilution" if the author's work is sufficiently well-known to be widely recognised as an authorial work or it has been filed as a trademark.

### **Kinds of moral rights**

#### **A. The attribution right**

It is also known as the Right to Authorship or the Right of Paternity. Ownership of the work is established through this right. The audience can learn about the author of the work thanks to this right. According to the Right of Attribution, if a person created the work, he or she must be acknowledged as the author. This right allows for the avoidance of plagiarism. The reproduction or adaptation of the work must include the author's name as well. Some nations require assertion in order to exercise the right of attribution. The proprietor of the work must be explicitly stated by the author. A legal contract can be used to make an assertion. A piece of art that has been published in an exhibition can be verified by affixing the name to the frame. This right may only be exercised once. This right's exercise shouldn't take too long. This privilege also entitles the author to use a pen name.

The right to attribution states that the author of a work must be acknowledged whenever:

1. A piece of literature, theatre, or music is replicated, published, performed, conveyed, or altered;
2. Reproduction, publication, exhibition, or communication of a creative product;
3. A movie is reproduced, shown, or broadcast.

The following instances would constitute infringements of the right of attribution:

1. A musical composition is used in a television programme without the composer being credited as the writer of the song's lyrics or music.
2. When a writer submits a piece of writing to something like a magazine for publication, the publisher makes changes to the article's body and publishes it without mentioning the writer.
3. An artist purchases a work of art created by another artist and adds his own signature on top of the original before selling it.

## **B. Integrity as a Right**

This right prohibits disparaging treatment of the author of the work. Derogatory treatment includes modifying, destroying, or materially distorting the work. The author's and the work's reputations are both safeguarded by this privilege. The work shouldn't be altered in such a way that the change devalues the original. This privilege protects the author's reputation from being ruined. Work integrity may be impacted by unfavourable evaluations or remarks about the work. The same exclusions that apply to the Right to Attribution also apply to the Right to Integrity. When a work is converted through one form to another, this right will be put into use. If the work receives disparaging treatment that harms the author's honour or reputation, that violates the right to integrity.

Basically, derogatory treatment is:

1. a literary, dramatic, or musical work's physical distortion, mutilation, or change in order to display any artistic work or architecture, or the work's exposition in an offensive setting or style.
2. Anything done in regard to a work or film that is detrimental to the originator; material distortion, mutilation, or alteration of a film.

There are two components to the right to integrity. Those are:

1. A major change, mutilation, or distortion of the work;
2. Or the performance of anything else connection with the work that is damaging to the author's reputation or honour.

### **C. The right against false attribution:**

This right says that a person shouldn't falsely claim about being the owner of a piece of work. This right makes sure that the person isn't given credit for work when he isn't the creator of the work. Other moral rights include the right to privacy, the right to publish a work, the right to stop selling a published work, the right to stop selling the work, and the right to keep the author's reputation from being harmed.

### **Moral Rights Guaranteed Under Indian Copyright Law**

Visual Artists Rights Act, 1990 is an act that operates in United States and it protects the moral rights of Attribution and Integrity of artists in US but it's not the scenario that only US recognised the moral rights of artists. Before the enactment of VARA Act, there were nine states that recognized moral rights of creators on varied levels of degree. Similarly, India also extends protection to moral rights under Section 57 of Indian Copyright Act, 1957. India enacted its provision to protect moral rights of authors and creators in India way before Visual Artists Rights Act, 1990 came into existence. Earlier, in India also the debate was regarding the subject matter of moral rights protection under Section 57 of Indian Copyright Act, 1957 that it should be only the literary works but then later on, the protection was extended to all the forms of copyrightable materials because it was realised that all the forms of copyrightable items are representatives of author's or creator's reputation and none of them can be excluded. The protection of moral rights was extended to all forms of copyrightable materials in the case of *Mannu Bhandari V. Kala Vikas Pictures Pvt. Ltd. and Ors. AIR 1987 Delhi 13*.

In this case, one Hindi writer gave right over his novel "Aap ka Bunty" to one of the producers who desired to make a movie on the novel and eventually he did and the name of the movie was "Samay ki Dhara." But, what happened was the author claimed that the movie has some changes that the literary work doesn't talk about and in reply the producer later on claimed that the plot of the movie and the novel were different and he didn't use anything from the novel. The producer claimed that the movie was his original creation which ultimately led to loss to the reputation of the author. Resultant, the author of the novel filed a suit for permanent injunction on the movie. The main contention in this case was it is evident and acceptable that literary works are protected under Section 57 but whether this moral right also extends to movies and documentaries? Can a permanent injunction be imposed on the movie considering it a subject matter of the section?

The court held that the protection of copyright doesn't only extend to the literary works but it also

extends to movies and documentaries that are based on such literary works. This was the first case where such inclusion was done by the honourable court through interpretation. The court further said that in this case, a bridge needs to be created between author's right and producer's right. If we look from the perspective of the author then it is unfair and violation of his moral rights indeed that the movie will give a wrong idea to the audience about the novel but if we go from the perspective of the producer, it is also not possible to view what exactly the literature says because depicting exactly as it is written in the novel is not practically possible. Novels and literary works are readable items and they are based on expression basically which cannot be seen. Imagination of the reader acts as the medium of conveyance in readable items but when it comes to movies and documentaries, imagination of a person plays very less role in expression because it is something that can be visualised. The court was of the opinion that it is not at all possible to show exactly what has written so finally, the court ordered the producer to remove the reference of the movie from all the sources so that this message is not disseminated in the society that the movie was made out of the novel. Therefore, Mannu Bhandari's concern was well-founded, and the court's handling of the situation offers some rules to follow. The court carried out its mandate in Section 57 and placed emphasis on an accurate reproduction of the book rather than automatically turning to the set contractual conditions. The need for adjustments was another topic on which the court discussed. When a literary piece is turned into a film, like in the example given, some adjustments and changes are unavoidable. It is incredibly unkind to demand that a film exactly replicate the literary work on which it is based. However, it's important to strike a balance between the producers' interests and the authors' moral rights. Therefore, the true question isn't whether it's okay to make changes to a literary work when making a movie. Instead, it is necessary to decide how much flexibility is permitted. She had granted the producers the right to make the necessary alterations and revisions in accordance with the agreement that Mannu Bhandari and Kala Vikas Pictures Ltd. had made. The court did, however, take into account the degree and type of alterations. A literary work shouldn't undergo more changes during film production than is absolutely essential. The author claimed that the plot of her book had been changed and that the portrayals of the characters had been severely mangled in the film "Samay ki Dhara." It was noted that the changes ran the risk of tarnishing the integrity of the book as well as harming the author's reputation. The primary topic, characters, and premise of the novel needed to be maintained, and the producers were only allowed to make changes if they were absolutely necessary. As a result, the court's justification follows logic and offers a fair summary of the overall situation.

Moral rights give the creator the right to alter or eliminate the work and safeguard his reputation. When the work is created, they are automatically assigned. Moral rights uphold the author's connection to the work while denying the author any financial gain. Moral rights shouldn't be disregarded because they are directly related to the author's personality. These privileges grant the author creative control in order to protect his expressions or ideas.<sup>26</sup>

### **Berne Convention**

The Berne Convention covers the rights of authors as well as the preservation of works. It is founded on three fundamental principles and includes a number of articles that specify the minimum level of protection that must be provided, as well as exceptional measures that developing nations may apply.

*(1) The following are the three fundamental ideas:*

*(a) The principle of "national treatment" requires that works with their origin in one of the Contracting States—i.e., works whose author is a national of that State or works first published there—be accorded the very same safeguards within each of the other Contracting States as the latter does for the works of its own citizens.*

*(b) The principle of "automatic" protection states that protection cannot be contingent upon the fulfilment of any formality.*

*(c) Protection does not depend on whether there is protection in the nation where the work was created (principle of "independence" of protection). However, if a Contracting State grants a longer period of protection than the minimum period required by the Conventions and the work loses its protection in the place of origin, protection may be revoked.*

*(2) The minimal requirements for protection concern the works and rights that must be safeguarded as well as the length of the safeguards:*

*(a) According to Article 2(1) of the Convention, works that are protected must "cover every output in the literary, scientific, and aesthetic realm, regardless of the style or form of its presentation."*

*(b) The following rights, subject to any permissible reservations, restrictions, or exceptions, must be recognized as exclusive rights of authorization:*

*(c) The right of performing in public dramatic, dramatic-musical, and musical works; the right to*

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<sup>26</sup> Avikalp Mishra, Mannu Bhandari V. Kala Vikas Pictures Pvt. Ltd. and Anr. International Centre for Intellectual Property Laws, <https://lawessential.com/ip-case-laws/f/mannu-bhandari-v-kala-vikas-pictures-pvt-ltd-and-anrair-1987?blogcategory=IP+-+Case+Laws> ; November 11, 2022.

*read literary works in public; the right to disseminate to the public a performance of such works; the right to translate; the right to adapt; the right to arrange;*

*The right to make reproductions in any way or form (with the possibility that a Contracting State may permit, in certain special cases, reproduction without authorization, provided that the reproduction does not conflict with the normal exploitation of the work and does not unreasonably prejudice the legitimate interests of third parties) and the right to broadcast (with the possibility that a Contracting State may provide for a mere right to equitable remuneration instead of a right of authorization).<sup>27</sup>*

The ability to reproduce works in any way or form, with the probability that a Contracting State may grant a right to equitable redress with regard to sound recordings of musical works if the reproduction does not conflict with the work's regular exploitation and does not unreasonably prejudice the author's legitimate interests in those special cases where a Contracting State may grant a reproduction without permission.

The Convention also establishes “moral rights,” which include the ability to claim authorship of a work as well as the right to object to any alteration of the work that would be detrimental to the honour or reputation of the author. With regard to the length of the protection, the general norm is that it must be provided until the 50th year following the author’s passing. However, there are certain exceptions to this generalisation. The term of protection for anonymous or pseudonymous works ends 50 years after the work has been lawfully made available to the public, unless the pseudonym is clear that the author is who they claim to be or the author reveals their identity during that time; in that case, the general rule is applicable. *For audio-visual (cinematographic) works, the minimum period of protection is 50 years following the public distribution of the work, or in the absence of such an event, 50 years following the creation of the work. The minimum period for works of applied art and photographic works is 25 years from the date of creation.*

*The Berne Convention permits several restrictions and exceptions to economic rights, i.e., instances in which works that are protected may be used without the owner's consent and without being compensated. Articles 9(2) (replacement in certain special cases), 10 (quotations and use of*

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<sup>27</sup> Summary of Berne Convention for the Protection of Literary and Artistic Works (1886); Website of WIPO; [https://www.wipo.int/treaties/en/ip/berne/summary\\_berne.html](https://www.wipo.int/treaties/en/ip/berne/summary_berne.html); November 11, 2022.



*works as examples in instruction), 10bis (reproduction of newspaper or similar articles and use of works for reporting current events), and 11bis all contain these restrictions, which are referred to as “free uses” of protected works (ephemeral recordings for broadcasting purposes).*<sup>28</sup>

### **Loophole in VARA Act**

Berne convention deals with right of authors and their preservation. Berne convention that took place in the year of 1886 was adhered to by United States in the year of 1988. As a result, VARA Act was enacted in the year of 1990. The basic idea of Berne Convention was to protect the moral rights of artists. United Nation was of the opinion that federal and union laws are sufficient to guarantee all the moral rights of the artists and Congress wanted to cover all the copyrightable items under the ambit of VARA statute. Initially, the idea of Congress was to protect the rights of all the creators and not of just “work of visual art” but the scenario that time in U.S. was such that only a set of creators were complaining against mutilation of their work, complaining that they were not getting any profit on resale of their creation or were worried that their work of “reputed stature” were being destroyed, they were given preference of protection under VARA Act. Also, at that time many countries had concept of limited moral rights only which influenced congress debate of having a statute that covered interest of only artists of “work of visual art”.

One other factor also played a role in the enactment of VARA Act with limited protection to moral rights and the factor was ‘Economic Incentive Theory’ of Posner. It is believed by many researchers, artist community and has also been reflected in many case laws that the limited approach of VARA disregards the effectiveness of the statute.

The limited scope of the act highlights four categories of issues. The kind of issues are seen when the interpretation and application of VARA is in question. It becomes difficult to apply and interpret under the scope of the act. Those four categories of issues are:

1. Provision of VARA act acts as a threshold for claiming under the act but the scope of the same is so limited that it cannot be used completely. There is a problem with the application of the act and what is more problematic is the act lays down strict rules for seeking protection under this act and nobody can claim outside the ambit;
2. It is difficult to gain a workable standard from the drafted statute of VARA. The question is how VARA will work is not ascertained in a very perfect way yet because of the problem of

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<sup>28</sup> *Ibid.*

limited scope;

3. Duration process;

4. Public is not aware of the waiver provisions.

Majority of case commentaries has talked about the demerit of the VARA. They said that VARA statute is a very strong but it becomes difficult to claim rights under it because it offers very limited protection of integrity and attribution. The definition of “Work of visual art” acts as a threshold and without it, one cannot claim any remedy under the Act but the scope of this definition is so limited that two major categories are already excluded. Those are – 1. Works that is not visual in nature; 2. Works that are visual in nature but doesn’t cover under the definition of “Work of Visual Art”. Congress extended protection to only artists of visual art and the justification for the same was given by the congress that arts that exist in one copy or fewer copies reflects more personality of the artist in comparison to those arts that has multiple copies.

The courts in many case laws admitted that the statute in 17 U.S.C. 106A lays down the idea that “work of visual arts’ that has limited or one copy is to be treated special but the court also highlighted that the statute fails to explain as to why such works needs special treatment.

It was the opinion of the congress that arts that exist in one or limited copy has more hint of creator’s personality in comparison to those which has more copies and based on this notion only, they chose to provide limited protection of moral rights.

### **Conclusion with Suggestions to overcome the loophole of VARA Act**

From the above discussion, it can be concluded now that the VARA Act and the U.S. Copyright law are capable of protecting the interest of artists though these laws have equal scope for improvement because there have been instances of dissatisfaction. It is believed that artists those who are not given protection under VARA Act have too many ways to protect their interests already for example, provisions against unfair competition and misappropriation. They don’t need inclusion into VARA Act to exercise or enforce their right of integrity and attribution. Still, if the moral framework of United States needs to be improved then there are some suggestions that will lead a way towards overcoming of the loopholes of the act. The very first difficulty that is faced in this topic is the limited threshold of 17 U.S.C. 106A. To overcome this difficulty, what can be done is courts should stop interpreting 17 U.S.C. 101 in its literal sense and should start interpreting it using common sense and through standards that are acceptable in the community of artists to ascertain whether a work falls under the definition or not.

The second suggestion that could improve the operation of VARA is that it must continue to exclude arts that are made for the purpose of “commercial use” but the way of interpreting “commercial art” should be changed. “Commercial art” should only be those which are made either pursuant to contract or for expressly for commercialisation. No work should be considered commercial in nature just because it is not limited in copies.

The third suggestion is that since, VARA focuses a lot upon arts of “recognized stature,” language.

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**ANALYSIS OF THE EFFECTIVENESS OF EXISTING MECHANISM FOR  
REGISTRATION OF GEOGRAPHICAL INDICATIONS IN INDIA WITH SPECIAL  
EMPHASIS ON EAST INDIA LEATHER- GI AND ITS PRACTICAL IMPLICATIONS**

Mohamed Adnan Sami S<sup>29</sup>

**Abstract**

*The aspect of getting the geographical indications approved is very much vital in various aspects such as fostering the specific needs of indigenous and local communities, farmers who are responsible for producing or processing the particular product. Considering the importance of getting the “Geographical Indications” approved, the process and the effectiveness of such process requires analysis which would be carried out by this research project with special reference to East India Leather-GI obtained by Trichy Tanners Association. The East India Leather which is currently approved as a “Geographical Indication” took a long process to be approved which was initiated by “Trichy Tanners Association” and “Dindigul Tanners Association”, whose analysis would definitely bring out the effectiveness of the currently existing mechanism.*

**Keywords-** East India Leather, Geographical Indications, approval mechanism.

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## Introduction

Geographical indications generally refers or indicates that the particular good originate from a particular country and has certain special characteristics. French Government through its legal instrument named, “French Appellation d’origine controlee (AOC),”<sup>30</sup>, initially recognised the aspect of geographical indications to be protected as a form of property. Followed by this, Lisbon Agreement for Protection of Appellation of Origin and their International Registration, 1958 recognised “appellation of origin” to be a form of property which in a way relates to geographical indications<sup>31</sup>. TRIPS Agreement was the major international instrument which uses the term “Geographical Indications”<sup>32</sup> as the indication which identify a good as originating in the territory of a country or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin”. In the Indian context, The Geographical Indications of Goods (Registration and Protection) Act, 1999, defines “Geographical Indications” as follows,

*"Geographical indication", in relation to goods, means an indication which identifies such goods as agricultural goods, natural goods or manufactured goods as originating, or manufactured in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of such goods is essentially attributable to its geographical origin and in case where such goods are manufactured goods one of the activities of either the production or of processing or preparation of the goods concerned takes place in such territory, region or locality, as the case may be.*

*Explanation: For the purposes of this clause, any name which is not the name of a country, region or locality of that country shall also be considered as the geographical indication if it relates to a specific geographical area and is used upon or in relation to particular goods originating from that country, region or locality, as the case may be;*

The Geographical Indications of Goods (Registration and Protection) Act, 1999 prescribes various standards and formalities for registering the “Geographical Indications” such as hearing the parties, appeal mechanisms etc.

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<sup>30</sup> Felix Addor and Alexandra Grazioli, “ Geographical Indicatioons Beyond Wines and Spirits: A roadmap for better protection for Geographical Indications in the WTO/TRIPS Agreements, *The Journal of World Intellectual Property*, 2002, pp. 865-97 at 866

<sup>31</sup> Jayashree Watal, “Intellectual Property Rights in the WTO and Developing Countries”( The Hague, 2001) pp.272-73.

<sup>32</sup> Jayashree Watal, “Intellectual Property Rights in the WTO and Developing Countries”( The Hague, 2001) pp.272-73.

**Research objectives:**

To analyse the currently existing mechanism for registration of Geographical Indications by ways of The Geographical Indications of Goods (Registration and Protection) Act, 1999, To analyse the effectiveness of the currently existing mechanism for registration of Geographical Indications by ways of The Geographical Indications of Goods (Registration and Protection) Act, 1999 with special reference to the “East India Leather-GI” which is currently registered by “Trichy Tanners Association” and “Dindgul Tanners Association”, To analyse and find out effective rectifications (if needed) to the currently existing mechanisms currently existing mechanism for registration of Geographical Indications by ways of The Geographical Indications of Goods (Registration and Protection) Act, 1999 by comparing it with certain effective alternatives in other jurisdictions.

**Research questions:**

Whether registration mechanism of Geographical Indications by ways of The Geographical Indications of Goods (Registration and Protection) Act, 1999 is effective?

Whether the process of registering “East India Leather-GI” by “Trichy Tanners Association” and “Dindgul Tanners Association” indicates the drawbacks in the mechanism of registration of GI?

Whether there exists any better effective methods for GI registration in any other jurisdictions?

**Research methodology:**

This research is a doctrinal study which would be carried out with the help of primary data sources such as Charters, conventions, statutes and secondary data sources such as journal articles, interview from the GI applicants etc.

**Analysis of the currently existing mechanism for registration of Geographical Indications by ways of The Geographical Indications of Goods (Registration and Protection) Act, 1999**

Firstly, Geographical Indications and its importance needs to be understood in order to analyse the mechanisms for obtaining Geographical indications which would in turn strengthen the arguments to be made in subsequent chapters. Geographical Indications assumes or attains significance due to the following reasons:

- They are very much helpful in identifying the goods by referring to a particular locality or specific area.<sup>33</sup>
- It helps in setting a narrative in the minds of consumers that the particular good with GI, is originating from a particular region which brings with it the quality, reputation and the brand equity attached with that particular region.
- This quality, reputation and brand equity would help the manufacturers attached with the goods in promoting their product in a convenient and easier manner.<sup>34</sup>

Thus, it could be understood that Geographical Indications is very much important considering the aspect of trading that particular product. As trading and the commerce connected with the product is an important element, it makes the aspect of Geographical Indications and the process connected therewith significant.<sup>35</sup>

The process of obtaining geographical indications in India has been stipulated in The Geographical Indications of Goods (Registration and Protection) Act, 1999.

Firstly, the process of submitting the application for obtaining Geographical Indications would be initiated by the applicants by submitting an application in triplet, followed by details which are required for structure or locality which requires to be inspected. It is important to note that in case of large number of producers, are involved in the production and have applied for GI tag, then the application would be combined.

Following this, a preliminary examination of the application so submitted would be carried out by the examiner and the examination report would be submitted before the Registrar. In case of dissatisfaction in the hands of Registrar<sup>36</sup>, a show cause notice would be issued, for clarifying the discrepancies (if any)<sup>37</sup>. Once, the application is accepted, it would be published in the Geographical Indications Journal within 3 months of acceptance, which is the step to make the application public.<sup>38</sup>

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<sup>33</sup> Shashikant B Bagade and Deven B Metha, "Geographical Indications in India: Hitherto and Challenges", Research Journal of Pharmaceutical, Biological and Chemical Sciences, 2014.

<sup>34</sup> VK Ahuja, "Intellectual Property Rights in India", (Lexis Nexis, 2<sup>nd</sup> Edn, 2015).

<sup>35</sup> Cerkia Bramley, The Economics of Geographical Indications: Towards a Conceptual Framework for Geographical Indication Researching in Developing Countries, The Economics of Intellectual Property

<sup>36</sup> The Geographical Indications of Goods (Registration and Protection) Act, 1999, (Act 48 of 1999), §.3

<sup>37</sup> Swati Sharma, "Geographical Indications in India: Current Scenario and their product distribution", *International Journal of Social Science and Economic Research*, 2019.

<sup>38</sup> The Geographical Indications of Goods (Registration and Protection) Act, 1999, (Act 48 of 1999), §.13.

Now, based on this publication, any person can file opposition within three months<sup>39</sup> which would lead to hearing of the issue which would eventually decide by the Registrar. Any orders of the Registrar in this regard may be appealed before the IPAB- Intellectual Property Appellate Board.<sup>40</sup>

Now, the objections by both the general public and registrar would be on the grounds which are specified by the provisions of section 9 of the GI Act, 1999:<sup>41</sup>

- The use of GI tagged product shouldn't be likely to deceive or cause confusion; or
- The use of GI tagged product shouldn't be contrary to any law for the time being in force or it shouldn't contain scandalous or obscene matter
- The GI tagged product should not contain any matter likely to hurt the time being in force; religious susceptibilities of any class or section of the citizens of India, so that the peace and order of the country is protected.
- Products which are determined to be generic names or indications of goods and are, not feasible to be protected only in the country of origin.

Explanation 1 to section 9 says that for the purposes of this section, "generic names of indications" in relation to goods which although relates to the place of the region where the goods was originally produced or manufactured, has lost its original meaning and has become the common name of such goods and serves as a designation for an indication of the kind, nature, type of other property or characteristic of the goods.<sup>42</sup>

Explanation 2 further says that in determining whether the name has become generic, various factors shall be considered including the existing situation in the region or place in which the name originates and the areas in which the goods or products are consumed.

Thus, the mechanisms involved in obtaining the registration of Geographical Indications in India could be understood as a mechanical process guided by factors provided in GI Act, 1999. The drawbacks and the ambiguity in such process would be discussed in Chapter 3 of the research.

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<sup>39</sup> The Geographical Indications of Goods (Registration and Protection) Act, 1999, (Act 48 of 1999), §.14

<sup>40</sup> The Geographical Indications of Goods (Registration and Protection) Act, 1999, (Act 48 of 1999), §.31

<sup>41</sup> The Geographical Indications of Goods (Registration and Protection) Act, 1999, (Act 48 of 1999), s§.9

<sup>42</sup> Patel, Rajiv M. Mr and ZALA, LAVJI N. Dr., "*Geographical Indications in India: Present scenario*", Library Philosophy and Practice (e-journal), 2021.



Still, the important finding from the analysis of Registration mechanism is that the State Government has no role to play in the registration mechanism of Geographical Indications in India.<sup>43</sup>

**Analysis of effectiveness of the currently existing mechanism for registration of Geographical Indications by ways of The Geographical Indications of Goods (Registration and Protection) Act, 1999 with special reference to the “East India Leather-GI”**

Now, based on the analysis of the existing mechanism for registering Geographical Indications in India, the intricacies and the procedural defaults could be understood by way of analysing the difficulties which were faced by applicants of GI-East India Leather.

The applicants for this particular Geographical Indications were Trichy Tanners Association and Dindigul Tanner’s Association, who emphasised that there exists a specific type of leather in the name “East India Leather” which was specific to the localities of Trichy and Dindigul.<sup>44</sup> Their claim for GI was based on the following historical facts which were eventually accepted by the Registrar. The particular specimen which were added as specification is as follows:

“Colour characteristic light beige - Pale Golden yellow

Taste: Astringent

Tensile Strength: About 180 Kg / cm<sup>2</sup>

Shrinkage Temperature: About 85°C

Degree of Tonnage: 40Vo

Smell: Characteristic fragrance of vegetable Tanned Leathers Smell

Sound: Exclusive characteristic crackling sound if handled by hand.”

The Historical facts which were used by the applicants in order to obtain the Geographical Indications could be quoted as follows:

“Traveller adventures like Venetian diplomat, Marco Polo wrote about his finding in India one such saying is "They dress in this country (India) Great Numbers of skins of various Kinds, Goat Skins, Ox Skins, Buffalo and wild Ox skins British arrived in India in the early 17th century in order to get replenishments of army related leather accoutrements, Tanneries were set up based on European methods of vegetable Tanning. First Tannery was started by Thomas Parry in 1805 in Santhome Madras. In 1840 when a French Eurasian in Pondicherry, Charles de Susa introduced Techniques of Leather Tanning using myrobalan to prevent locally Tanned Leather getting

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<sup>43</sup> Government of India, Manual of Geographical Indications Practise and Procedure as modified on July 26, 2011.

<sup>44</sup> <https://hidesign.com/blogs/news/the-story-of-our-east-indian-leathers>

discoloured, with some modification in process of wattle bark Tanning using myrobalan extract the famous E.I. Tanning Technology was created, that has endured till today almost unchanged. Records and by hearing from elders it is found that Tanneries were existing from 1865 as N.Mohamed Mian Rowther Co Tannery is more than 120 years old and a shed in present V.M. Tannery having Malabar Tile engraved with the year 1865 in it. J. J. N. Mohamed Mian Rowther and his son Kaja Mian Rowther of N.M. Tannery, V.S.M. Mohamed Ibrahim Rowther of V.S. Tannery in Trichy were Founder Vice President, Hono. Secretary and E.C. Member Respectively of Southern India Skin & Hide Merchants Association Madras Started on 25<sup>th</sup> October 1917 (Presently Aishtma). Hence the Vegetable Tanned Leather is in use from mid-19th century in Trichy.”<sup>45</sup>

Still, these historical facts were not accepted by certain Tanning Merchant's Association who claimed that the specific category of leather which has been applied for GI tag is not only restricted to the particular locality as mentioned by the applicants, rather it has been also put into use by Tanners located in Ambur, Gudiyatham, Walajah and Vaniambadi. Various Documents were produced by the persons objecting the grant of Geographical Indications such as Extracts from book titled, “AISH'TMA” - 75 Years Platinum Jubilee Souvenir Article titled, “An Overview of the Leather Industries in Tamil Nadu,” by VM Khaleellur Rahman (25.02.2010).<sup>46</sup>

Extract from book titled, “History and Evolution of the Leather Industries ”- Vellore District (2010)

An Article titled, “About the Leather Industries in Tamil Nadu (11.10.16).”<sup>47</sup>

Thus, these oppositions are still pending before the Registrar of Geographical indications, for a period of almost 6 years, due to the ambiguity in interpretation of the historical facts. The Registrar of Geographical Indications, have however sought the help of United Nation Industrial Development Organisation, which appointed a consultant Mr. V.Padmanand, for studying on the historical and dynamic growth of leather tanning industry for preparation of report.

Still, the mechanisms which were analysed earlier for registration of Geographical Indications in India has attained certain drawbacks which were clearly visible from the analysis of procedural

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<sup>45</sup> GI Office No. GIR/GI Appl No. 9512017-18143

<sup>46</sup> VM Kaleellur Rahman, , "An Overview of the Leather Industries in Tamil Nadu", 2010

<sup>47</sup> GI Office No. GIR/GI Appl No. 9512017-18143, Written Submissions in favour of applicant, GMS Law Associates.

difficulties involved in granting GI tag to East India Leather<sup>48</sup>. Some of the drawbacks identified are as follows:

Firstly, the aspect of time lapse in deciding issues is the major concern which cumulates due to the absence of a concrete body or set of individuals in order to study the history of the particular product or process and its attachment to a particular locality, as in the present case the history of East India Leathers were interpreted by historians in different manner and there is no neutral body certifying the truth or the more reliable source.

The lapse of time is also because of allowing any persons to oppose the grant of Geographical Indications, without deciding on the admissibility or the interest of persons so opposing the grant of geographical indications.

Apart from this, the absence of intervention by the State Government or the Central Government in this process is another drawback as historical proof and records would be easily accessible to the State Machinery and State in the lower level, through its various levels, study the issue in hand considering its surplus resources and the importance of Geographical indications towards trade development which in turn is very much vital for the development of economy of the nation in whole.

### **Analysis of any other effective methods or proposals for GI registration in other foreign jurisdictions**

Based on the findings of the previous chapter, it could be understood that the absence of an advisory board specializing on various sectors, and an initial scrutiny of the applicants is the major drawback in the existing mechanisms for obtaining Geographical Indications. These drawbacks could be rectified in an effective manner by having an independent advisory board consisting of experts from various sectors and the initial scrutiny of applications. These recommendations are present in the amended European Commission Proposal on “REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on geographical indication protection for craft and industrial products and amending Regulations (EU) 2017/1001 and (EU) 2019/1753 of the European Parliament and of the Council and Council Decision (EU) 2019/1754”

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<sup>48</sup> GI Application No. 95, Geographical Indications Journal, IP India, 2019.

The 27<sup>th</sup> proposal of this particular report emphasizes on the need for establishment of the advisory board having an autonomous power consisting of various scholars who are expertise in various fields in order to deal with issues relating to grant of GI. This Advisory board proposed is quoted as follows:

*“27. It is necessary to establish an Advisory Board, which is a pool of experts, composed of representatives from Member States and the Commission. The purpose of the Advisory Board is to provide the necessary local knowledge and expertise concerning certain products and knowledge about the local circumstances that may influence the outcome of the procedures laid down in this Regulation. In order to support the Office on its assessment of individual applications at any stage of the examination, opposition, appeal or other procedures with specific technical knowledge, the Geographical Indications Division or the Boards of Appeal, at its own initiative or at the request of the Commission, should have the possibility to consult the Advisory Board. The consultation, when necessary, should also include a general opinion on assessing quality criteria, establishing reputation and renown, determining generic nature of a name, and assessing fair competition in commercial transactions and the risk of confusing consumers. The opinion of the Advisory Board should not be binding. The appointment procedure of the experts and the operation of the Advisory Board should be specified in the rules of procedure of the Advisory Board approved by the Management Board.”<sup>49</sup>*

This particular proposal as given by the European Commission was adopted by Article 33<sup>50</sup> of the regulation which was previously relied. The establishment of the Advisory Board would definitely reduce the time span in which the objections are heard and decided, which in turn would solve the issue identified in the procedure of obtaining GI tag for East India Leather.

Apart from this, Article 13 of the Regulations proposes the mechanism for hearing objections as follows:

*“That procedure shall ensure publication of the application and provide for a period of at least 60 days from the date of publication within which any person having **a legitimate interest** and established or resident on the territory of the Member State in charge of the national phase of the registration or of the Member States in which the product concerned originates (‘national*

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<sup>49</sup> European Commission, Regulation Of The European Parliament And Of The Council on geographical indication protection for craft and industrial products amending Regulations (EU) 2017/1001 and (EU) 2019/1753 of the European Parliament and of the Council and Council Decision (EU) 2019/1754, 2022/0115 (COD), Proposal 27.

<sup>50</sup> European Commission, Regulation Of The European Parliament And Of The Council on geographical indication protection for craft and industrial products amending Regulations (EU) 2017/1001 and (EU) 2019/1753 of the European Parliament and of the Council and Council Decision (EU) 2019/1754, 2022/0115 (COD), art.33

*opponent') may lodge an opposition to the application with the competent authority of the Member State in charge of the national phase of the registration.*"<sup>51</sup>

Thus this provision ensures that once the preliminary examination is completed, only the persons with legitimate interest could be admitted to file oppositions and the applications by person who don't have a legitimate interest would be rejected in the first instance.

In order to identify the persons with legitimate interest, the competent authority by the report was given the autonomous power to frame rules by the same Article 13 of the regulation as follows:

*"The competent authority shall establish the detailed arrangements of the opposition procedure. Those detailed arrangements may include criteria for the admissibility of an opposition"*<sup>52</sup>

Thus, it could be concluded that based on the European Commission recommendation on an advisory board and initial scrutiny of oppositions would solve the currently existing drawbacks in the process of obtaining Geographical Indications in India.

## **Conclusion**

The mechanisms involved in obtaining the registration of Geographical Indications in India could be understood as a mechanical process guided by factors provided in GI Act, 1999 which contains certain drawbacks such as the absence of an advisory board specialising on various sectors, and an initial scrutiny of the applicants through analysis of the existing mechanism of obtaining GI tag in India with special emphasis on "East India Leather-GI Tag."

It is suggested that these drawbacks on the existing mechanism of obtaining GI tag could be rectified by implementing the recommendations proposed by way of implementing Article 33 and Article 13 of REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on geographical indication protection for craft and industrial products and amending Regulations (EU) 2017/1001 and (EU) 2019/1753 of the European Parliament and of the Council and Council Decision (EU) 2019/1754, which stresses on establishment of a separate autonomous body for providing opinion on certain external matters and initial scrutiny of the opposition with the respect to its legitimate interest.

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<sup>51</sup> European Commission, Regulation Of The European Parliament And Of The Council on geographical indication protection for craft and industrial products amending Regulations (EU) 2017/1001 and (EU) 2019/1753 of the European Parliament and of the Council and Council Decision (EU) 2019/1754, 2022/0115 (COD), art. 13

<sup>52</sup> European Commission, REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on geographical indication protection for craft and industrial products amending Regulations (EU) 2017/1001 and (EU) 2019/1753 of the European Parliament and of the Council and Council Decision (EU) 2019/1754, 2022/0115 (COD), art. 13(2).

Still, another important findings of this research is the absence of intervention by the State Government or the Central Government in this process is another drawback as historical proof and records would be easily accessible to the State Machinery and State in the lower level, through its various levels, study the issue in hand considering its surplus resources and the importance of Geographical indications towards trade development which in turn is very much vital for the development of economy of the nation in whole.

This could be addressed by the constitution of the expertise committee, as proposed earlier. As the State Governments embodies the spirit of the favoured locality, it is also recommended that the States should be given adequate representation in the expert committee so proposed. This could be done by the statute enabling the expert committee so proposed to have state's representation. The Union if it feels that the presence of Intellectual Property within the ambit of Union list is the hindrance to this particular suggestion, then it could even be transferred to the concurrent list for the utmost benefit.

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Vol. IV (ISSUE 01) JAN-JUN 2023, Pg.39-51



### UNRAVELING THE CONSPICUOUSNESS OF TRADE SECRETS CONCEALED BY A VEIL

Ritika Guj & Naman Tarun Khulbe<sup>53</sup>

*“Competition—ruthless, unforgiving, to-the-death competition—is a crucial feature of capitalism.”*

- Jim Stanford.

#### Abstract

*The world we live in today is highly globalized, connected, and capitalist, with which comes competitiveness among corporations to cater to the demands of consumers. As the market grows and the world gets more connected, the competition among corporations grows further, resulting in strife and ruthless, cutthroat competition among them to subdue their competitors.*

*Corporations can go to great lengths to do so, no matter how unethical or deplorable it gets, as the main goal for them is to amass profits, for which they need to have an edge over their competitors. This “edge” comes from providing unique or better goods and services than the rest of the competition. Innovation has become a sine qua non of the corporate world, offering corporations a decisive edge over their rivals. The benefits of innovation are manifold and can present themselves in various ways. To foster this innovation, the protection of intellectual property is a must.*

*Among the numerous types of intellectual property, trade secrets have now developed as a key technique for protecting private knowledge. They give enterprises a particular advantage over their competitors. Trade secrets are an important instrument for safeguarding confidential and exclusive information. They do work for a business as a powerful tool to gain a competitive edge, but they have several potential downsides that might jeopardize their financial viability.*

*In this research paper, we will examine the fascinating subject matter of trade secrets and their*

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*prominence within the complex tapestry of the modern economic environment, focusing on their inherent obscurity, flexible use, and the challenges surrounding their protection.*

**Keywords:** Intellectual Property, Trade Secrets, Non-disclosure agreement, Patent Rights

### **Research objectives**

To understand trade secrets' nature, scope and significance as intellectual properties, To shed light on internationally recognized governing principles of trade secrets, To differentiate between trade secret laws and patent rights, To determine whether trade secrets are more than just non-disclosure agreements and the scope of trade secret laws in India.

### **Research questions**

What are trade secrets, their origins, significance, nature and scope?

What is the difference between trade secrets and patents?

Are trade secrets more than Non-Disclosure Agreements (NDA), and to what extent are their principles applicable in India?

### **Research methodology**

An in-depth examination of the available literature, an evaluation of pertinent legal frameworks and cases, and a look at international accords and conventions are all part of the methods used to undertake this study. With an emphasis on important legal texts like the Restatement of Torts and the Uniform Trade Secrets Act (UTSA) in the United States, the historical history, meaning, and scope of trade secrets will be examined. The Economic Espionage Act (EEA) and the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement, which offers worldwide perspectives on trade secret protection, will also be taken into account in the research.

### **Trade Secrets- History, definition, and scope**

The business world opens as the sun rises and individuals begin their day, exposing a relentless quest for achievement and an ongoing competition to outdo one another. The morning habit of picking up a newspaper and reading the news exposes the extremely competitive world in which businesses battle for dominance, and individuals adopt a variety of techniques to get an advantage over their competitors. To safeguard these advantages, businesses rely upon the most effective defence law to offer against the immoral, corrupt, and savage practices incorporated by their competitors to gain a lead. That defence is intellectual property rights.



Intellectual properties are intangible creations created through human intellect, such as inventions; literary and artistic works; designs; symbols, names, and images used in commerce. IPRs such as patents, copyrights, and trademarks protect these intellectual inventions from being wrongly profited without authorization once they are out in public forums. Among the intellectual property rights lies the concept of trade secrets. What differentiates trade secrets from the abovementioned types of IPRs is that they protect intellectual properties before they are out in public forums hence the term “secret” used in their classification.

There is a belief that the inception of trade secrets as intellectual properties emerged in Roman times when there were laws enacted to protect slaves from being corrupted by someone else through a claim known as *actio servi corrupti*.<sup>54</sup> This belief, however, is disputed among legal historians due to a lack of evidence. In modern times, trade secrets as a concept of IPR developed through common law in Anglo-American jurisprudence. This was unlike other types of IPRs, which traditionally developed through statutes in various trade doctrines dating back to the Renaissance. English and American courts first recognized cause of action for damages arising from the misappropriation of trade secrets in 1817<sup>55</sup> and 1837,<sup>56</sup> respectively. Granting injunctive relief against threatened or actual misappropriation of trade secrets by American courts further developed this concept.<sup>57</sup>

Although not stated explicitly, the protection of intellectual properties through trade secrets has been referred to obliquely in the Paris Convention For Protection Of Intellectual Property Rights 1883, which set out basic principles for the protection of intellectual properties among signatory states.<sup>58</sup> The foundation for a detailed explanation of what constitutes a trade secret lies in the Restatement of Torts, issued in 1939 by the American Law Institute. Section 757 of the document provides a crystal clear definition of trade secrets which remains influential to date due to its incorporation in the common law. American courts relied on the definition of trade secrets provided in the Restatement of Torts until the enactment of the Uniform Trade Secrets Act (UTSA) published by the Uniform Law Commission in 1971. Through the enactment of this act,

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<sup>54</sup>Ernie Linek “A Brief History of Trade Secret Law” *BIO Process International* (2004), [https://bannerwitcoff.com/\\_docs/library/articles/briefhistory1.pdf](https://bannerwitcoff.com/_docs/library/articles/briefhistory1.pdf).

<sup>55</sup> *Newberry v. James*, 1817 35 E.R. 1011.

<sup>56</sup> *Vickery v. Welch*, 1837 36 Mass. 523.

<sup>57</sup> “Trade Secrets: History” *Digital Business Law Group*, <https://www.digitalbusinesslawgroup.com/internet-lawyer-trade-secrets-history.html> (last visited on June 14th 2023).

<sup>58</sup> World Trade Organisation; Module 7 Undisclosed Information, Unfair Competition And Anti-Competitive PRACTICES (2021), [https://www.wto.org/english/tratop\\_e/trips\\_e/ta\\_docs\\_e/modules7\\_e.pdf](https://www.wto.org/english/tratop_e/trips_e/ta_docs_e/modules7_e.pdf).

The US became the first country in the world to grant legal sanctity to trade secrets.

According to UTSA 1971, “Trade secret” means information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

- (i) Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and
- (ii) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

This definition expands upon the definition provided in the first Restatement of Torts by extending the protection of trade secrets to an owner who has yet to use his/her trade secret.

The Economic Espionage Act (EEA) of 1996, passed by the US Congress, further extended federal protection of intellectual property to trade secrets and broadened the scope of what is covered under the definition of “trade secrets”. The definition provided in EEA is much more detailed as it extends legal protection to existing and emerging technologies. In addition, the act omits the necessity of the trade secret, referred to as undisclosed information, to be valuable to others and merely requires it to be of value to the owner to be classified as a trade secret. Furthermore, the EEA is more complete in dealing with theft and unauthorized duplication against all existing and upcoming technologies. Unlike UTSA, which stipulated violations against intellectual property rights on trade secrets as civil wrongs, the EEA made these violations criminal offences that can be punishable by fines, imprisonment, and forfeiture of property.

On a global scale, the internationally recognized definition of trade secrets has been further persuaded through the criteria outlined in the Trade-related Aspects of Intellectual Property Rights (TRIPS) Agreement, 1994. TRIPS mandates that member nations protect “undisclosed information,” also known as trade secrets, as long as it satisfies three requirements:

1. It must be kept secret, have a commercial value as a result of its secrecy, and
2. Be subject to reasonable safeguards to protect its secrecy.
3. This information must be shielded from unauthorized acquisition, disclosure, or use that is not in line with ethical business conduct.

### **International governing principles**

With the emergence of industrialization, technological prowess grew astronomically during the 18th century. This meant mass production of goods started taking place through machines efficiently and cheaply. Imperialism considered the highest stage of capitalism, was at its peak

here as European powers had colonized territories all around the globe, and in the meanwhile, emergence of the new world on the North American continent during this time as an economic powerhouse also meant growth in global trade. With the world getting more globalized and competition among countries and companies for economic dominance growing stronger, there was a need for multilateral international agreements to govern global trade in a free, fair, and ethical manner. Amongst these multilateral agreements was the signing of the Paris Convention for the Protection of Intellectual Property Rights in 1883.

The Paris Convention is an international convention for the international protection of industrial property that was signed by a union initially consisting of 11 member countries on March 20, 1883, in Paris. It was a binding agreement on signatory countries because mandated cooperation among members was necessary to make the convention effective in ensuring the international protection of industrial property. The Paris Agreement establishes many principles concerning essential matters concerning the protection of industrial property. Although the convention did not recognize trade secrets as distinctive intellectual properties, its provisions indirectly provided for safeguarding such secrets and mandated member countries of the union to make efforts to do so.

Article 10*bis* of the Paris Convention mandates that member countries ensure effective protection against unfair competition practices that contradict honest practices in industrial or commercial matters.<sup>59</sup> It encompasses a non-exhaustive inventory of unfair competition practices that members must prohibit. These practices involve any actions that lead to confusion, through any means, with a competitor's establishment, goods, or industrial/commercial activities. It also includes making false allegations during the trade that tarnish a competitor's establishment, goods, or industrial/commercial activities. It also covers the use of indications or claims in trade that have the potential to mislead the public regarding the nature, manufacturing process, characteristics, suitability for their intended purpose, or quantity of goods.

The Agreement on Trade-Related Aspects of Intellectual Property Rights, including Trade in Counterfeit Goods (TRIPs Agreement), 1994, is another major international agreement that protected the intellectual property rights of trade secret holders among member states. TRIPs Agreement signatories must comply with obligations imposed under the Paris Convention as mentioned under Article 2, and in addition to national treatment guaranteed in the Paris

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<sup>59</sup> The Paris Convention, 1883.

Convention, the agreement also allows the grant of most-favoured-nation treatment specified by Article 4. This agreement binds all 164 World Trade Organisation members (WTO) members.

Article 39 of the TRIPS agreement provides terms for the protection of undisclosed information. Article 39(2) of the TRIPS Agreement stipulates that member nations must be able to safeguard undisclosed information for commercial use. Article 39(3) emphasizes the necessity to protect information provided to the government for regulatory purposes from unauthorized access and disclosure.<sup>60</sup> Even though TRIPS does not specify a particular method for protecting trade secrets, member nations typically enact separate trade secret laws, include trade secret provisions in their laws governing unfair competition or contracts, and/or rely on accepted legal principles.

### **Advantages**

“The secret of business is to know something that nobody knows”- Aristotle Onassis.

In a landmark decision of 1974,<sup>61</sup> The United States Supreme Court emphasized the critical importance of trade secrets in fostering innovation and fair competition. The court ruled that trade secrets are protected under common law, emphasizing the importance of adequate safeguards to ensure their confidentiality. This important decision highlighted the importance of trade secrets in stimulating technical innovation and protecting competitive interests. The ruling emphasized the basic relevance of trade secrets in preserving a healthy economic landscape and the need to maintain secrecy as a critical part of trade secret protection.

Trade secret law has particular advantages over patent and trademark law in that it allows for the secrecy of vital information. *Non-disclosure* is the fundamental concept on which trade secrets operate. It is a necessary condition of trade secret protection to guarantee that the relevant intellectual property stays confidential and is not disclosed to the public. As a result, trade secret law creates a separate and independent framework for protecting intellectual property, acting as an alternate mechanism to patent and trademark law. Trade secrets cover a wide spectrum of valuable and private information, the intrinsic worth of which stems from its restricted access and lack of public understanding or distribution.

A corporation benefits from trade secrets in a variety of ways, including confidential preservation, a competitive advantage, economic protection, indefinite life, flexibility, and legal protection.

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<sup>60</sup> TRIPS Agreement, April 1994.

<sup>61</sup> Kewanee Oil Co. v. Bicron Corp., (1974) 416 U.S. 470.

Trade secrets, as valuable assets, contribute to innovation and market expansion.

1. **Confidentiality is the principle-** The most significant benefit of trade secrets is their capacity to maintain confidentiality. Companies can maintain a competitive advantage over competitors by withholding vital details. Trade secrets include various valuable data, including production techniques, formulae, customer lists, marketing tactics, and patented technology. Maintaining the confidentiality of such important information means that a corporation keeps exclusive control, allowing it to position itself favorably in the market.
2. **Economical-** Trade secrets are generally a more cost-effective method of intellectual property protection than other methods to protect intellectual property. Unlike patents, which require a tedious and costly application procedure, trade secrets can be developed and maintained without being officially registered. Trade secrets are an appealing choice, especially for small and medium-sized firms (SMEs) with limited financial resources because, unlike Patent and Copyright, it does not require a tedious and costly process.
3. **Long-Term Protection and Control-** Unlike patents or copyrights, which have expiration dates, trade secrets provide confidentiality for an indefinite period. This indefinite protection protects ideas that might only qualify for patents for a short time. Furthermore, trade secrets give corporations flexibility by allowing them to choose to reveal their inventions to a restricted audience. This power allows firms to determine what information to make public and what to keep private, striking a fine balance between preserving a competitive advantage and reaping collaborative benefits. Finally, trade secrets enable businesses to protect vital knowledge while preserving a competitive advantage and maximizing the effect of their discoveries over an indefinite period.

### **Disadvantages**

Among the stories of invention and market rivalry, there are dark stories of fraud and exploitation, particularly when it comes to intellectual property and trade secrets. Some people engage in deceitful practices, turning to unethical tactics to get trade secrets, jeopardizing the business world's confidence and integrity. Trade secret law can be used as an effective way to protect one's treasured intellectual property. However, despite its attraction and potential for financial profit, the realm of trade secrets is not immune to the darker sides of human nature. The pursuit of dominance and success may often overwhelm values of justice and ethical behaviour, resulting in a widespread climate of mistrust, greed, and suspicion.

The effectiveness of Trade Secrets as an intellectual property right comes with its limitations when compared to other forms of IPRs. Trade Secrets can only be used for the protection against unauthorized disclosure of protected information by a person to whom access to this information was granted or against a person who derived that undisclosed information through illegal means. Trade secrets do not protect a competitor who derives similar intellectual property independently or through reverse engineering. In cases where the intellectual property has to be protected from a competitor coming up with the same intellectual property or against reverse engineering, obtaining a patent right is considered to be a safer option.

In *Kewanee Oil Co vs. Micron Corp*, the US Supreme Court observed that “a trade secret law does not offer protection against discovery by fair and honest means, such as by independent invention, accidental disclosure, or by so-called reverse engineering, that is by starting with the known product and working backwards to divine the process which aided in its development or manufactures”.

Similarly, In *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*,<sup>62</sup> the US Supreme Court restating the observation stated in *Kewanee Oil Co vs. Bicorn Corp* noted that trade secret laws do not prevent the public or a competitor from reverse engineering a product that is available in the public domain. The court also observed that “the protections of state trade secret law are most effective at the developmental stage before a product has been marketed and the threat of reverse engineering becomes real”. Once the product is out in the public domain, protection of it through trade secret law is rendered weak as one of the critical requirements of trade secrets is that there are efforts put in to maintain its secrecy.

Coming to the effects of trade secret laws on society at large, there is no denying that implementing protection of intellectual property through such concepts is correlated with the socio-economic and political system being practised in a country. Intellectual property rights as a concept are correlated with the economic system of capitalism. Intellectual property law introduces a unique form of the commodity within capitalism, known as abstract objects, which has the potential to facilitate further expansion of the system. Through the creation of these abstract objects, intellectual property law incorporates creative labour into the production process.

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<sup>62</sup> *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, (1989) 489 U.S. 141.

Trade secret law, in particular, brings several demerits of capitalism with it. Trade secrets are meant to protect undisclosed information of economic value from the general masses to amass profits. This undisclosed information is an abstract object which is viewed as a commodity. This is directly in line with Karl Marx's view on capitalist wealth, which he describes as 'an immense accumulation of commodities'. Aside from possessing economic value, this undisclosed information can hold other information of importance for people's purposes at large such as healthcare, critical technology, educational material etc.

With the rise of capitalistic powers in the Western world, many developing nations were subdued into agreements such as TRIPS and later WTO that ensured strict intellectual property rights were provided to individuals and corporations alike belonging to signatory states to regulate global trade. Only when countries such as India signed these agreements could they receive the benefits of foreign investments through a seal of approval provided by Western powers. For countries like these, information possessed by powerful corporations that could have benefited the population at large could not be used because they were being stored as trade secrets, protected by laws being forced upon them by Western powers.

### **Trade Secrets vs. Patents**

Trade secrets and Patents both aim to protect intellectual property, but both offer different means to do that. Trade Secrets and Patents come with dissimilarities that can be linked to apples and oranges.

The scope of trade secrets is undeniably broader than patents; it covers a wide range of information under its umbrella, including formulas, business strategies and even recipes. Every innovation from a human's mind can be protected as a trade secret. A patent has narrow criteria in which the innovation or the information has to fit to be protected.

Trade secrets have the potential for an indefinite protection period, provided tight secrecy is maintained. Contrarily, patents are limited by time limits, often lasting two decades, after which the protected innovation becomes common knowledge. Consequently, trade secrets benefit from a unique advantage in terms of long-term protection by avoiding the time constraints imposed by patents.



Although, when it comes to legal protection, patents do have an edge over trade secrets. Once a trade secret is disclosed, protection is often lost forever. A firm may bring suit, but “putting the genie back in the bottle” or proving damages (which in theory may be perpetual) is often difficult. Courts may issue injunctions to attempt to limit the damage.<sup>63</sup> As a result of their different legal systems and security measures, trade secrets and patents have significant differences.

Patents, which are based on formal registration and examination procedures, provide inventors with exclusive rights and protect unique, non-obvious, and practical innovations for a certain amount of time. Contrarily, trade secrets depend on secrecy and cover a wider range of private information, lasting as long as secrecy does. Trade secrets are exempt from administrative review, but their safeguards depend on upholding tight secrecy and proving misuse in court cases.<sup>64</sup> A thorough examination of elements, including subject matter, durability, disclosure, enforceability, and the strategic goals of intellectual property holders, is required when deciding between patents and trade secrets.

### **Are Trade Secrets Just Non-Disclosure Agreements?**

Non-disclosure agreements (NDAs) play a crucial role in protecting trade secrets. Trade secrets are valuable, confidential business information that gives a company a competitive advantage. NDAs serve as a legal tool to safeguard trade secrets by establishing a contractual obligation for parties to maintain the confidentiality of such information. They help protect a company’s valuable intellectual property, maintain a competitive advantage, and enable businesses to share sensitive information with confidence.

In India’s case, where there is no specific legislation to cover the protection of trade secrets, NDAs are the best legal option an owner of a trade secret can opt for when disclosing a trade secret without violating the universally accepted requirement of keeping reasonable safeguards to maintain the secrecy of the subject intellectual property. NDAs explicitly outline the receiving party’s obligation to maintain the trade secret’s confidentiality. By signing the NDA, the recipient acknowledges their responsibility to keep the information confidential and agrees not to disclose it to unauthorized individuals or entities. The receiving party is generally prohibited from using confidential information for any purpose other than the specified purpose mentioned in the

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<sup>63</sup> Katherine Linton, “The Importance of Trade Secrets: New Directions in International Trade Policy Making and Empirical Research” JICE (2016), [https://www.usitc.gov/publications/332/journals/katherine\\_linton\\_importance\\_of\\_trade\\_secrets\\_0.pdf](https://www.usitc.gov/publications/332/journals/katherine_linton_importance_of_trade_secrets_0.pdf)

<sup>64</sup> *Ibid.*



agreement.

NDA's are usually used by employees while divulging confidential information to employers in pursuance of conducting business. Information provided in the normal course of employment, which is known to many other employees, does not amount to confidential information and thus does not require an NDA. In the case of *Ambience India vs. Shree Naveen Jain*,<sup>65</sup> it was noted that “a trade secret is some protected and confidential information which the employee has acquired in the course of his employment and which should not reach others in the interest of the employer. However, routine day-to-day affairs of employers, which are in the knowledge of many and are commonly known to others, cannot be called trade secrets.”

Non-disclosure agreements are recognized and governed by the Indian Contract Act of 1872. Since Indian contract law is primarily governed by the Indian Contract Act of 1872, which is a civil law statute, breaching NDAs generally does not amount to a criminal wrong but rather a civil wrong. This means the legal ramifications of violating NDAs are civil, amounting to compensation for damages. In exceptional circumstances, If the breach involves criminal acts, such as theft, forgery, or cheating, it can potentially be prosecuted under the relevant provisions of the Indian Penal Code or other specialized laws. However, the breach itself amounts to just a civil wrong violating section 73 and section 74 of the Indian Contract Act amounts to compensation for unliquidated and liquidated damages, respectively.

More than NDAs are needed to act as trade secret laws themselves. NDAs only form a part of protecting trade secrets as the key requirement of ensuring taking reasonable efforts to maintain the secrecy of undisclosed information. Several other key elements must be present to define what constitutes a trade secret and what legal requirements are present to constitute the misappropriation of such intellectual properties.

### **Scope in India**

“A trade secret is information which, if disclosed to a competitor, would be liable to cause real or significant harm to the secret owner.”- Delhi High Court in the case of *American Express Bank Ltd. Companies*<sup>66</sup> all over the globe have started embracing the idea of trade secrets as they realize their potential as invaluable assets with the advent of globalization and the quickening escalation

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<sup>65</sup> M/S. Ambience India Pvt. Ltd. v/s Naveen Jain (2004) CS (OS) No. 837.

<sup>66</sup> American Express Bank Ltd. vs Ms. Priya Puri (2006) III LLJ 540 Del.

of competition. However, whether they are effectively prepared to protect themselves from trade secret misappropriation emerges. While the United States pioneered laws particularly aimed at trade secret protection, resulting in considerable advances in this sector, India, on the other hand, lacks a dedicated legislative framework governing the safeguarding of trade secrets.

In the absence of any specific legislation, India relies on equity principles, legal responsibilities, and doctrines to address trade secret misappropriation. These provisions' effectiveness and enforceability, however, still need to be more constrained. Alternative risk-reduction strategies are used by Indian businesses, including non-disclosure agreements (NDAs), confidentiality terms in employee contracts, and physical and electronic security measures.

In the lack of a specific trade secret law, India relies on clauses from other statutes to regulate trade secret protection. Notably, a big part is played by the Information Technology Act of 2000. The right to compensation is established under Section 43A of this act when improper processing of sensitive information results in unjustified loss or benefit. Additionally, the same act's Section 72 states that breaching confidentiality is a criminal offence. The Indian Penal Code covers crimes involving breaches of trust, while the Code of Civil Procedure protects documents necessary for efficient judicial decision-making. Aside from that, the 1992 Securities and Exchange Board of India Act deals explicitly with the penalties for insider use and unauthorized publication of sensitive information. In India's legal system, these clauses from legislation offer some legal remedies for trade secret misappropriation, but is that enough?

## **Conclusion**

In conclusion, the prominence of trade secrets concealed by a veil provides a paradox with nuanced implications for business endeavours, scientific advancement, and legal frameworks. Trade secrets are highly sought-after intangible property that are frequently hidden behind a shroud of secrecy using tools like non-disclosure agreements and proprietary technology. Businesses may benefit from this covert protection, but it also raises questions about transparency, fair competition, and power relationships.

Additionally, trade secrets' prominent character creates difficulties when it comes to legal systems and intellectual property laws. Due to the reliance on maintaining secrecy for trade secret protection, it can be challenging to enforce legal remedies when trade secrets are stolen. The lack of openness surrounding trade secrets makes it difficult to prove theft or unauthorized use,

obstructing firms' efforts to seek justice and fair compensation. This conundrum highlights the need for strong legal frameworks that deftly strike a balance between trade secret protection and accountability.

In conclusion, protecting trade secrets is still essential for organizations to maintain their competitive edge, but their prominence prompts important questions. A difficult balance must be struck between protecting intellectual property, encouraging fair competition, and encouraging innovation. We can create an atmosphere that encourages innovation while guaranteeing justice and accountability in the commercial sphere by deftly tackling these difficulties through open legal frameworks, responsible disclosure practices, and a focus on social welfare.

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### GEOGRAPHICAL INDICATIONS AND TRADEMARK: A BATTLE OF TITANS

Meena Kadian<sup>67</sup> & Dheeraj Kumar<sup>68</sup>

#### Abstract

*“Geographical Indications” and “Trademarks” are both legal tools that control how information about a product is communicated to the market. Geographical Indications show the geographic origin of a commodity or service, whereas trademarks indicate the commercial origin. Both of these expressly provide permission for word or symbol’s specific use. However, conflict develops when these two overlaps on the same subject matter. The conflict between trademarks and geographical indications in the context of intellectual property rights; is passionately contested yet sensitive matter in today’s scenario. The prior solutions to this pertaining issue have been rejected by several nations, and several attempts have been made so far to find a solution which will be acceptable to all the nations. The area of contention occurs when the term Geographical indication may have been utilized as a trademark; there is a discrepancy between the two. In this research paper researcher has made clear how geographical indication and trademark violate each other’s intellectual property rights and create issues. The researcher sought to clarify the interconnection between these two domains of intellectual property rights and explain the key regions of overlapping since this study is focused on the problem of trademark and geographical indication overlapping.*

**Keywords:** *Geographical Indications, Trademarks, Sui generis, Conflict, Overlapping*

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## Introduction

From an economic standpoint, practically all states are losing their physical boundaries and conventional markets in this period of internationalization. Industries and regions of all sizes have entered the race to sell more and more goods and services. As a result, global customers have a plethora of goods and services to choose from. As a consequence, it becomes difficult for the consumer to select the best option, and it is easy for him to be deceived by manufacturers and sellers about the quality of the goods. For this reason, in order to govern this enormous and unfettered market, at the international and national levels, a need was felt to pay attention to other elements in addition to fair competition. As a result, trademarks and geographical indications were developed to distinguish between goods and services offered using specific signs. Both of these serve to distinguish products and goods of a particular sort or quality from other similar or identical goods. Both of them safeguard not only the interests of the producing firms against competitors but also prevent consumers from being misled about the product's quality.

In India, the Trade Marks Act of 1999<sup>69</sup> read with the Trade Marks Rules of 2002, deals with Trademark provisions, and The Geographical Indications of Goods (Registration and Protection) Act of 1999<sup>70</sup> read with the Geographical Indications (Registration and Protection) Rules of 2002, deals with geographical indications. Both are two distinct intellectual property rights. On the one hand, the goal of a trademark is to differentiate one prod

Users' or industry's goods or services from similar or identical items produced by other manufacturers. Geographical indications, on the other hand, are used to designate the precise geographical place in which a product of a certain grade is produced, thereby establishing quality standards.

Unfortunately, due to competition, manufacturers and sellers utilize similar or identical symbols for similar or identical goods, misleading the typical buyer as to the quality. This is most commonly seen between signs that fulfil a comparable function, such as employing identical or similar trademarks. However, the problem becomes more complicated when conflicts arise between signs of different natures such as trademarks and geographical indications.

The solution to this dilemma is not that simple because there is no precise rule on the subject. Although each sort of intellectual property right has its own set of provisions, they differ from

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<sup>69</sup> The Trade Marks Act, 1999 (Act 47 of 1999).

<sup>70</sup> The Geographical Indications of Goods (Registration and Protection) Act, 1999 (Act 48 Of 1999).

country to country. This confusion concerning the applicable law presents major challenges at the international and transnational levels in the event of international disputes, jeopardizing the protection of the interests of both producers and consumers.

The purpose of the article is to examine the conflict between trademarks and geographical indications in India and to compare it to national and international regulations that have grown over time. This article focuses solely on the problems that arise from conflicts between trademarks and geographical indications and their resolution, rather than on the registration and infringement of trademarks and geographical indications. For this examination, it is necessary first to examine the goals of trademarks and geographical indications and the provisions put in place to achieve those goals.

### **Geographical Indication protection: *Sui Generis* regime selection**

Geographical Indication shows that unique items originate from a country, place or locality and have a few unique characteristics, features or recognition that might be a consequence of their region of origin. These unique characteristics, features or recognition may be a result of a variety of natural factors including the concentration of businesses with similar characteristics in one area, specialization in the preparation or production of specific goods, and adherence to a set quality standard. Natural factors include raw materials, soil, regional climate, temperature, moisture etc.<sup>71</sup>

The Paris Convention established the first international legal protection for, “Indication of source” of goods.<sup>72</sup> However, the Paris Convention makes no mention of “the quality, character, or reputation of the identified product.” The Paris Convention protection requirement can be met simply by labelling the product “Made in.....”. So, it can be said that the Paris Convention focuses primarily on the actual geographical source or place of origin of the product rather than specific product characteristics.

The TRIPS Agreement is the world’s first international agreement on geographical indicators. Geographical Indications are defined by TRIPS as indicators that indicate the origin of a good in an area where a specific quality, prestige, or another attribute of the good is primarily owing to its geographical origin.<sup>73</sup> Geographical Indications of Goods (Registration and Protection) Act, 1999

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<sup>71</sup> V.K. Ahuja, *Law Relating to Intellectual Property Rights* 437 (Lexis Nexis, Gurugram, 3<sup>rd</sup> edn. 2020).

<sup>72</sup> Paris Convention for the Protection of Industrial Property, 1883, art. 1(2), Art. 10.

<sup>73</sup> The Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994, Art. 22.1.

protects “Geographical Indications” in India. A geographical indication is defined by the Act as an indication that shows certain agricultural, natural, or manufactured goods as originating in a specific area and that the special quality, reputation, or other characteristic of those goods is attributable primarily to their geographical origin. If the commodities are made, the sign must additionally identify one of the processes involved in their creation, processing, or preparation.<sup>74</sup>

The primary purpose of geographical indicators is to differentiate commodities from a certain source. Although the use of geographical indications for services is possible, no national or international law has yet extended the scope of geographical indication rules to service industries. As a result, geographical indications only apply to products. Geographical indications distinguish the items for which they are used by referring to the location of manufacture rather than the source of manufacture. Geographical indications are not chosen at random and the references to geographic origin cannot be replaced. In general, any manufacturer may use geographical indications on items originating in the geographical indication area as long as they meet the manufacturing quality criteria in place, if any.

The lawful owners of geographical indicators have the right to restrict others from using a geographical indication on goods that do not come from the designated geographical origin. Geographical indications are subject to the principles of “specialty”, which means that they are protected exclusively for the items on which they are used, and “territoriality”, which means that they are protected only for a specific location and are subject to the rules and regulations that apply to that territory. Prestigious geographical indications, on the other hand, are an exception to the “specialty” principles. Currently, none of the treaties maintained by the World Intellectual Property Organization or the TRIPS Agreement allow for this broad extent of protection for well-known geographical indicators. However, it might be argued that unauthorized use of a well-known geographical indicator adversely impacts that geographical indication or harms its reputation, and so constitutes an act of unfair competition. As a result of the territoriality principle, a geographical indication granted may be protected by being recognized as a geographical indication in one location while being treated as a generic phrase for similar items in another.

Under Indian legislation, the manufacturer can seek GI. The Act allows any association of persons, producers, organizations, or authorities constituted by or under law to apply. The applicant must represent the interests of the producers. The application must be made in writing in

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<sup>74</sup> The Geographical Indications of Goods (Registration and Protection) Act, 1999 (Act 48 Of 1999), §. 2(e).

the appropriate form and delivered to the Registrar of Geographical Indications, along with the prescribed fee provided in the Act.<sup>75</sup> GI registration is not mandatory. Registration, like any other legal protection, gives superior legal protection to facilitate action for infringement by unregistered vendors and inhibits GI misuse.<sup>76</sup> Registered owners and authorized users might file infringement proceedings against people who use the GI without completing the legal requirements. The most significant feature of a registered geographical indicator is that the authorized user has the sole right to use the geographical indication.<sup>77</sup> The registration of a geographical indicator is valid for 10 years under the Act. It can be renewed after that for another ten years every time.<sup>78</sup> If a registered geographical indicator is not renewed, the Act allows for its deletion.<sup>79</sup> If they designate products in different places, words written or pronounced similarly can be registered as independent geographical indications. However, this is only permitted if the Registrar is satisfied that the two homonymous indications are sufficiently distinct from one another to avoid confusing or misinforming customers about the quality or origin of the product.<sup>80</sup>

### **Trademark protection: A significant advancement**

In layman's terms, a trademark is a recognized logo, phrase, word, or symbol used to differentiate one firm's goods or services from the goods or services of another enterprise. It makes a product appear to be associated with a specific company and establishes ownership of that company on its brand. Although various articles of the Paris Convention for the Protection of Industrial Property of 1883 (Paris Convention) guarantee trademark protection, the Paris Convention does not define a trademark. For the first time, the trademark was formally defined in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), 1994. Under the provisions of Article 15(1), "Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from the goods or services of another undertaking shall constitute a trademark."<sup>81</sup> Under Indian law, the trademark is defined as "a mark capable of representing graphically and capable of distinguishing the goods and services of one enterprise from others and it may include the shape of goods, their packaging, and combination of colours."<sup>82</sup>

According to the definition above, the primary role of a trademark is to distinguish the goods and

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<sup>75</sup> *Id.*, §. 11.

<sup>76</sup> *Id.*, §. 20.

<sup>77</sup> *Id.*, §. 21.

<sup>78</sup> *Id.*, §. 18(1).

<sup>79</sup> *Id.*, §. 18(4).

<sup>80</sup> *Id.*, § 10.

<sup>81</sup> The Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994, Art. 15(1).

<sup>82</sup> The Trade Marks Act, 1999 (Act 47 of 1999), §. 2(1)(zb).



services bearing the trademark from other goods and services. This effort, however, can only be accomplished through the use of distinguishing trademarks. This distinction may be inherent or developed via use. According to Article 15(3) of the TRIPS Agreement, the acquired distinctiveness is required for trademark registration.<sup>83</sup> However, the TRIPS Agreement makes no mention of the conditions under which a mark may be regarded as distinctive for any products or services. However, in terms of trademark distinctiveness, it is widely acknowledged that signs or symbols used as trademarks should not be descriptive or misleading.<sup>84</sup> Article 6*quinquies* of the Paris Convention confirms the worldwide principle of trademark uniqueness. However, this article 6*quinquies* does not directly address trademark registration, it does address the re-registration of trademarks that existed prior to the Paris Convention.

Traditionally, there are three ways to acquire trademark protection: by registration, use, or reputation. These three techniques of trademark acquisition are not mutually exclusive, although it is common to see a mix of two or all three of these methods. Trademark privilege is sometimes granted to specific goods and services based on specialization, and other times based on territoriality in a given area. However, well-known or well-known markings are an important exception to the concept of specialization.<sup>85</sup>

When determining whether a trademark is a well-known mark or not, the Trademarks Act of 1999, considers these factors: the extent to which the brand is known or recognized by the public; What has been the duration, scope, and geographical region of use of that brand; what has been the duration, scope, and geographical area of publicity, including advertising, promotion, and presentation at fairs or exhibitions; Whether the period and geographical area of the trademark's registration or application for registration reflect the trademark's use or recognition; and record of successful enforcement of the trademark; specifically, the extent to which the trademark has been recognized as a well-known trademark by a court or registrar under that record.<sup>86</sup>

When conflicting assertions on a trademark are established, the prior right in time normally prevails. This priority is determined by the date of first use, the date of first registration, the fact that the trademark was well-recognized for the same or identical goods prior to registration, or the

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<sup>83</sup> The Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994, Art. 15(3).

<sup>84</sup> The Trade Marks Act, 1999 (Act 47 of 1999), §. 9(1)(a), 9(2)(a).

<sup>85</sup> The Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994, Art. 16(3); see also *WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks*; and The Trade Marks Act, 1999 (Act 47 of 1999), §. 9(1).

<sup>86</sup> The Trade Marks Act, 1999 (Act 47 of 1999), §. 11(6).

use of the same or identical mark for the same or identical goods. The only exception to this priority principle is a prior right obtained with mala fide intention.<sup>87</sup>

According to trademark law, a protected trademark gives the owner the right to prevent unauthorized parties from using the trademark in a manner that is similar or confusing to the protected trademark. The logic behind this right is twofold. First, consumers have the right to be protected from trademarks that are misleading about the true source of the goods or services on which the trademark is used. Second, the trademark owner must be protected from any confusion caused by competitors, which is likely to mislead the trademark owner's potential customers and cause business losses. As a result, unlike most other types of intellectual property, trademark rights can remain in perpetuity.

### **Judicial precedents controlling the overlap of geographical indicators and trademarks**

In *Imperial Tobacco Co v. Registrar, Trade Marks*,<sup>88</sup> according to the court, the phrase “Shimla” is a well-known geographical location, and the image of snow-clad hills in the mark plainly represents that location. According to the court, the mark is neither a fancy nor created word nor does it have any secondary significance. As a result, this word is ineligible for trademark registration.

In *Dyer Meakin Breweries v. Scotch Whisky Association*,<sup>89</sup> the court observed that the title “Highland Chief” is a well-known sign of Scottish origin, that Highlanders are well-known in history and literature as Scottish soldiers, and that the Highland is well-known as Scotland's top Scotch whiskey-producing region. As a result, the applicant's use of the “Highland Chief” picture as a trademark for its product, which is not Scotch whisky, would mislead normal customers into believing it was Scotch whisky.

In *Scotch Whisky Association v. Pravara Sakhar Shakar Karkhana Ltd.*,<sup>90</sup> the court ruled that the defendant did not have the authority to market the product created by blending Indian whisky with traces of Scotch whisky as “Blended Scotch Whisky” simply by using the word “with.” Such labels mislead the uninformed buyer, who may mistake the product for “Blended Scotch whisky” because of his average intelligence and poor recall.

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<sup>87</sup> Paris Convention for the Protection of Industrial Property, 1883, Art. 6septies.

<sup>88</sup> AIR 1968 Cal. 582.

<sup>89</sup> MANU/DE/0386/1979.

<sup>90</sup> MANU/MH/0052/1992.

In *Tea Board, India v. I.T.C. Limited*,<sup>91</sup> the court determined that the defendant's use of the word 'Lounge' did not violate the Geographical Indications of Goods Act because the word has no relation to the property. Rather, the phrase was applied to the defendant's hotel services, which is a common practice and hence cannot be regarded as an infringement of location. The claimants' registration rights for the word 'Darjeeling' are only for tea. The term 'Darjeeling' is not a trademark and is simply used to identify the origin of tea from Darjeeling. The Court further stated that the parties were in separate industries and did not compete with one another. Negative competition refers to any competitive behaviour that is detrimental to corporate integrity. It also emphasized the defendant's contention that the "Darjeeling Lounge" is normally accessible to educated and experienced guests, and hence the mere use of a word cannot confuse or mislead them. As a result, the Court determined that there was no fraud on the part of the defendant.

### **The Basmati Rice controversy**

To have the best "Basmati" rice, Rice Tec. Inc., a U.S. global corporation with headquarters in Alvin, Texas, received patent number 5663484 on September 2, 1997, from the United States Patent and Trademark Office. According to RiceTec, the new kinds have traits that are superior to those of the original Basmati rice and can be effectively farmed in several locations across North America. Additionally, it had been utilizing the Basmati rice trademarks. Since Texmati, The Kasmati, and Jasmati had been selling their versions of the disputed rice for a while, the patent was granted for two reasons: first, India deemed the Basmati variety to be invalid; and second, RiceTec Inc. was permitted to market the rice under the name.

A long-grained, fragrant rice type known as Basmati is widely farmed in Pakistan's sub-Himalayan regions and is well-recognized around the world. It has been farmed in India for hundreds of years, and with the use of Basmati traditional techniques and procedures, farmers have created several kinds. One of India's defences was that it is a geographical indicator, and as it has only ever been cultivated in India and Pakistan for millennia, no other nation may let its citizens use this indication. It is interesting that since the World Trade Organization (WTO) was founded, there has been a significant duty reduction on Indian Basmati rice in Europe, where there is the biggest demand for premium rice worldwide. As a result, Indian Basmati has become much more competitive. Regarding the patent's granting, RiceTec Inc. argued that its invention

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<sup>91</sup> MANU/WB/0277/2019.

encompassed fresh Basmati lines and grains, which were an advancement above earlier types.

RiceTec Inc. argued that the geographical indicator “Basmati” should not be used since it refers to both a specific species of rice that is indigenous to India and a general term for several varieties of fragrant rice. It was asserted that this word has been used in a general fashion to describe this kind from different origins, such as American Basmati, Uruguayan Basmati, and Thai Basmati, for decades. Although “Basmati” is not the name of a specific location, the Indian sub-continent, the product’s place of origin, is closely tied to its reputation. Therefore, “Basmati” is eligible for TRIPs Agreement protection. The RiceTec argued, however, that even if the phrase had formerly fit into the TRIPs criteria, it has since entered the public domain and has become generic due to a lack of international measures to keep the name protected. Furthermore, it was argued that RiceTec prominently identifies their goods as “Agreement type basmati rice.” The TRIPs Agreement for geographical indicators pertaining to wines and spirits solely forbids this technique.

In April 2000, India filed a patent infringement lawsuit against RiceTec Inc. after two and a half years of laborious data collection. Out of 20 claims made by RiceTec, the USPTO only granted patents to three different hybrid strains of Basmati grain, rejecting a more comprehensive claim. The three Basmati strains to which protection was granted were clearly and conspicuously distinct. Regarding RiceTec Inc.’s use of the geographic indication “Basmati,” the Patent Office mandarins claimed that RiceTec may do so since the Basmati appellation was neither a trademarked word nor a geographic indicator, unlike Champagne or Port, which were exclusive to a particular place.

Additionally, it was noted that Basmati was not a regional indication in India. It was cultivated everywhere, including in Thailand, Pakistan, and India. Furthermore, it was said that the Basmati narrative had a troubled past beginning with the alleged breach in the mid-1990s, when Texmati and Jasmati first appeared on the shelves of supermarket chain shops. The USPTO forbade the patent holder from using the term “Basmati” following the protests from India and Pakistan against its usage.

### **Overlapping or Conflicting: A battle between two prongs**

In general, infringement of intellectual property rights is considered a violation of private property rights. However, confrontations between the state and organizations that advocate cultural asset

preservation have sometimes politicized this overlap quandary. When a mark associated with the geographical origin of a product is protected under trademark law, a conflict scenario may occur. It is usual for businessmen to incorporate the name of their industry location into their brand name. However, when those locations are connected with a high-quality product, a contentious scenario occurs.

This contentious scenario involves several problems, the most important of which is whether established techniques for establishing competing rights under trademark law should be used, or new methods and criteria for conflict resolution should be developed. The key issues of controversy concern the scope of Geographical Indicators and trademark protection. However, the question here is whether the rights granted to the Geographical Indicator holder should go so far as to block the registration of a similar trademark at the international level. The exception enumerated in Article 24(5)<sup>92</sup> raises issues of interpretation of the term “good faith” and the authority that will determine whether the goods were used in good faith; the question that arises is how unregistered geographical indications and trademarks will be protected. What standards will be used to prove the “good faith” protection provided by Article 24(5)?

Overlap problems occur when the same mark is used as both a GI and a trademark for the same product by separate parties. In such a case, the question arises as to which of the rights should be prioritised and how that priority should be determined, or all rights should coexist. Further conflict situations exist when separate parties use the same mark as a trademark and GI for different items and one of these trademarks and GIs is a well-known mark because the regionality concept does not apply to well-known marks. There is no issue as long as these symbols are used in their proper areas. However, some words can be used for both GI and trademark under certain criteria in trademark and GI legislation. According to the Trademark Act, trademarks must not be descriptive or deceptive. However, because GIs are largely descriptive, trademarks containing a GI will not be protected if the trademark is misleading or deceptive as to the genuine origin of the products. The Trademark Act forbids using the name of a region, nation, or geographical area as a trademark; it also forbids using phrases like marks that could be interpreted as a reference to the origin of the products.<sup>93</sup> When a geographical word used in a trademark becomes known by the general public to establish the origin of the goods and the trademark relationship, the existence or absence of registration no longer matters. Geographical phrases, on the other hand, can be used as

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<sup>92</sup> The Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994.

<sup>93</sup> The Trade Marks Act, 1999 (Act 47 of 1999), §. 9.

trademarks when the usage is random and the mark is unrelated to the products on which such mark is used from their point of origin. Geographical indicators can also be utilised as trademarks if the mark was originally descriptive but has acquired a secondary meaning or distinctive character through use.<sup>94</sup>

When geographical indication protection is based on unfair competition or passing off, and a competitor claims trademark rights in the same indicator, the question of whether the use of that GI would be deceptive arises. If it is discovered that the use of such a trademark is deceptive as to the origin of the product, it will be considered unfair competition and passing off, and the parties will be barred from using it. However, if such usage is not confusing or misleading, the case under unfair competition and passing off will fail, and the use of that trademark may continue. Another scenario is that the challenged mark has obtained goodwill only in a small area as a geographical indication, while the same mark has gained goodwill in a larger area as a competitor's trademark. In such a circumstance, the use of both the trademark and the geographical indicator must be permitted, implying that they must coexist. The only difference is that in such a case, it becomes important to place certain limits on the scope of these rights so that they do not infringe on each other's rights and do not confuse customers.

When geographical expressions or indications are utilised as collective or certified trademarks, they are protected and governed by national trademark laws. Disputes arising from rival claims to such rights shall be heard and resolved by the trademark legislation of the country of origin. The Trademark Act prioritizes a right that has been registered or used before and under specific conditions, or that has become known, over competing claims. Geographical indicators are protected by certification and use as a collective trademark. Resolving disputes between individual marks and earlier marks will not cause any issues.

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<sup>94</sup> *Id.*, §. 9(1).

## Conclusion

There has been discussion and deliberation over the conflict between geographical indications and trademarks on national and international levels, but no consensus has been reached till date. The alternative is to allow them while clearly defining their respective areas, so that they may function without the conflict. The coexistence strategy wouldn't be able to function at the fundamental level since there would surely be greater challenges with its implementation. The supporters of Geographical Indication who view any trademark adoption containing the G.I. as misappropriation, would be dubious of such registration. They contend that G.I.s acting on behalf of any community or group ought to be given preference over trademarks. On the contrary, those who support the trademark system would prefer that the implementation of the geographical indications systems have no negative impact on any of the rights established by trademark law.

The trademark system has, however, occasionally allowed for coexistence. If the coexistence strategy is strictly followed, it may further confuse customers. But there's no denying that it is the fairest solution. The TRIPS clauses have already prepared the ground for coexistence. In registered trademark systems, it is feasible for unrelated parties utilizing the same marks to work together. There is no contradiction link between geographical indication and trademarks. Instead, it might be interpreted as a tactic used by various producers to increase the usage of their products while highlighting their advantages. Therefore, they may work together. The TRIPS agreement has been laudable in that it specifies minimum requirements that must be met by geographical indications and trademarks separately, securing their distinctive qualities. If the relevant authorities deem it necessary, they introduce the Geographical Indications Statute by legislative enactments. The protection provided by a trademark belongs to the individuals directly, but the protection provided by a geographical indication can be made available through the intermediaries of the governing body that certifies that the manufacturer's goods are produced in a specific geographical area if the appropriate authorities deem it appropriate. However, it cannot be denied that harmonization is necessary to provide a standard system of protection for such a domain by bringing about agreement among the various states about the legislation relating to geographical indications and trademarks. It might be argued that a trademark's usage serves a different purpose than the uses of geographical indications.

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**NOVEL CHALLENGES PERTAINING TO INTELLECTUAL PROPERTY  
LAWS DURING AND POST CORONA DUE TO DIGITALIZATION AND  
VIRTUALIZATION**

Piyush Bharti<sup>95</sup> & Prachi Kumari<sup>96</sup>

**Abstract**

*Innovation and creativity are amongst those essential characteristics which distinguish human beings from other species*

– By Authors

*COVID-19 was unexpected and swiftly spread; there was no opportunity for preparation. To keep the entire system functional during quarantine, the digitalisation was only option. Digitalisation during and after COVID-19 increased reliance on online platforms. Due to a lack of anticipation and preparation, the system needed to be better equipped to be implemented meticulously, properly, effectively and in an organised manner. The offline library and resources were not available. Online resources are very costly for genuine individual users, given the scope of availabilities of infringed copies of resources available on several social media and websites free of cost. These all make the user addicted to using the infringed copy. Now, post-COVID, these all are creating giant problems and loss to the owner of the resources.*

*Not only academic resources but other resources like movies, videos, lectures, web series etc. are easily available on the online platform. The investigating officers also face several issues in tracking the sources and real infringers due to a lack of effective mechanisms. When the administration blocks any site, the infringer creates a new mirror site with similar content by manipulating a few alpha numerous terms in the domain name. To tackle this hardship, the judiciary has developed the mechanism of dynamic injunction, by which the judicial orders the injunction on all existing and future mirror sites in a single order. However, this needs to be*

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*implemented regularly in the judiciary. There are more problems also which need to be tackled. Another new trend is sending fake legal notices to extort money from naïve online users. All persons cannot be legally updated and have legal knowledge. How to tackle these problems and take control of the breaches of the digital platform? How can we make this digitalization more effective? These are the problems which will be discussed in this paper.*

**Keywords:** IPR Post-Covid; Digitalization; Mirror Site; Fake Legal Notice, Dynamic Injunction

## **Introduction**

Innovation and creativity are among those essential characteristics which distinguish human beings from other species. As we know, the ability and skill to speak, hear, taste, see, the feeling of hunger, pains, etc., are inherent and God-gifted to human beings. Similarly, the sense and ability of innovate, think, absorb, analyse, express, etc. are also inherent and god-gifted, which starts developing at the stage when human beings are in the womb, i.e., even before birth. The evolution of humans from *Australopithecus afarensis* to *Homo sapiens* is due to these inherent abilities and senses only.<sup>97</sup> So, by being human to get the protection of innovation, creation and these abilities are human rights to every human being. The positive enhancement, motivation and promotion of innovation, creation and expression are the human duty toward the society consisting of human beings.

The novel coronavirus is not only a novel virus but also brings down novel challenges in this contemporary time. Novel in the sense of new and unfamiliar challenges. Challenges are novel for the health or economic sector and almost all sectors, including the legal industry. In this article, the author will ponder one of the novel challenges in the legal field of IPR infringement due to digitalisation and virtualization.

Social distancing is only the most effective tool for the containment of corona plight. Which subsequently compels the whole system to one and last alternative i.e., digitalisation and virtualisation. This was the best amongst all the worst alternatives available to keep the function of the whole system active and efficient as much as possible. However, due to a lack of anticipation and preparation, the plan needed to be better equipped to be implemented meticulously, appropriately, effectively and organised. Due to this unorganized *modus operandi*,

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<sup>97</sup> J Anat, *A Natural History Of The Human Mind: Tracing Evolutionary Changes In Brain And Cognition*, National Center for Biotechnology Information, (Jan.13,2022 09:20 AM) [https://www.wipo.int/wipo\\_magazine/en/2018/si/article\\_0005.html](https://www.wipo.int/wipo_magazine/en/2018/si/article_0005.html).

this best alternative (digitalisation) is schlepped with many irresistible evils. Due to the lack of library access and authorized digital supply of resources to scholars, and the giant violation of Intellectual Property rights to owners at the mass level in the domain of Copyright and the Internet. The tendency to unauthorised access and sharing of e-books, PDFs of books and resources, multimedia work, and cracked software by creating rogue, cracked and pirated web portals and apps enhanced to the manifold. These are all available on social media, YouTube, local websites etc... The unforeseen, unprepared and precipitated virtualisation and digitalisation elevate the demand for digital resources but create the scope of availabilities of these all-unauthorized digital resources, either free or at a minimal cost. These addictions to using unauthorised resources are enhancing, and once they prevail, it will be arduous, even impossible, to control or deplete by the present system. In a nutshell, the issue of data piracy and other IPR violations on digital platforms is sky-rocketing and needs immediate attention with strict laws with strict implementation and modus operandi, Otherwise, it will be a great hindrance and fatal for innovation and creation in human beings because as earlier also mentioned that the innovation and creation are amongst those important characters which distinguish human beings from other species.

Intellectual property rights play a crucial role in international trade in the modern period. In the present digital age, there is a greater possibility of creative ideas being taken without the permission of the author permission. The necessity for robust IP legislation contributes to the entire economy of the particular state. For their economic benefit, people will strive to copy a unique concept or the creativity of others. As a result, it is critical to protect IP assets before a third party infringes upon them.<sup>98</sup> IP protection is available to anybody, regardless of the kind or size of their firm. As a result, proper IP protection action must be taken after analysing the company's needs and conditions. As time passed, the significance and value of these inventions became clear. The commercial aspect began to play a significant influence in these compositions.

### **Novel Challenges in Academic and Research Sector: Post digitalization and virtualization**

As already discussed, the novel Corona is not only a novel virus but brings downrightly novel (new and unfamiliar) challenges in this contemporary time also. Social distancing is only the most effective tool for the containment of corona plight. Which subsequently compels the system to virtualize the academic system. Virtualization and digitalisation were best among all the worst

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<sup>98</sup> John C. Doyle David L. Alderson, Lun Li, Steven Low and Ors., *The "robust yet fragile" nature of the Internet* , National Center for Biotechnology Information, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1240072/>.

alternatives available not only for edifying students but also for protecting the careers of vulnerable students during the era of digitalisation. But as we already discussed, due to lack of anticipation and preparation, the system needed to be better equipped to implement meticulously, properly, effectively and in an organised manner. Due to this unorganised modus operandi, this best alternative is schlepped with many irresistible evils. Due to the higher cost and lack of library access and authorised digital supply of resources to scholars, its upshot is the giant violation of the Intellectual Property right to owner at the mass level in the domain of Copyright and internet, Multimedia Work, Software, social media, etc.

So, challenges are novel for the health or economic sector and almost all sectors, including the legal and academic sectors. But if we plunge into the whole digitalization and virtualization process, it will be vast. So, in this, we are cramped to dwell only on new challenges of IPR infringement due to the virtualization and digitalisation of only some sectors like the academic and legal systems.

### **Effects in academic sector**

Due to the higher cost and lack of library access and authorised digital supply of resources to scholars, almost all institutions, including reputed institutions and their scholars, are bound to unauthorised supply of scanned and PDF copies of books, paid journals, website access, print out and other resources either in excerpt or in whole. Also, the vast numbers of paid books, resources, newspaper journals etc., are easily primarily available on local websites in pdf/digital formats, which all are gross violations of copyrights at a mass level and lead to immense financial loss to owners or creators of those protected documents and resources.

Recorded lectures of reputed professors and faculties of renowned institutions are being shared unauthorizedly on social media, primarily through telegram, local platforms and other sites like YouTube, Google Drive etc. Almost all popular newspapers are available on local websites free of cost without the permission of the publisher in an unauthorised manner.

Due to the lack of resources and libraries available to the scholars and paucity of money and also due to the non-providence of e-library (as there was no preparation as situations were so unanticipated and sudden). The tendency and culture of using copied or cracked software are emerging agilely. The cracked key and copied version of desired and even costly software are available easily on many local websites, which causes more significant losses to the bona fide

owner. The ways of cracking, copying, using, etc., are also available on websites, especially on YouTube.

**These additions to using unauthorised resources are enhancing, and once they prevail it will be arduous, even impossible to control or deplete**

So, digitalization and virtualisation opened the windows of a giant range of violations of copyrights to media, entertainment, communication, advertisements and education. This easy access to resources is a significant concern of copyright infringement. Copyright is one of the most important Intellectual Property Rights. Due to digitalisation and virtualisation, it becomes easy to copy, replicate and sell the creation of the owner without paying or taking authorization from the owner or creator. It is arduous and onerous to trace and detect these infringements.<sup>99</sup> This has posed a giant menace to the rights of the copyright owners or creators. Special attention is needed to some more special strict laws with strict interpretation for the protection of these rights and the protection and stimulation of creativity and innovation. Otherwise, it will be a great hindrance and fatal to innovation and creation in human beings. As already said, Innovation and creation are essential characteristics distinguishing human beings from other species.

### **Judicial challenges**

As we know, the sudden outbreak of novel coronavirus took the entire globe by storm. The raucous it created, and the aftermath it left on the economy and social life were not just enough; it also impacted the working of government organs. To be more specific, here we will understand the impact of a pandemic on the Judicial functioning of Intellectual Property Cases. Judicial functioning is relevant to be discussed in the IPR cases because of the lack of intellectual property creation and innovation in India. If recent data are to be believed, India and other third-world countries rank poorly in the intellectual property index and contribute significantly less to the global market in terms of innovation. The slow and ineffective judicial interference in such cases could further lead to the dipping of IPR development in India.

The present virtual court regime has temporarily replaced the physical court system. If critics are to believe, the virtual court system is the best possible alternative one could ask for in place of the physical court system. However, the present court system poses likewise apprehension on the

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<sup>99</sup> Frederick Mostert, *The Global Digital Enforcement Of Intellectual Property*, World Intellectual Property Organization,, [https://www.wipo.int/wipo\\_magazine/en/2018/si/article\\_0005.html](https://www.wipo.int/wipo_magazine/en/2018/si/article_0005.html) .

quality of arguments presented and the justiciability of the verdicts passed, even if we choose to talk specifically about the IPR cases. Another matter of concern is the judicial delay. While the courts were suspended during the first wave, the period of limitation to file any necessary pleadings, appeals or applications was threatened to expire. However, the dates were extended for the same.<sup>100</sup> There were IPR suits of commercial relevance, which required urgent hearings. The slow-paced virtual hearings need to be more effective for such critical matters. The copyright cases where infringement is done on a more significant note seek urgent passing of injunction suit. Also, the date of interim orders, other injunction suits or arrangements are extended indefinitely. This is a matter of concern and requires urgent attention because it is causing irreparable loss to the concerned parties. The plaintiffs who seek damages in the trademark and copyright matters are at a massive failure because of the lingering coronavirus crisis.

The quality of verdicts passed and orders enforced is another matter of concern. The lack of technical efficiency and an inevitable circumstance to which professionals were unaccustomed has left the fraternity in splits. Many practitioners expressed their dissatisfaction with the new virtual court regime.<sup>101</sup> No proper time slot is allotted, and the frequent disconnection makes it difficult for IP attorneys to present their cause proactively. Further, the absence of physical appearance has resulted in an indifferent and apathetic court culture that cannot comprehend and introspect the arguments from both parties.<sup>102</sup> It is no news that complex copyright infringement cases and trademark usages require due diligence and meticulous presentation of minute facts, which is a deciding factor in such cases. The virtual court culture needs to improve that level of court interaction.

The increasing trend of choosing alternative dispute resolution may benefit simple disputes related to IPR matters. Still, the complex issues that count for most pending IPR cases cannot be judiciously resolved by the virtual ADR hearings.

Another disadvantage is the security concern owing to the alarming rise in online cybercrime cases. The Indian courts are using third-party platforms like Vidyo, Cisco, Webex etc., keeping

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<sup>100</sup> In Re: Cognizance For Extension Of Limitation, (MANU/SC/0946/2021).

<sup>101</sup> Varij Sharma and Jyotika Thakur, *India: Covid-19 and the Revamping of the Indian Legal System*, Mondaq <https://www.mondaq.com/india/operational-impacts-and-strategy/1068670/covid-19-and-the-revamping-of-the-indian-legal-system>.

<sup>102</sup> Ibid.

the privacy and confidentiality of data shared at risk.<sup>103104</sup> Data, facts and product procedures are something crucial for IPR-related matters. The numerous innovations, inventions and various literary and artistic works seeking copyright or trying to get damages out of the infringement matters are at higher risk. The virtual hearings for matters related to trade secrets involve sharing some minute and crucial confidential matters, which are exposed to higher chances of getting into the public domain. The copyright matters are again at the risk of meeting the same fate.

Next in a row is the challenges faced at the global level regarding IPR matters. The urgent call for TRIPS waiver for mass vaccination around the globe, pending global suits for patent and trademark registration of vaccine, splurge of competing products and ads related to coronavirus prevention have brimmed the international media. Many believe that waiver is not a way to deal with the current situation as it would only lead to duplication of products and manufacturing of ineffective products due to a lack of technical know-how. Also, the private manufacturers and business world are working relentlessly and diligently to manufacture effective vaccines and other practical stuff, and waivers could only discourage such initiatives. Others believe that the IPR restrictions will hamper the mass vaccination drive. The WTO dispute settlement body and its members are split over deciding all such matters.

So, our judicial system can only skip this crisis and the alarming need to reschedule and resettle the mechanism of providing justice, but the challenges are in hoards. Our judicial system is already grappling against the odds with poor connectivity, techno-inefficient staff lines and a lack of proper guidelines about the virtual filing of applications and suits.

### **Menace of fake legal notice for infringing IPR by unauthorized person to extort money**

Another major challenge the judiciary faces is the increasing social media fraud in the name of copyright infringement. While most of the online frauds are spam-based, like money fraud, bank account fraud, and online gift fraud, there is another kind of media fraud, which is not a regular one. It looks like a legal notice warning the users over copyright infringement<sup>105</sup> and is an example of a case where the law itself is used as a weapon for malice. Such fake infringement

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<sup>103</sup> Lalltaksh Joshi, *Courts Adopting Video Conferencing: A Welcome Change*, Live Law <https://www.livelaw.in/columns/courts-adopting-video-conferencing-a-welcome-change-154488>.

<sup>104</sup> Circular for Creation of Login ID-VIDYO Application for Video Conferencing, District and Sessions Judge, Tis Hazari Court, Delhi, <https://delhidistrictcourts.nic.in/Circulars/March20/8aapril.pdf>.

<sup>105</sup> Cyber Crime and Copyright: How Hackers Are Using False Infringement Notices as Social Media Scams, *The National Law Review*, <https://www.natlawreview.com/article/cyber-crime-copyright-how-hackers-are-using-false-infringement-notices-social-media>.

notices aim at hacking one's social media account and corrupting their system, fetching personal and bank details of an individual. Sometimes it also defraud money by creating fake terror in the minds of law-illiterate users for the strict and stern legal action. These social media scams are so severe that they look like an original notice. In a few cases, users could be directed to the real Instagram copyright section to avoid suspicion. The increased social media engagement because of the COVID-19 times has only escalated such violations, and now it is up to the judiciary on how better they could tackle it.

### **Dynamic injunction: A judicial tool.**

As in the contemporary era, especially during the coronavirus period, social distancing is only the most effective way to curb the coronavirus pandemic. Digitalization is the best amongst all worse alternatives left to almost all systems including the private corporate, government machinery, legal education system, to perform daily work, duties, chores, etc. However, due to lack of anticipation and preparation, the plan needed to be better equipped to implement it meticulously, properly, effectively and in an organised manner. Due to this unorganised modus operandi, this best alternative is schlepped with many irresistible evils. So, the novel Corona is not only an unknown virus but also brings down new challenges in this contemporary time. Challenges are novel for the health or economic sector and almost all sectors, including the legal industry. Due to this tendency and culture of using copied or cracked software, websites are emerging agilely. In other words, the issue of data piracy is skyrocketing. To curb data piracy, the judiciary has developed the scope of Dynamic Injunction in the case of *Tata Sky Ltd. v. Youtube Llc and Ors.*<sup>106</sup> and *Utv Software Communication Ltd. ... v. 1337X.*<sup>107</sup>

Generally, in the case of digital piracy, the court granted an injunction to block the website to protect the rights of the content creators. However, that action could be more effective in protecting the rights of content creators because the infringer quickly finds an alternate way to achieve its goal. They adopt the way of rouge websites. When the ISPs block a particular URL, a mirror link is created by which anyone can access that blocked URL. The exact contents can be accessed easily in another way. This eludes the purpose of website blocking injunction, ultimately the rights of creators remain unprotected. So, this giant infringement needed a new and effective modus operandi for the court to curb the menace of data piracy. One of the modus operandi evolved by the court is of the dynamic injunction. This is the most contemporary way to curb this

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<sup>106</sup> Tata SKY Ltd. v. Youtube LLC and Ors. (MANU/DE/2035/2016).

<sup>107</sup> Utv Software Communication Ltd. ... v. 1337X. (MANU/DE/1244/2019).

jeopardy of resurfacing pirated websites. It is an ineludible tool for the issue where the blocked website may reappear, or give a redirecting website or where any new websites with minor modification or by adding one alphanumerical letter/number to the URL name and with the same contents an identical website gets created by the infringer. The Singapore High Court also coined the term dynamic injunction in locus classicus of *Disney Enterprises, Inc. v. M1 Ltd.*<sup>108</sup>. In which the court granted the dynamic injunction to the copyright owner of many cinematographic films.

The dynamic injunction covers blocking not only the primary websites which infringe the rights but also all subsequent and existing mirror, rouge, resurfaced, and other websites which are identical and contain similar infringed contents relating to the subject matter of the case. In this, the owner/creator notifies the ISPs of all the additional domain names/URLs with identical contents or gives access to the same websites, subject matters of the prime injunction. So, it is the dynamic way to curb the all-stratagem alternative used by the infringer(s). So, digitalisation and virtualisation opened the windows of a giant range of violations of copyrights to media, entertainment, communication, advertisements, digital piracy, etc. This digital piracy is a great concern, especially for copyright infringement. Copyright is one of the most important Intellectual Property Rights. Due to digitalisation and virtualisation, it becomes easy to copy, replicate and sell the creation of the owner without paying or taking authorisation from the owner or creator. It is arduous and onerous to trace and detect these infringements. This has posed a giant menace to intellectual property rights. Special attention is needed to some more special strict laws with strict interpretation for the protection of these rights and the protection and stimulation of creativity and innovation. Otherwise, it will be a great hindrance and fatal to innovation and creation in human beings. Innovation and creation are among those essential characteristics which distinguish human beings from other species. The scope and application of dynamic injunction is in intense need of enhancement and improvement with an adequate legal backbone.

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<sup>108</sup> *Disney Enterprises, Inc. v. M1 Ltd* (MANU/SGHC/0009/2018).



## **Conclusion and Suggestions**

During the coronavirus plight, social distancing was the best and most effective mechanism to preclude the mass population from the spread of corona. The prolonged duration compels the entire system to adopt the digital *modus operandi* to keep the system in the process as well as possible, especially for the academic, research and legal sectors. But, the unforeseen, unprepared and precipitated virtualisation and digitalisation enhance the demand for digital resources. But, due to the availability of pirated and infringed versions of the resources on various websites and social media like telegram, WhatsApp, YouTube etc., the tendency of infringing the IPR has been intensified to manifold. The Xerox, pdf, pirated versions of books, resources, newspapers, apps, software, and videos are circulated on various platforms, which upshot the enormous economic loss to the owner of the contents and the giant violation of their IPR at the mass level.

The dilemma of the legal sector is that there is great hardship in tracing the actual infringer and sources, and the arduous process of legal proceedings is another big challenge. Traditional legal proceedings like injunctions and specific proceedings need to be fixed. Suppose the injunction is granted against infringement by the same or the other person. In that case, similar content is shared on the mirror website or through other channels and platforms. In most cases, the infringers are in vast numbers and at the mass level, initiating legal proceedings against the issue is tough. Another major challenge the judiciary faces is the increasing social media fraud in the name of copyright infringement. The fake legal notice is sent to legally illiterate users for the infringement of IPR by any third party by hacking the social media accounts to defraud amounts.

So, there is a vital need for new, modern and more technical law and legal machinery to tackle this problem. The judicial creation is like a dynamic injunction, and other technical *modus operandi* needs to be brought into the regular legal process. To protect innovation and creations, there is an urgent need for strict laws with strict implementation to handle the present situation.

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### YOUTUBE'S BIGGEST CONTENT A HOAX? - PROBING INTO THE GREY AREAS OF STREAMING W.R.T. FREE SPEECH & THE NEED FOR SPECIALISED COURTS

- Tanya Verma & Jigisha Khunteta<sup>109</sup>

#### Abstract

*In the contemporary times, with the intangible creations of the human intellect taking upsurge, it is pertinent that the same be rightly protected. A set of legislation in countries around the world are centered to deal with their protection. Thus, without any manifested or palpable arbitrariness, the Intellectual Property Rights take over a germane role in the legal world. This essay, in an attempt to shed light on one of the most coveted issues involving copyright, pertains to three broad aspects. Firstly, it lays a premise while delving into the nitty-gritties of copyright issues pertaining to live streaming and broadcasting in India. The concept emerged in India with cricket and hence, is not a novel development in the Intellectual Property regime. However, with the evolution of society and widening of the scope of its utilities, the issue graves. Though India in its recent ranking has witnessed a slight surge in its overall IP score from 38.4 to 38.6, the country is still ranked 43 out of 55 on the Intellectual Property Index. Which brings us to the contemplation of stringency of the set legislature and the second contention of this essay. The protection of fundamental rights, including the ones of free speech and expression, in a commensurate fashion, depend on the existing laws. Finally, when we speak of the legislations and the public welfare, it is all rendered moot if there lacks a redressal mechanism to which the paper deals with, whilst touching upon the country's stance on lack of specialized IP courts. The author(s) in the essay have taken up the same in an elaborate manner while keeping abreast of Indian and International laws.*

**Keywords:** Copyright, live streaming, broadcasting, IP Courts

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## Premise

The essence of copyright laws is to ignite originality and creativity in works of literature, art or dramatics, etc. It promotes the creation of something ‘new’ and protects the minds who achieved this feat. At the same time, it functions to allow reasonable use of existing works to develop new literature and art. When we speak of copyright, the attenuation of ‘original’ and the concept of originality is to be taken cognizance of. Now where the Copyright Act stems its roots from goes way before independence, when India adopted the extension of England’s Copyright Act,<sup>110</sup> which did not do much good, to which the Indian legislature sought solution by passing the act of 1914.<sup>111</sup> The impugned act stayed for a while, until it was repealed and replaced with the incumbent act of 1957.<sup>112</sup> The act called for certain amendments owing to advanced means of communications, including broadcasting and lithography, to which subsequent amendments laid provisions for fulfilment of international obligations.

Revisiting the concept of originality, it varies in different countries, evolving with precedents and the growth of technology. To decide whether a photograph of Oscar Wilde was original or not, the US court noted the creative choices made by the photographer, including pose, costume, lighting, accessories, and the set itself.<sup>113</sup> Its basis for creativity is that the work should add to the pool already available to the public, asking for minimal creativity or what we now call the doctrine of ‘*modicum of creativity*’.<sup>114</sup> The UK’s court of law differs from this interpretation at a fundamental level. For the Brits, originality is referred to as the ‘author’s own intellectual creation’ following the ‘*sweat of the brow*’ doctrine.<sup>115</sup> The court in its precedence, insisted on the need for original artistic skill and labour.<sup>116</sup> Here, calling originality a synonym for creativity will not be a stretch. The sweat of the brow is a much stricter doctrine than its western counterpart lying on different sides of the originality spectrum.

As you may have guessed, India lies in the middle, following the sweat of the brow with a hint of the modicum of creativity.<sup>117</sup> A work does not infringe the copyright of an existing one when it follows a certain standard of originality and creativity itself. To cope with emerging technologies and preserve the rights of creators, a new test has been developed, providing a way to measure

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<sup>110</sup> Copyright Act 1911.

<sup>111</sup> Copyright Act 1914.

<sup>112</sup> Copyright Act 1957.

<sup>113</sup> *Burrow Giles Lithographic Co v Sarony*, 111 US 53,60 (1884).

<sup>114</sup> *Feist Publications Inc v Rural telephonic Service Co*, 499 US 340 (1991).

<sup>115</sup> *Walter v Lane*, [1900] AC 539.

<sup>116</sup> *Newspaper Licensing Agency Ltd v Marks & Spencer, plc*, [2001] UKHL 38.

<sup>117</sup> *Eastern Book Company v DB Modak*, 2002 PTC 641.

creativity by the quality and quantity of creative choices.<sup>118</sup> The key question remains what creativity is? Steering our conversation to technology and, in particular, the emerging kind of content creation on social media, a trend of ‘reviewing’ stuff like movies, choreography, memes, etc.

Under the exceptions to copyright,<sup>119</sup> the defense of fair use is usually taken by users of copyrighted work, permitting them to use it for criticism, comment, news reporting, teaching or research, etc. It includes all kinds of work. The S.52(1)(a) of the act<sup>120</sup> stipulates that a ‘*fair dealing*’ of any work, not being a computer program, for private use, including research, criticism or review or reporting of current affairs and news events, is excluded from infringements to copyright. While the others have been well-researched and talked about, the review part of the exception remains ambiguous.

The debate can be dumbed down to ‘*constructive review versus review*’. Keeping the spirit of the copyright act in mind, it promotes constructive review of the material, adding some material novelty to it. It raises questions about whether Tanmay Bhat ‘reacting’ to certain memes on the internet will come under this exception. We may note that reaction videos like this often include commentary on the original work, either recording the creator’s genuine reaction, which may be content for some people, or their satirical remarks. Hence, the ambit of review is subjective on a case-to-case basis, involving different facets like the likelihood of affecting competition, monetization, popularity, etc. This ambiguity in law also makes it prone to misuse by the parties involved. After noting the arguments on originality, creativity, and the like, let us move to specific circumstances that are coming up as legal grey areas and will soon move to the courts. Until then, the decision to decide the copyright’s validity or its infringement rests with private players.

### **Live streaming and escapism from traditional Copyright laws**

The phenomenon of ‘watching other people play games’, is now the big boom for social media, accounting for over 100 billion hours of YouTube content in 2020 alone.<sup>121</sup> Whether streaming the entire game to the public who did not pay for it or downloaded it, if it’s free, comes under

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<sup>118</sup> Daniel J Gervais, ‘Feist Goes Global: A Comparative Analysis of the Notion of Originality in Copyright Law’ (2002) 49 J Copyright Soc’y USA 949.

<sup>119</sup> Indian Copyright Act 1957, § 52.

<sup>120</sup> Indian Copyright Act 1957, §52(1)(a).

<sup>121</sup> LeBlanc W, ‘200 Billion Hours Were Spent Watching Gaming Content on YouTube in 2020’ (IGN, 31 December 2020) <https://www.ign.com/articles/100-billion-hours-were-spentwatching-gaming-content-on-youtube-in-2020> accessed 29 November 2022.

copyright infringement or not is an issue no one wants to discuss. India, notably, does not have gaming laws and is dealt with by practices in the gaming industry. There appears to be an informal contract between developers and streamers. Computer games are coded and are considered literary work under section 2(o) of the copyright act 1957.<sup>122</sup> Literary work is protected under the act under section 14 (1) (a)<sup>123</sup> concerning 14 (1) (b)<sup>124</sup> of the copyright act.

As per the Indian Copyright Act, 1957, Section 2 (o), you can protect your software coding and programming from reproducing, copying, translating, or adapting to save from copyright infringement software. However, games can't be considered a set of codes. Delving into the technicalities, it must be noted that games are considered 'complex subject matter' and a stand-alone object of protection,<sup>125</sup> which means that a game as a whole cannot be taken up as a subject matter, but, is divided into many elements which form them including but not limited to the characters, gameplay, sounds, dialogues and music, the artwork and visual design, game codes and player license.<sup>126</sup> This also invites different types of copyrightable subject matters. In one of the most well-researched papers in this area, '*Can You Play*,'<sup>127</sup> Amy Thomas differentiated such matters into video (ex-cut scenes), graphic works, audio, literary works, and merchandise, among others. For the purpose of this essay, we shall stick to the streaming of gameplay in context of the IP rights. In layperson's terms, streaming gameplay means uploading how you interact or play a particular game to sites like YouTube, Twitch etc., for enjoyment or monetization purposes, be it pre-recorded or live.

Heading back to the contention in question, streaming provides revenue and followers to the streamers and popularity and sales for the game developers. It seems like a win-win situation, but it's not, per the public performance. It is seen as a general trend that gaming companies proceed with copyright strikes on newer channels who are trying to take support of the game to earn followers. YouTube or the respective streaming service removes these videos without reaching the court of law. On the other hand, there have been times when the views on a stream have not translated into sales for the developers, motivating them to take adverse action. From this, it may

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<sup>122</sup> Indian Copyright Act 1957, § 2(o).

<sup>123</sup> Indian Copyright Act 1957, § 14(1)(a).

<sup>124</sup> Indian Copyright Act 1957, §14(1)(b).

<sup>125</sup> *Nintendo Co Ltd v PC Box SRL* [2014] OJ C93/8.

<sup>126</sup> Reetika Wadhwa and Meril Mathew Joy, 'Copyright in the gaming industry' (*Mondaq*, 3 January 2020) <https://www.mondaq.com/india/copyright/879888/copyright-in-the-gaming-industry> accessed 11 November 2022.

<sup>127</sup> Amy Thomas, 'Can You Play? An analysis of video game user-generated content policies' (*CREATE*, 24 May 2022) <https://www.create.ac.uk/blog/2022/05/24/new-working-paper-can-you-play-an-analysis-of-video-game-user-generated-content-policies/> accessed 18 November 2022.

seem like streaming is a clear-cut violation of copyright, except it's not (again). Creators who stream games often comment on it while playing. For example, top creators like PewDiePie or CarryMinati, have built their careers on this. The creators have a commentary on the side, adding a personal touch or, legally speaking, novelty and originality to work. This again brings us to the fair use defense. This exception can be applied to video game streaming because it includes comments by the audience and continuous reviews on the game by the streamer. This puts them outside the purview of the copyright act, but this outcome is also not necessary as it depends on how the judge views it (the test of quantity and quality).

Exploring another facet of the commentary, what if the creator makes a controversial or morally wrong statement while playing the game (and streaming it)? This may associate the brand with that negative statement. A similar controversy occurred when PewDiePie made a racial slur while streaming.<sup>128</sup> The gaming company took down his video with a copyright strike on YouTube without caring how big of a creator he was. The Canadian Copyright Act<sup>129</sup> has an interesting provision for the same. Moral rights under Copyright Law protect the author's association with the creative work by preserving the integrity of the work and the intent behind the work. Morality, however, is subject to the freedom of speech and expression. This will be dealt with at a later stage in the essay. On the balance, it must be noted that not all streams are equal. The value of streams expressed without owner authorization outweighs the loss of revenue, howsoever little it might be, what is needed, is 'striking a balance.'

Among these emerging problems and copyright abuses, there are also solutions. Companies, including Sony and Microsoft, encourage gamers to stream and share their gameplay online.<sup>130</sup> Developers like Devolver Digital have websites that answer the question, 'Can I Stream and monetize'<sup>131</sup>. It is a simple and big 'Yes.' from their side. The site also helps players generate written permission by submitting their channel names. Some developers prefer levying a viewing fee on the stream by the gamers. Even big media houses like Nintendo are also starting to lean in favour of gamers (and yes, one favour herein, does not beget another favour). Now, these are not

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<sup>128</sup> Owen S Good, 'Firewatch creator vows DMCA retaliation against PewDiePie for racist slur used in stream' (*Polygon*, 10 September 2017) <https://www.polygon.com/2017/9/10/16285188/pewdie-pie-racist-slur-firewatch-retaliation-dmca> accessed 16 November 2022.

<sup>129</sup> Canadian Copyright Act 1924.

<sup>130</sup> Himanshu Sinha, 'Video game streaming and copyright law' (*Khurana and Khurana*, 30 September 2021) <https://www.khuranaandkhurana.com/2021/09/30/video-game-streaming-and-copyright-law/> accessed 25 November 2022.

<sup>131</sup> 'Can I stream and monetize Devolver Digital game?' (*Devolver Digital Inc*, 2022) <https://canipostandmonetizevideosofdevolvergames.com/> accessed 1 December 2022.

rock-solid agreements and just commitments by the brands. They do, though, form a good building block. The need for uniform copyright gaming laws persists as these commitments can't be taken as a substitute for them. The laws must balance the owner's rights and the career of innumerable streamers. This doesn't end here, settling this contention invites a major concern, how stringent should the laws be, what provisions should they be guided by and up to what extent could they interfere with our rights, which has all been taken up in the furthering sections of the essay.

### **Saving free speech from stringent legislation?**

History dictates, when a right is conferred by the Constitution, especially a Fundamental right, the object that is sought to be achieved from the same is to be analyzed. The jurisprudential justification of these rights is *sine qua non*. In the social contract entered upon by the citizens, the freedom to express oneself owes four-fold social purposes to serve. The first prong of which helps an individual to attain self fulfilment, the second assists in the discovery of the truth, the third strengthens the capacity of an individual in participating in decision making and finally, the fourth provides a mechanism by which it would be possible to establish a balance between social change and stability, whilst facilitating artistic and scholarly endeavor of all sorts.<sup>132</sup> In an expansive view, all members of a society shall be bestowed with the power to formulate their views, beliefs and subsequently communicate the same. Provisions, be it the first amendment to the Constitution of the US,<sup>133</sup>(upholding freedom of expression in cases of certain music<sup>134</sup>, flag burning,<sup>135</sup> or non-obscene pornography)<sup>136</sup> or its borrowed version in article 19<sup>137</sup> of the Indian Constitution, ushered changes and amendments in the outlook of this liberty to express views, likewise in ICCPR<sup>138</sup> and UDHR.<sup>139</sup> All this sums up to the indication, *"Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media regardless of frontiers."*<sup>140</sup>

The end goal of a man is the realization of his potentialities as a human being and for achievement of this self-realization, the mind must be set free. While delving into the contentions of the

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<sup>132</sup> David Feldman, 'Civil Liberties and Human Rights in England and Wales' (1993) Clarendon Press, Oxford P 547-548.

<sup>133</sup> Constitution of the United States 1789, First Amendment.

<sup>134</sup> Ward v Rock against Racism, 491 US 781, 790 (1989).

<sup>135</sup> Texas v Johnson, 491 US 397 (1989).

<sup>136</sup> Miller v California, 413 US 15,24 (1973).

<sup>137</sup> Constitution of India 1950, Art 19.

<sup>138</sup> International Covenant on Civil and Political Rights 1966, Art 19.

<sup>139</sup> Universal Declaration of Human Rights 1948, Art 19.

<sup>140</sup> Dr Sreenivasulu NS, 'Human Rights, Many sides to a coin', (2008) P 182.

Intellectual property rights, it is imperative that one note the '*law of copyright*' is nothing but an extension of the freedom of speech and expression, which implicates towards the fact that naturally intellectual work shall be protected as a property and deprivation of property, shall a) not be done, or b) be done only according to the law.<sup>141</sup> Amidst the technological revolutions, innovations steeped in through intellectual accomplishments demand protection against misuse. As a testament to the commercial value, the intellectual property rights are undisputedly an outcome of the intellectual labor.

*The march of civilization is the march of reason and communication of such reason from an individual to the community or to the world at large.*<sup>142</sup> Dating back to when man was a simple hunter, all by himself, there was no need for communication. As and when he became more of a 'social creature', the pattern of the society varied and what conveyed in communication became symbolic of group living. With the development of the democratic society, the right to freedom of speech and expression turned to a pertinent political right and the intellectual property rights in furtherance turned to protecting some finer manifestations of human achievement. Cut short to the present, after deliberations and conventions, the comity of nations ended up acknowledging Intellectual property as tangible and thus be made corpus of proprietary right for the original creator, however, a set of limited forms of protection is accorded against certain kinds of exploitation by others. Continuing with the pace set in the essay, with regards to livestreaming of gameplays, online reviews and/or walkthroughs, the idea of striking the same on account of copyright claims is subject to a necessitated review of the content. The objective then boils down to achieve a balanced approach alongside a justifiable reason. The purpose of copyright laws then serves to be a) incentivize innovation and not just maximizing revenue, b) streaming gameplays, walkthroughs or even reels act as a highly interactive media providing entertainment, inspiring viewer engagement and innovation. No doubt, the earnings of the popular streamers will inadvertently (or intentionally) tempt the game developers to exercise their rights aggressively and not in public interest, or their interest as a matter of fact. Shielding such streaming is pertinent, but the extent to which the same shall be pursued is the question.

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<sup>141</sup> Constitution of India 1950, Art 300-A.

<sup>142</sup> Herold J Laski, 'A Grammar of Politics George Allen & Unwin Ltd, London', (1970) P 95.



Tipping the scale with the definitional balance, copyright law and the incentive it provides to creativity, contrary to the popular notion, the law does not stand as an obstacle to pursuance of free speech as to publish to perish, rather, enhances the value of such speech and expression owing to a two-pronged analysis. The first limb concerns the rights of the proprietor or owner to use the property as he wishes, howsoever, as an extension to the same, the second limb unveils the moral basis of protection of copyright afforded against plagiarism, in words of the eighth commandment of Mosaic Law, “*Thou shall not steal.*”<sup>143</sup> As an undisputed contention and an amalgamation of the Copyright laws and the freedom of speech and expression, the man enters with his own way of living, satiating the view wherein privacy is a man’s copyright in his own self.<sup>144</sup> The imitation of a particular life would hence be an emulation, and none can publish anything concerning the above matters (private), without his consent or otherwise lest it be truthful, laudatory or critical. Any such publication shall not be protected under 19(1)(a).<sup>145</sup>

The traditional contours and the previous amendments<sup>146</sup> exacerbated coherence and had sparked deliberations on its compatibility whilst upholding the spirit of the constitution. As an opposition to the proposed amendments, it has been contended that the right to equality, by failing to institute a meaningful exception, ends up infringed. At times, it might point towards an anomaly that the proprietorship of the law and the freedom cannot go together, but it is made very clear a copyright be given to the originator for its explicit form. It is appreciative of the fact that though copyright is an extension to freedom of expression, it simultaneously acts as an incentive to innovators and authors of original ideas, and defends different forms of expression. All this sums up to, is there really a need to ‘save’ free speech or are the legislations actually ‘stringent’? Since it has been made clear by the legislation that a copyright is given to the originator in its explicit form, i.e., a composition, and not just an ‘idea’ of the composition. Though this doesn’t reduce the worth of an idea,<sup>147</sup> it establishes a dichotomy of expressions, thereby allowing the laws to be not as ‘stringent’ as they might seem and lend a grey area for a balanced approach. To that, a Marcony, a Grahambell, Edison, and many others have been protected, not only the interest of the author, but

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<sup>143</sup> Adesh Kumar, ‘*Protection of Copyright with special reference to film and music industry*’, ‘IJR’ 2008 (2) P, Art. 25.

<sup>144</sup> Shivani Kundle, ‘*Moral Rights and the conflict with freedom of expression*’ (Mondaq, 23 December 2020) <https://www.mondaq.com/india/copyright/1019084/moral-rights-and-the-conflict-with-freedom-of-expression> accessed 12 November 2022.

<sup>145</sup> *R Rajagopal v State of Tamil Nadu*, AIR 1995 SC 264.

<sup>146</sup> Hemantha Kumar and Sreenivasulu NS, ‘Nuts and Bolts of Copyright amendment Bill’ (2010) Manupatra Intellectual Property Report.

<sup>147</sup> *RG Anand v Deluxe films*, AIR 1978 SC 1613.

encouraging similar contributions in the vast field of literature, science, arts, designs and in all spheres.

### **The paradoxical solution of specialized IP Courts**

Whilst delving into the nitty-gritties of the Intellectual property rights and the basics of its legal infirmities, what is of pertinent concern is the judicial backing it holds? In an attempt to trace its path, it backs to 2003, when a tangible action, the strangest beast, in form of Intellectual Property Appellate Board (IPAB)<sup>148</sup> was constituted by the Central government to hear appeals against the decisions of the Registrar under Trademark act,<sup>149</sup> the Geographical indications of goods provision,<sup>150</sup> and was further extended to the horizons of Patents<sup>151</sup> and Copyright<sup>152</sup> in 2017. The IPAB with its vision to bring the best expertise in the Intellectual Property regime was tasked with two key functions, a) to decide appeals from Indian Patent and Trademark Office, and b) to determine the validity or otherwise of granted patents and trademarks. Though IPAB was an attempt similar to building of specialized courts as the Patents County Court in the United Kingdom or the Court of Appeals for the Federal Circuit in the United States, however owing to its fairly limited jurisdictional role, IPAB couldn't stand the test of time, and ultimately succumbed to various difficulties on account of lack of technical expertise leading to pendency and delay of matters. 2021 did usher stringent ordinance in tribunal reforms<sup>153</sup> with immediate effect, yet the question as to, is there an appropriate judicial backing to bring the matters to their disposal, still stands. Despite the best intentions (albeit the same is not an undisputed fact), IPAB's constitutional competence was challenged on account of primarily not sufficiently being independent of the government, secondly, the qualifications for appointment of judicial members of the board being contrary to the law of land and finally, the fact that irregular appointments were the norm, rather than exception.

In an attempt to cover our contention regarding copyright laws in general and in digital platforms, it is pertinent that the issue of lack of specialized IP courts be taken up too. It is time and again contended that the nation did have a failed tribunal system, one of the pearls in the garland of

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<sup>148</sup> Prashant Reddy, 'De-Coding Indian Intellectual Property Law-The end of the IPAB and lessons on concentration of judicial powers' (*SpicyIP*, 1 September 2021) <https://spicyip.com/2021/09/the-end-of-the-ipab-and-lessons-on-concentration-of-judicial-powers.html> accessed 12 November 2022.

<sup>149</sup> Trade Mark Act 1999.

<sup>150</sup> Geographical Indications of Goods Act (Registration and Protection) 1999.

<sup>151</sup> Patents Act 1970.

<sup>152</sup> Copyright Act 1957.

<sup>153</sup> Tribunals Reforms (Rationalisation and Conditions of Service) Ordinance, 2 of 2021.

reasoning is that of the tribunals lacking independence.<sup>154</sup> To amplify this dependence, the reticent government failed to make corrective attempts with respect to the IPAB and its composition. What the contention majorly was, that, albeit the tribunals took over erstwhile functions of the High Court, it lacked the judicial gravitas particularly in terms of the abilities and the eligibilities of the adjudicator and its independence from the Executive. *“If a Tribunal is packed with members who are drawn from the civil services and who continue to be employees of different Ministries or Government Departments by maintaining lien over their respective posts, it would amount to transferring judicial functions to the executive which would go against the doctrine of separation of power and independence of judiciary.”*<sup>155</sup> Continuing measuring the merits of IPAB, the reasons touted for its creation, owing to the preposterous pendency rates at High Courts and the urgency of IP disputes hoping the disposal at ‘specialized forum’ per se, failed to justify its standing, which brings us back to the lack of specialized forums for IP laws leading to a pending resolution of judicial dilemmas. All this boils down to the fact that the country did attempt to bring in specialized courts for redressal, however the idea due to its flawed implementation was nothing but a failure, but does it lead us to a total no-go on the same, is the question this section of the essay deals with.

If we attempt to objectively negate the idea accepting specialized IP courts, considering developed nations in a far-cry for an affirmative action, the US Supreme Court while declaring the Bankruptcy Act unconstitutional, emphasized on judicial independence guaranteed to the general courts yet the specialized courts were bereft of<sup>156</sup>. Dealing with the nature of IP, it is but an instrument of public policy, a *right in rem* and not *in personam*, in furtherance of which, the specialized courts’ judges are less likely to have independent judicial authority and on the contrary are more likely to be subject to their appointing authority, thus creating evident bias. All this is neither necessary nor proportionate, as we need to recall that in addition to these factors, the patent economies distort the litigation costs, and hence fall inept to safeguard public interests at the end of the day. It is theoretically applauded that the specialized IP courts may improve the quality of justice to IP rights holders, but in a pragmatic scenario, it is not a *one-size-fits-all* situation, when we speak of a country like India, the costs beyond doubt outweigh the benefits. The idea of having specialized courts is rendered moot if the country can’t afford the same. In an

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<sup>154</sup> Justice (Retd) Prabha Sridevan, ‘Mainstreaming Public Health Considerations in Adjudication of Intellectual Property Disputes: Implications of Specialized IP Courts and General Courts’ (*South Centre*, 31 January 2022) <https://www.southcentre.int/wp-content/uploads/2022/01/SouthViews-Judge-Sridevan.pdf> accessed 3 December 2022.

<sup>155</sup> *Union of India v R Gandhi*, 2010 (5) SCALE 514.

<sup>156</sup> *Northern Pipeline Construction Co v Marathon Pipeline Co* (1982).

attempt to localize the views in this essay, it all boils down to the quality of justice and whether or not having specialized courts stand as a viable alternative, let alone being the only alternative. Without a hint of humility, it can be opined that specialized IP courts at the moment might serve as nothing but a drain in the exchequers which developing countries, such as ours might not be able to afford. Someday, in the distant future, it might be a viable option to peruse but now, sadly, is not the time.

### **Concluding contemplations**

It is no secret that every passing minute calls for an amendment in the Intellectual Property laws. In the contemporary time data is the new currency. With all technological advancements, we're left at a juncture where absence of proposition, let alone implementation of specialized laws will leave us in a huge mess. Drawing instances from the gaming industry itself, the process of companies reporting copyright violations on creators' videos and YouTube taking them down has become a routine, yet no creator turns to the court for its resolution. However, the bubble is about to burst. This is an impending issue for courts around the world and the online content creation industry can't be underestimated. As stated earlier, they form a huge part of how big companies like YouTube and Twitch generate profit. Influencers truly have the power to 'influence' their audiences. Creators too are representing the country on a global stage at various platforms. Ultimately, the power these industries hold is huge and so is the need to formulate uniform laws.

Now what is further needed, is to strike a balance between the parties. The fundamental rights of the people involved, their right to freedom of speech and expression, need to be given primacy and kept in mind while formulating legislation. Things like 'fair use' and 'morality' which are highly subjective need to be objectivized through a standard test of originality. This automatically generates the need for the judiciary to formulate specialized Intellectual Property courts and appoint judges who are adept with the technicalities and sensitivities of these issues. This again, needs to be done without bias so that the decision does not inherently favour a party, keeping public interest supreme.

This is the best time to frame such laws and establish bodies. We need to learn from the cases arising in Western countries who are starting to face similar issues due to lack of dispute resolution mechanisms. India stands at the booming phase of the imminent technological

revolution, which was given a push by the Covid pandemic and lockdowns caused henceforth, forcing people to seek entertainment online. India can set a precedent for not only developing, but also developed countries who are still to stipulate such legislations. The trajectory of online entertainment and development is set on big advances like the Metaverse and ‘thought-provoking’ legislations await.

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### **TRADE SECRET LAWS IN INDIA: A CRITICAL ANALYSIS**

- Vartika Tickoo<sup>157</sup>

#### **Abstract**

*Trade Secret, according to the World Intellectual Property Organisation (WIPO) website, means rights over confidential information. The website further adds that such rights can be sold or licensed. It should be monetarily valuable because of it being a secret and only few people should know it. It is also necessary that the owner of such information has taken steps to keep the information a secret. Examples of confidential information (or trade secrets) include: data compilations, designs, blueprints, maps, algorithms, personnel records, ingredient lists, financial information etc. The jurists and judicial courts have often drawn intersectional circles of discussion between trade secrets and other legal regimes such as tort, contract law, property laws and other IPs such as copyright, patent etc.*

*This article studies the general concept of trade secrets, how international conventions protect them and how India has approached the same. In India, especially, there is no sui generis legislation for trade secrets or confidential information as of yet. The judicial courts have protected trade secrets under various different laws till now. However, there was an attempt made in 2008 (via National Innovation Bill, 2008) to introduce a sui generis legislation for the trade secrets. This article discusses the Bill in detail. This article also studies how the Indian judiciary has dealt with cases regarding trade secrets.*

**Keywords:** Trade Secret, National Innovation Bill, India, Intellectual Property Rights, Contractual Law, TRIPS

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## **Introduction**

Trade secrets are a very important part of any economy as they are the foundation over which various big business houses such as TATA, IBM etc. are built. The unique taste of COCA COLA, the luster in BBLUNT hair products (via their mysterious ‘Shine Tonic’) and the recipe for Maggi Masala etc. are certain examples of trade secrets. These secrets are the reason that these products and producers have gained certain good reputation in the market. Therefore, it is obviously necessary for these producers to protect such secrets. The need for a law for the same has been discovered time and again. Therefore, it is no shock that it is a matter of great debate around the world.

## **The concept of ‘Trade Secrets’**

Trade Secret, according to the World Intellectual Property Organisation (WIPO) website, means rights over confidential information.<sup>158</sup> The website further adds that such rights can be sold or licensed.<sup>159</sup> WIPO further defines certain essentials for a piece of information to qualify as a trade secret. It should be monetarily valuable because of it being a secret and only few people should know it. It is also necessary that the owner of such information has taken steps to keep the information a secret. Examples of confidential information (or trade secrets) include: data compilations, designs, blueprints, maps, algorithms, personnel records, ingredient lists, financial information etc. Any product or process not protected under Patent law can also be protected under trade secret legal regime.

## **Trade Secret and relevant international laws**

Article 10bis of the Paris Convention, titled ‘Unfair Competition’, states that all member nations should provide protection against unfair competition to its nationals. Clause 2 of Article 10bis further describes any activity against honest practices as an act of unfair competition.

Taking inspiration from this provided position in Paris Convention, Trade Related Aspects of Intellectual Property Rights (hereinafter referred to as TRIPS) has also included certain provisions against unfair competition. The one most relevant here would be Article 39. The clause 1 of Article 39 states that to provide protection from unfair competition, member nations should also protect undisclosed information (trade secrets/ confidential information). The clause 2 of Article 39 states that all natural and legal persons can prevent any information under their control from

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<sup>158</sup> Trade Secrets, *available at*: <https://www.wipo.int/trademarks/en/> (last visited on Sept 15, 2023).

<sup>159</sup> *Ibid.*

being disclosed to, acquired or used by another person. The provision allows placing of prevention measures to ensure that such undisclosed information is not spread without their consent through any unfair means. Such unfair means may include breach of contract, inducement to breach, breach of confidence etc. Article 39 provides that for any information to be protected by the provision –

- i. It should not be commonly known or accessible to people in the relevant circles
- ii. It should have certain monetary/commercial value
- iii. It should be reasonably guarded by the person who controls it

The clause 3 of Article 39 states that the member nations should protect “undisclosed data submitted to them for approval of pharmaceutical or agricultural chemical products from unfair commercial use”. The member nations, however, have been given exceptions from the same in case the information is necessary for the protection of public.

### **Trade Secrets and other relevant legal regimes**

- Trade Secret and Tort –

A tort is an action or omission of an action that causes injury or harm to another. It amounts to a civil wrong. Many scholars have tried to tie relations between trade secrets and tort. They argue that presence of a property may be denied, but one cannot deny the presence of confidence and good faith in matters of trade secrets. And as the essential for any tort is civil wrong, trade secret suits can be attended to under such law. However this presupposes the existence of a confidential relationship between two parties to a trade secret disclosure.

In the landmark judgment of ‘*E. I. DuPont deNemours & Co. v. Christopher*’<sup>160</sup>, the court applied tort law when all else seemingly failed. The defendant was hired to take aerial shots of the plaintiff’s methanol plant. When asked by the plaintiff to reveal the client who asked for such shots, the defendant refused to share such information. The plaintiff moved to the court stating that the plant was producing methanol through a secret process that could be revealed easily through the aerial shots taken by the defendant. The defendant argued that he had done nothing illegal at all and was only performing his job. It was a case that made the court deliberate for long as there was no civil or criminal wrong being committed on the face of it. The court stated that it was evident that the trade secret was being misappropriated. They ultimately fell back on the law of tort and stated that the trade secret had been acquired through improper means by the

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<sup>160</sup> *E. I. DuPont deNemours & Co. v. Christopher*, 471 F. 2d 1012.



undisclosed party. The court stated that “the airplane was the cloak and the camera was the dagger.”<sup>161</sup>

- Trade Secret and Contracts –

Another section of scholars has argued that trade secrets and contracts are co-existing laws, with certain scope of intersectionality between them. Their argument originates from the fact that various jurisdictions have recognized contractual measures as enough protection for trade secrets. Express agreements can be made in regards to trade secrets under contracts and therefore, can be legally enforced in a court of law at later stages if defected from. Implied agreements can also be protected under contract law.

The first problem that arises in this argument is that it presupposes that there exists a certain contractual relationship between the two parties to a dispute in question. It also eliminates the possibility that the trade secret has been received by the other party by mistake or accident.

- Trade Secret and Property –

Scholars argue that property rights can exist in trade secrets to highlight the owner’s rights in such information/secret, rather than to claim that a trade secret is a property. Thus, an aspect of property laws would be applicable on trade secrets.

### **Legal Purview of Trade Secret laws in India**

There is no official or sui generis law for trade secrets in India. However, the judiciary has applied constitutional law, contracts law and many other facets of law when dealing with cases of trade secrets. Trade secrets have been defined as “a formula, practice, process, design, instrument, pattern or compilation of information used by a business to obtain an advantage over competitors within the same industry or profession.”<sup>162</sup> The court has also stated that there is no expiry date for protection provided to a trade secret.

Section 27<sup>163</sup> of the Indian Contracts Act, 1872 states that any agreement made to stop someone from conducting a lawful profession, trade or business is void. However, the provision also discusses an extraordinary exception. If someone sells the good will of their business then the

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<sup>161</sup> *Ibid.*

<sup>162</sup> *Indian Farmers Fertilizers Co-operative Ltd. v. Commissioner of Central Excise*, (2007) 7 VST 6 CESTAT – New Delhi.

<sup>163</sup> Indian Contracts Act, 1872 (Act 9 of 1872), §.27.

buyer can restrain them from conducting similar business in the near future or distance (limitations as defined by the agreement between the seller and the buyer). This exception gives space and creates room for non-disclosure agreements and non-compete contracts to exist. Thus most of the trade secret suits discuss Section 27 of the Act.

In the judgment of '*Shri Gopal Paper Mills Ltd. v. Surendra K. Ganeshdas Malhotra*'<sup>164</sup> the court discusses an agreement between an employer and employee. The plaintiff had a unit of manufacturing paper wherein they employed fresh graduates after providing them necessary training. The agreement stated that the graduates employed thereby would work for the plaintiff for a period of 20 years. The first 3 years were that of apprenticeship after which the plaintiff could dismiss the employee based on their work so far. The agreement forbade the employees or the fresh graduates from sharing confidential information they learned through their training or course of work. It further forbade the employees from getting invested in any other paper manufacturing enterprise during their course of employment. The defendant had started taking holidays on the account of being ill and when asked to come and provide an opportunity of certification of said illness, failed to do so. The defendant however in a letter stated that he wished to end his contract of employment with the plaintiff. The plaintiff didn't allow the same. The plaintiff stated that the defendant couldn't be allowed to leave the employment and join another enterprise so suddenly. The agreement also had provisions guarantying the interests of the plaintiff. The defendant claimed that the restraint on him, made through said agreement, was void under Section 27 of the Indian Contracts Act, 1872. The court in the case stated that exceptions were allowed under Section 27 of the Act. They added that the restraint imposed should be tested on two grounds –

- i. What is the restraint against?
- ii. Whether or not the restraint is justified

The court found that there was room for uncertainty between the period of 3 year apprenticeship and the further 17 years of employment. This gap allowed for the defendant to resign easily and thus, not be a party to the agreement. The suit was thus, dismissed even though the restraint in the agreement to protect the plaintiff's trade secrets was just and fair.

Another interesting judgment was given in the case of '*Superintendence Company of India Pvt.*

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<sup>164</sup> *Shri Gopal Paper Mills Ltd. v. Surendra K. Ganeshdas Malhotra*, AIR 1962 Cal 61.

*Ltd. v. Krishan Murgai.*<sup>165</sup> The plaintiff company had confidential techniques it applied in its business. The defendant was trained and well-learned in those techniques. He was made the branch manager of the New Delhi branch of the company. Under the agreement for the same it was stated that he would not be allowed to work with a rival company or start his own business in the same trade within two years of leaving the company and in the city of New Delhi. Thus a restraint was made and the time and place for the same was also well defined by the agreement in question. The defendant however opened the same business under the name of ‘Superintendence and Surveillance Inspectorate of India’. The plaintiff filed a suit requesting damages on account of breach of contract and a permanent injunction on the defendant’s business. The court held that the agreement was valid. The question thereafter raised was whether or not it was applicable on the defendant in the given situation. The court observed that the words ‘after you leave’ were used in the agreement, thus implying that the defendant should have left voluntarily for the covenant to be applicable on him. The defendant however had been dismissed from his position. Therefore it was held that he could run his business and not cause a breach of contract on his part.

The case of ‘*Urmi Juvekar Chiang v. Global Broadcast News Limited*,’<sup>166</sup> has very fascinating facts and the judgment has also discussed intriguing ideas about trade secrets or confidential information. The plaintiff came up with an idea for a reality show in 2005. She named the show ‘Work in Progress’ and according to her, the show would have showcased real life people choosing and fighting one civic wrong across the country. She made concept notes and shared them with several production houses. The defendants started broadcasting a show called ‘Summer Showdown’ in 2007. The show ran parallel to the concept of ‘Work in Progress,’ creating a successful copy and amending certain aspects of the plaintiff’s concept notes. The court in this case compared the concept notes of ‘Work in Progress’ and the show ‘Summer Showdown’. There were numerous and significant similarities. However, the court stated that the plaintiff could not get protection for her concept notes under copyright law. Copyright law only protects the expression of an idea, not the idea itself. The noteworthy aspect of the judgment remains in the court’s discussion on whether or not the concept notes were falling under the ambit of confidential information. The court stated that the plaintiff had shared her concept notes in confidence and therefore, was allowed to seek damages. The production house should’ve taken a proper license to use the information provided to them by the plaintiff.

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<sup>165</sup> *Superintendence Company of India Pvt. Ltd. v. Krishan Murgai*, AIR 1980 SC 1717.

<sup>166</sup> *Urmi Juvekar Chiang v. Global Broadcast News Limited*, 2008 (36) PTC 377 (Bom).

In the landmark judgment of '*Zee Telefilms Ltd. & Ors. v. Sundial Communication Pvt. Ltd.*'<sup>167</sup> the court again discussed confidential information. The plaintiff wrote a show 'Kanhaiyya'. They also wrote several episodic stories and plots for the show, along with detailed character lines and arcs. The show was very well developed conceptually. It was shared with various production houses as an offer. The defendant production house was shared the information with. The defendant went ahead and created a show 'Krishna Kanahaiya' on similar plot and with similar characters. The plaintiff argued that the concept and details of their show were shared with the defendant in confidence, and that such confidence has been breached by the defendant as they are taking advantage of the information for their own financial benefits. The court stated that certain elements should exist for a breach of confidence to exist –

- i. The information in question must have been of confidential nature
- ii. The information must be used by the accused without any proper authorization

### **National Innovation Bill, 2008**

The National Innovation Bill, 2008<sup>168</sup> was introduced for the purpose of codifying laws regarding confidential information or trade secrets, amongst various other purposes. The Bill had various provisions defining the laws for trade secrets.

Section 2 (3) of the Bill defined 'confidential information' as "information, including a formula, pattern, compilation, program device, method, technique, or process" that is –

- i. a secret (the information must not be known generally or must not be readily accessible to people who deal with the subject-matter of such information)
- ii. Commercially valuable due to it being a secret
- iii. Subjected to reasonable measures of protection

The definition given by the Bill is very similar to the definition of trade secrets provided by the WIPO.

Thereafter, Chapter VI of the Bill laid down various provisions for trade secrets or confidential information. Section 8 discussed obligations of confidentiality. The first sub-section demanded that the terms and conditions regarding the confidential information should be explicitly discussed when contracting. The rights and obligations of the parties involved should also be set out clearly

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<sup>167</sup> *Zee Telefilms Ltd. & Ors. v. Sundial Communication Pvt. Ltd.*, 2003 (27) PTC 457 (Bom).

<sup>168</sup> National Innovation Bill, 2008, India, available at: <http://www.gnaipr.com/Acts/Draft%20Innovation%20Law.pdf> (last visited at Sept 15, 2023).

and explicitly. If agreed by the contracting parties, the rules and regulations given in Section 15 (d) of the Bill would have been applied. The third sub-section states that, notwithstanding anything written in the first sub-section, the rights and obligations in confidential information would exist due to surrounding circumstances.

Section 9 of the Bill discusses confidentiality obligations arising from a non-contractual relationship. The provision states that if any third party receives confidential information without the consent of the owner of such information, the third party would still be obligated to protect the confidential information from being disclosed to the public at large or anyone else.

Section 10 of the Bill stated that for the duration of the proceedings of a suit regarding misappropriation of confidential information, the court should set in place reasonable measures to protect the confidential information from further misappropriation or exploitation. Granting mandatory protection orders can also be included here.

Section 11 of the Bill stated the exceptions to what would be considered misappropriation of confidential information or trade secret. There are three exceptions provided. They are –

- i. The information in question was already available to the public at large.
- ii. The information in question was achieved through independent derivations done by the alleged misappropriation.
- iii. The information in question was disclosed in the favor of public interest.

Section 12 of the Bill stated that the a court would “grant such injunctions, including interim, ad interim or final injunctions, as may have been necessary to restrain actual, threatened or apprehended misappropriation of confidential information.” The injunction may become invalid if the information in question is falling under the ambit of Section 11. It has been further added in Section 12 that if an interim relief is granted in favor of the plaintiff and later the plaintiff loses the suit, he would be liable to compensate the defendant for any losses incurred by them due to the interim relief. The last sub-section stated that the appropriate government would provide reasonable mechanism for safe-guarding the confidential information through the injunction granted.

Section 13 discussed the mandatory damages to be paid by the defendant if proven guilty of breach of confidence. It states that if the defendant has financially used the confidential information, or is (directly or indirectly) responsible for the confidential information falling into

the hands of a third party or the public domain; then he is liable to compensate the plaintiff in one of the following ways –

- i. damages that do not exceed the limit provided by the Appropriate government
- ii. damages as agreed upon in the contract between the two parties
- iii. damages including consequential losses

Section 14 stated that no action would be taken against a person who was acting with good faith.

These were the only provisions in the Bill that were relevant to trade secrets or confidential information.

## **Conclusion**

When defining ‘trade secrets’ we stumble upon three essentials that all sources agree upon for a valid trade secret. The essentials are –

- i. it should not be commonly known or accessible to people in the relevant circles
- ii. it should have certain monetary/commercial value
- iii. it should be reasonably guarded by the person who controls it

There is no sui generis legislation for trade secrets or confidential information in India. An attempt for the same had been made via the National Innovation Bill of 2008. However, the Bill was never enacted even after gathering generous and supportive responses. Therefore, in absence of a sui generis legislation the Indian judicial courts have depended mostly on Indian Contracts Act, 1872 to ensure that confidentiality obligations are fulfilled between two contracting parties. However, it is very hard to legitimately protect trade secrets under Indian Contracts Act, 1872 as witnessed in numerous cases discussed. The contract for the same should have appropriate conditions mentioned in the clauses. Tiny gaps in such contracts can lead to parties losing suits in the courts of law regarding their important trade secrets.

The only practical solution to all these problems would be a good sui generis legislation for trade secrets. The Indian legislation should work on the details and deficiencies in the National Innovation Bill, 2008 and attempt to bring it into action across India.

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**IS SCIENTIFIC KNOWLEDGE A PUBLIC RESOURCE? A STUDY ON  
ACADMIC PIRACY WITH REFERENCE TO ELSEVIER LTD. V.  
ALEXANDRA ELBAKYAN**

Prakhar Dubey<sup>169</sup>

**Abstract**

*Rapid Globalization and integration of the world by the means of the internet and seamless communication has brought us all closer together, making all information accessible at the touch of a screen or a click of a button. However, where we have grown closer in terms of communication, we have a new barrier separating us into the rich and poor; our digital access to information. With increase in internet use, those who are enterprising have found that business in this uncharted water and once such endeavour would be publication of research and academic works. Although all the work has been undertaken mostly by authors and peer-reviewers who work on funds or for free, their work has no value unless published in journals of repute, which are owned by an oligopoly of Corporations, who choose to capitalize on this highly profitable business by charging exorbitant prices for subscription. However, as any oligopoly is challenged, there do exist Robin Hoods, in this case, Sci-Hub and Lib-gen, which aim to circumvent these pay gates and provide the same for free. This paper aims to understand the implications of the above Robin Hoods and their scope and inclusion in the provisions of Fair Use under Copyright Laws as well as understanding the object by which they function and their legitimacy holds by analysing the Delhi HC judgement which challenges the same.*

**Keywords:** Copyright, Capitalize, Business, Information etc

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## Introduction

The proprietors of numerous websites such as Sci-Hub and Lib-Gen (Library Genesis) unashamedly indulge in the illegal act of providing free access to millions of academic papers with minimal prevarication. However, it is debatable as to whether sourcing material through these websites would be deemed as piracy and would these ‘Academic Robin Hoods’ be protected under provisions of fair use under Copyright Provisions. Academic Robin Hoods are popularly known as the Guerrilla Open Access crusaders. This kind of movement is known as the Guerrilla Open Access Movement that follows the Guerrilla Open Access Manifesto, written by Aaron Swartz in 2008.

From the local context, it is important to note that contemporary India is a knowledge importer, largely due to the scarce funding available for research and academia; While India’s expenditure on Research and Development (R&D) amounts to about 0.7% of its GDP<sup>170</sup> as per latest statistics, China stands at 2.19%.<sup>171</sup>

From the above statistics, we can say that India is less indulgent in research and academia as compared to its most competitive neighbour. Placing us on the backfoot when it comes to the ability to innovate and secure technological potential, hindering economic growth<sup>172</sup>. When argued in terms of resources available, the process of paying amounts as high as US\$50 per article would be a grand expense for those involved in public funded R&D sectors, forcing them to rely on alternative sources for the same, such as Sci-Hub, which provides the same, free of cost.

With reference to Sci-Hub, it is the first global platform which makes scholarly articles available to the public free of cost, dodging copyright issues. As of December 2020, more than 85 million articles were available on Sci-Hub’s database.

Although Sci-Hub and other similar services blatantly disregard copyright provisions in countries, they have great support among academicians and students, who often are concerned with knowledge and not its cost, thus argue that knowledge is free for all who seek it and there must be no barriers.

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<sup>170</sup> Research and Development Statistics 2019-2020, *Ministry of Science and Technology (2020)*, Available at: [https://dst.gov.in/sites/default/files/Research%20and%20Deveopment%20Statistics%202019-20\\_0.pdf](https://dst.gov.in/sites/default/files/Research%20and%20Deveopment%20Statistics%202019-20_0.pdf).

<sup>171</sup> UNESCO Institute for Statistics, Research and Development Expenditure, WORLD BANK (2018), Available at: <https://data.worldbank.org/indicator/GB.XPD.RSDV.GD.ZS?locations=CN>.

<sup>172</sup> Ebru Beyza Bayarcelik & Fulya Taşel, *Research and development: source of economic growth*, 58 *PROCEDIA-SOCIAL AND BEHAVIORAL SCIENCES* 744–753 (2012).



However, the concept of Sci-Hub or free knowledge has not gone down well with large publishing houses such as Elsevier, Wiley India and the American Chemical Society, who hold a monopoly in the current market and have attempted to secure this monopoly through the case of *Elsevier Ltd and Ors. v. Alexandra Elbakyan and Ors*<sup>173</sup> in India, which questions the exact limits of fair use under the Copyright Act under Section 52(1)(i).<sup>174</sup>

### **Importance of Investment in Knowledge for Economic Growth**

Investments in Knowledge, particularly education and research are by far the single most important determinant of sustainable economic growth of a country. It is important to note that education can increase human capital and quality of a labour force, in turn increasing the productivity, leading to higher economic growth in an economy.<sup>175</sup>

Further, it is important to note that education has the ability to create a class of educated individuals and leaders who fill vacancies in the bureaucracy, corporations and other businesses, making them more able and qualified to fill those positions and provide a higher output with regard to the same.<sup>176</sup>

An important component of education that determines the impact of education would be the quality of education and the exposure available to individuals or citizens of the state in which it is being provided.<sup>177</sup>

Beyond the provisions of basic skills and education, it is important to inculcate a culture of research and academia which instils a sense of innovation and creativity in the population, which translates to economic development and growth in the long run.

However, it would be possible to attain such a knowledge-based economy when the resources that provide this knowledge are accessible and attainable by all in the country, including the most vulnerable and poor at ease; keeping the costs and access universal and not controlled in the hands

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<sup>173</sup> *Elsevier Ltd and Ors. v. Alexandra Elbakyan and Ors*, (2021) SCC OnLine Del 17.

<sup>174</sup> The Copyright Act, 1957, Act 14 of 1957, Section 52(1)(i).

<sup>175</sup> Liping Liao et al., *The impact of educational investment on sustainable economic growth in Guangdong, China: A cointegration and causality analysis*, 11 SUSTAINABILITY 766 (2019)

<sup>176</sup> *Ibid.*

<sup>177</sup> *Ibid.*

of a few who seek to control the power of knowledge.<sup>178</sup>

An important resource in this ambit would be research and academic discoveries which not only benefit current societies with their findings, but also have the potential to lay foundations to future research and discoveries as well as critical thinking and creative abilities among people, hence the ambit of this knowledge is not restricted to a few, rather concerns the public at large.\

However, in a realistic scenario, the ability to provide universal knowledge to all lies only in the hands of a few rich countries and developing countries are forced to make do with limited resources that are available to them and pay gates to research findings are nothing but an addition to such burden on individuals.

Thus, in the current scenario, we see that academia in India largely depends on alternative sources for their research and findings, turning to sources such as Sci-Hub and Libgen to attain the same.

### **Research Questions**

1. Whether the Provision of Fair Use must be exercised in the given Instance?
2. Whether there are grounds to protect scientific knowledge as a public asset?

### **The current situation of the publication market; exorbitant prices and demand**

In a study conducted by the All-India People's Science Network (AIPSN), in 2016 it was found that Indian Academicians and Researchers downloaded and consumed about 7 million research papers via Sci-Hub in that year alone<sup>179</sup>. The magnitude of research materials would cost about ₹15 Billion if not for alternatives.<sup>180</sup>

This dependence is a clear indicator that academia in India desists from opting for the conventional publishing houses and depend on Sci-Hub for their needs, as publishing houses and their exorbitant pricing petrifies academia who depend on meagre resources available to them.

The market of publishing is one which has the highest rates of profit margin in any setting. It is a US\$ 10 Billion industry with profit margin up to 40%, which is twice as much as the profit margin

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<sup>178</sup> *Ibid.*

<sup>179</sup> All India Peoples Science Network, AIPSN Statement-Stop Monopoly Publishers Efforts To Deny Public Access to Scientific Publications, AIPSN, Available at: <https://aipsn.net/wp-content/uploads/2020/12/SciHub-AIPSNStatement29Dec2020FinalP.pdf>

<sup>180</sup> *Ibid.*

rates of organizations such as Google.<sup>181</sup>

Clearly, from these rates of profit margin, it can be inferred those profits do not arise from low cost of publishing, rather it is the impact of a monopoly or oligopoly that certain large publishers hold over a market; it is only certain publishers such as Elsevier, ScienceDirect, HeinOnline among others who publish these articles.

Moreover, the monopoly is not restricted to procuring these papers, but also includes submission of papers and research. Alexandra Elbakyan in an interview with The Wire stated that “an academicians’ relevance is their publication number in ‘high impact’ journals, which mostly belong to the monopoly; it is the researcher who does all the work, yet they cannot simply publish the same in an individual blog of their own as it would hold no value. In the case of peer reviews, both the reviewers and authors work for free, yet it is the monopoly which profits.”<sup>182</sup>

With respect to the same, numerous universities have voiced their concern as it is these institutes that pay subscriptions to the journals for research and reference. Harvard in 2012 stated that subscription prices nearing US\$40,000 was unaffordable and raised concerns on the same.<sup>183</sup> The same was cited by the University of California, who went a step ahead to sever ties with Elsevier.<sup>184</sup>

The excessive pricing of publishing houses is not *prima facie* justified considering that a majority of research globally is funded by taxpayers’ money, done by researchers and reviewed by the community, all for free.

Therefore, the publishing houses have little to contribute, yet make notable profits while not remunerating original authors for their work.

This particular development shows us that the infringement of these scientific papers or knowledge does not directly affect the remuneration of the author’s work, however does have a significant impact on the rights of the publishing corporation, who have bought the same from the

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<sup>181</sup> *Ibid.*

<sup>182</sup> An Interview With Sci-Hub’s Alexandra Elbakyan on the Delhi HC Case, THE WIRE SCIENCE, <https://science.thewire.in/the-sciences/interview-alexandra-elbakyan-sci-hub-elsevier-academic-publishing-open-access/> (last visited Jun 29, 2021).

<sup>183</sup> Harvard: journal subscription fees are prohibitive, THE CONVERSATION (Apr 24, 2012), <https://theconversation.com/harvard-journal-subscription-fees-are-prohibitive-6659>.

<sup>184</sup> UC AND ELSEVIER OFFICE OF SCHOLARLY COMMUNICATION, <https://osc.universityofcalifornia.edu/uc-publisher-relationships/uc-and-elsevier/> (last visited Jun 29, 2021).

author, albeit unequal.

### **The implication of the case of Elsevier Ltd. versus Alexandra Elbakyan in the indian Context**

Corporations such as Elsevier and Science Direct, without doubt, consider websites such as Sci-Hub an inherent threat to their business and the cause of lack of revenue and hence have resorted to bringing an end to their worries by filing lawsuits for copyright violations in numerous countries such as the USA, Russia, Sweden and Belgium among others. Of these lawsuits, numerous judgements have led to Sci-Hub's ban in their respective jurisdictions. Observing the same, Indian Academia feared a similar ban in India, which would be a misfortune.

Thus, considering the above, the Delhi HC in the Matter of *Elsevier Ltd. V Alexandra Elbakyan* considered the case to be of public interest and allowed applications for objections and interventions to be submitted by students, researchers and other academia.

Of these intervention applications, the intervention by the Delhi Science Forum's Society for Knowledge Commons was most notable, which stated that under Indian Law, Scientific Knowledge is a public resource and cannot be commercialized.<sup>185</sup>

However, on the other hand, the petitioners in the case i.e., Elsevier Ltd. and Wiley India Pvt. Ltd among others have argued that the defendants (Alexandra Elbakyan), by providing such protected material without prior permissions were in violation of Section 51<sup>186</sup> of the Copyright Act.

The petitioners also cited the case of *UTV Software Communication Ltd. v. 1337X.To*<sup>187</sup> where the petitioners requested a dynamic injunction before the court and prayed that the court declare these sites as rouge websites. It was imperative that there was a dynamic injunction to ensure that the order also quashed mirror websites that would circumvent the orders of the court.

In addition to the above, it is important to take note of the rulings of the case of the *Chancellor, Masters & Scholars of the University of Oxford & Ors. v. Rameshwari Photocopy Services &*

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<sup>185</sup> Divya Trivedi, *Cases against Sci-Hub and Libgen imply long-term consequences to research and education in India*, FRONTLINE (Feb. 12 2021) <https://frontline.thehindu.com/the-nation/locking-up-research-cases-against-sci-hub-and-libgen-imply-long-term-consequences-to-research-and-education-in-india/article33641506.ece>; *Supra* note 5.

<sup>186</sup> *Supra* note 5 at §51.

<sup>187</sup> *UTV Software Communication Ltd. v. 1337X.TO*, (2017) CS (COMM) 724/2017.

*Ors*<sup>188</sup>, or more popularly known as the DU Photocopying case, where when international publishers took legal action on a photocopy shop on the campus of University of Delhi (DU), claiming the photocopying and selling of protected materials without a licence or prior permissions amounted to copyright infringement. The Delhi HC dismissed the plea of the publishers stating that the defendants i.e., the photocopying shop fell under the ambit and restrictions of Section 52(1)(i) of the Copyright Act, 1957.

Thus, the question of the legality or illegality of websites such as Sci-Hub lie not on whether the acts constitute an infringement under Section 51 of the Copyright Act, rather the same would depend on whether the nature of the acts by Sci-Hub and other such websites qualify under the exceptions to infringement mentioned in Section 52 of the Copyright Act.

### **One nation, One subscription (ONOS)**

In the recent time a new initiative was proposed by the Government of India One Nation, One Subscription (ONOS) to provide the nationwide access to the scientific and academic content both nationally and internationally. The idea behind the ONOS is to establish the national licence with prominent STEM publishers and database producers worldwide, enabling easy access to high-quality academic information. The moto is to stimulate the scientific research and innovation by benefiting the research and educational institute like university and colleges through library.

At present there are over 10 government-funded consortia and all Institutions of Higher Education in India that spend around ₹1,500 crore annually on subscriptions to electronic resources that include e-journals, e-books, and online databases. The enrollment in higher education has drastically increased from 3.97 lakhs in 1950–51 to 203.27 lakhs in 2011–2012, and reaching 374 lakhs in 2019–2020, with over 14.16 lakh teachers.<sup>189</sup>

The access concerning electronic resource is more crucial than the physical possession in case the access is perpetual. This initiative aims to provide the access to large number of people at the reasonable cost with better license terms. This has shown a strong interrelation between the availability of resources and scientific productivity, measured by the number of research articles produced by researchers within an organization. India has seen a decline in number of research

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<sup>188</sup> *Chancellor, Masters & Scholars of the University of Oxford & Ors. v. Rameshwari Photocopy Services & Ors.*, (2016) RFA(OS) 81/2016.

<sup>189</sup> Chakraborty, S., et al. (2020). Suggestions for a National Framework for Publication of and Access to Literature in Science and Technology in India. *Current Science*, 118(7), 10 April, 1026–34.

journals subscribe by educational and research institutions during the 1980s and 1990s because of increase journal cost, devaluation of rupees, etc.<sup>190</sup> The research productivity has substantially decreased by more than 2% where on comparing it with the other countries have improved their research productivity by more than 2% in the last 2 decade.

Indian government has established more than 10 library consortia with the funding which they get various ministries to address the limited access to electronic resource in the educational institution. Some of the major consortia are - e-Shodh Sindhu, National Knowledge Resource Consortium, DAE Consortium, MCIT Consortium, Consortium for e-resources in Agriculture, e-resources in Medicine, DBT's e-resources Consortium, DRDO Consortium, and DERCON.<sup>191</sup>

In a survey which was conducted by 10 government-funded library consortia have revealed that 8 out of 10 consortia subscribed to 92 unique electronic resources, with varying degrees of commonality. The estimated cost for this subscription was ₹350 crore. The survey excluded e-journal archives, e-books, and other non-subscription-based e-resources from the common list. Apart from this, a national survey conducted by the INFLIBNET Centre in 2015 for e-Shodh Sindhu found that over 100 e-resources were required by 604 registered institutions of higher education.

The aim of ONOS is to reverse the trend by providing the affordable access to the wide range of electronic resource and generating the productivity in India. Government funded consortia in India are operated by the beneficiary institutions and works in department of monitoring. Most government aided library in India works on project basis with temporary staff except for UGC-INFONET Digital Library Consortium, NLIST (merged with e-Shodh Sindhu), and National Knowledge Resource Consortium (NKRC). These consortia are executed by dedicated organizations like the INFLIBNET Centre and NISCAIR.<sup>192</sup>

The services provided by government-funded consortia include negotiations on behalf of member institutions, subscription processing for e-resources, website maintenance, training programs,

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<sup>190</sup> Information and Library Network (INFLIBNET) Centre (2013). Report of the Expert Committee Constituted by the MHRD to Survey the Current Scenario of Library Consortia in India, to Explore the Possibilities of Joint Negotiations and Collaborative Services and to Recommend Future Course of Action. Gandhinagar: INFLIBNET.

<sup>191</sup> Mujoo Munshi, U. (2008). Guest Editorial: Open Access. DESIDOC Journal of Library & Information Technology, 28(1), 3-6. <https://doi.org/10.14429/djlit.28.1.172>

<sup>192</sup> Arora, J. Trivedi, K. J. and Kembhavi, A. (2013). Impact of Access to e-resources through the UGC-INFONET Digital Library Consortium on Research Output of Member Universities. Current Science, 104 (3): 307–15. ISSN:0011-3891.

troubleshooting, etc. UGC-INFONET Digital Library Consortium and NKRC also provide additional services like journal holdings, union databases, open access institutional repositories, open access journals, etc. As a result of which the consortia have developed the infrastructure for local archiving e-resources they own, including e-books and backfiles. They rely on publishers' hosting facilities for archival access.

The merger of UGC-INFONET Digital Library Consortium, INDEST-AICTE Consortium, and NLIST into e-Shodh Sindhu was proposed to eliminate resource duplication and improve efficiency. The purpose is to provide access to e-resource and enhance research and academic culture. Web of Science, with its citation indices, is used as a filtering mechanism to measure qualitative research output based on citations. The research output of member institutions in the INDEST-AICTE Consortium and UGC-INFONET Digital Library Consortium increased significantly after 5 years of access to e-resources, indicating a positive impact on research enhancement.<sup>193</sup>

### **The Guerilla open access**

2016 is the year where the discussion surrounding the piracy became more heated in the light of the domain of scholarly communications. The public display of Sci-Hub, a copyright infringing site that provides free access to pay walled journal databases, libraries are such places where scholarly work is easily accessible for all.

Sci-Hub is a copyright infringing service provider which works to provide the unauthorized backdoor access to scholarly journal database. This platform bypasses paywalls. It works for the people who generally don't have access to these paid journals. This issue came into attention when a Kazakh scientist, Alexandra Elbakyan, and the owner of Sci-Hub, opposed a lawsuit filed against the site by Elsevier in a New York court (Elsevier Inc. et al v. Sci-Hub et al Case No. 1:15-cv-04282-RWS). The issue in case was regarding the copyright infringement action associated with Sci-Hub's and the capacity to afford the academic resources. The action of Sci-Hub's actions degrades the financial sustainability of the publishing industry.<sup>194</sup>

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<sup>193</sup> Information and Library Network (INFLIBNET) Centre (2019). Annual Report of the Information and Library Network Centre, 1 April 2017 to 31 March 2018. Gandhinagar: INFLIBNET

<sup>194</sup> Bodó, Balázs, Pirates in the Library – An Inquiry into the Guerilla Open Access Movement (July 6, 2016). Paper prepared for the 8th Annual Workshop of the International Society for the History and Theory of Intellectual Property, CREATE, University of Glasgow, UK, July 6-8, 2016., Available at SSRN: <https://ssrn.com/abstract=2816925> or <http://dx.doi.org/10.2139/ssrn.2816925>

The owner of Sci-Hub Elbakyan, had launched public campaign against Elsevier and the practices in the scholarly publishing industry. Some of the contention raised by her that scientific knowledge should be made freely available that can resolve the aspect of selling subscription to the database. This approach is unethical and on the other hand determinantal to the progress of the society.<sup>195</sup> Though she has acknowledged that her action is illegal but are totally justified as she is against the actions of corporate entity. What is more striking is her action to publicly defend her action against the copyright infringing actions and bring this aspect into larger public attention.

### **Open archives, Open access, and the loyal opposition to the status quo**

Looking at the 1994, Steven Harnad had given the idea to set up FTP servers to store and share scholarly articles which was their pre-print version. This transformed into a big initiative in 2002 known as the Budapest Open Access Initiative (BOAI) the idea was to create standards, tools, and support for self-archiving efforts by academic institutions. This initiative has played a great role in creating Open Access journals. These journals are some other traditional journals like peer review, editing, and typesetting, however the readers are not charged for the access. They focus on processing fees from authors or the institutional funding to cover their cost expanse.

Library and all other professional organisation are actively involved in the open archiving movement. They are concern over institute repositories and they ventured into publishing through initiatives like SPARC (Scholarly Publishing and Academic Resources Coalition), and they aim to create low-cost alternative to all the commercial journals. Library are generally looking at the rising subscription cost of journals by addressing the financial sustainability of their subscriptions. They pursued solutions which stand for Open Access principles and encouraging faculty to publish in OA journals. Apart from this library forms a part of consortia and professional associations which is helpful in strengthening negotiating positions with publishers and improve licensing terms.<sup>196</sup>

### **Informal text sharing practices in the scholarly community**

The issue pertaining to scholarly articles and material is a common aspect in research and education community. Piracy as we discussed is common in scholarly articles. The case with the western scholars is bit different as they have access to well established infrastructure however with them also issue concerning occasional inaccessibility also comes up. They also do opt for

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<sup>195</sup> Bonik, A., & Schale, M. (2015). E-Book Piracy: Interview with Alexandra Elbakyan from SciHub. Tarnkappe.inf

<sup>196</sup> Elbakyan, A. (n.d.). Engineering - the weblog of Alexandra Elbakyan. Retrieved from engineering.wordpress.com



different option. To get an article which is not available in the library there can be different option.

One of the ways can be to directly reach out to the author and making them the directly reach out to the author and asking them copy of the article. It is now on the author to share their work especially in the form of preprint or post-print. The other viable option can be to inquire within your network such as colleagues and friends who may have got access to the articles. There may be option like Twitter, Newspaper which acts as useful tool for crowd sourcing article access or seeking recommendations from alternative sources. When it comes to imparting reading for students the option can be producing a printed reader which can be suitable for those who prefer physical copies. In regards to distribution PDF's copies online can be of great option in terms of physical reading as it is easy for sharing. Setting up of FTP server, password-protected website, or a learning management system can be option to share the PDF by maintain security. Leaving a pen drive in the class room may not be controlled method as it results in unintended distribution or loss of materials.

The aspect related to compilation of the reader one gets the choice to scan the copy from the original article. There may be the case scanning the physical copies is process which takes a lot of the time and thus to get the digital version is easy way out. This is also helpful for future use. Sharing of the files with the colleagues can promote the collaboration and provide access to scholarly articles resources thereby respecting the copyright restrictions and ensure that everyone involved in this process is knowing about the legal and ethical implication. The idea of a closed departmental e-text repository for storing illegally scanned documents is not advisable. Engaging in piracy or unauthorized distribution of copyrighted materials can have legal consequences. Instead, it is recommended to explore legal alternatives for sharing and accessing scholarly articles, such as open access repositories or institutional subscriptions.<sup>197</sup>

The Guerilla Open Access Manifesto is action towards sharing of the information globally. The criticism is done for the present state of affairs where the few private corporation have restricted the access to the worldwide scientific and cultural heritage, which has become digitized. This action is unfair and un acceptable to limit the access to the knowledge based on factor such as financial resource or geographical location. This movement appeals to those who come from privileged background and have access to these resources, such as students, librarians, and

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<sup>197</sup> Elsevier Inc. et al v. Sci-Hub et al Case No. 1:15-cv-04282-RWS (2015)

scientists, it reminds that it is their moral duty to impart the knowledge with the world. It acknowledges the efforts of the individuals who are already engaged in sharing by way of trading passwords and fulfilling download requests, but this highlights that these actions by secrecy and labelled as stealing or piracy.

At the same time manifesto was published there was growing movement if shadow such as Library.nu/gigapedia, where a lot of scholarly works can be found. The one including in Russia aimed at consolidating and distributing the piratical texts, and challenging the existing barriers to knowledge access. The situation describes the state of affairs in scholarly communication. The shadow library provides the unrestricted access to copyrighted content regardless of wealth or privilege, will play a significant role till the time inequalities persist.

The extent of the transformative role played by shadow libraries depends on three factors:

1. The alliance between different actors in the centre.
2. The periphery, the technical immunity of these services,
3. The legal immunity of open access advocates who support them.

The Open Access Guerilla Cookbook, that was published in the year 2013, outlines the various skills and resources required for the existence of shadow libraries, and much of which revolve around copyright piracy though copyright infringement is generally considered illegitimate, particularly in the United States, whereas legal and institutional norms discourage such actions. In order to receive the support, the need for open access advocates may need to shift the focus away from copyright infringement and towards other issues, such as the commercial control over scholarly knowledge.

### **Analysis of legal provisions in India**

When we see Copyright Provisions in India, it is largely administered and protected by the Copyrights Act, 1957, under which Section 51 exhaustively defines what can be termed as copyright infringement and Section 52 provides an equally exhaustive list of what is exempt from the provisions of the Act.

Keeping this in mind along with the DU Photocopying case, it is important to note that a significant part of the resources procured from websites such as Sci-Hub are used by academicians for their research or educational purposes and hence it is only natural for any

individual to draw a parallel between the provisions of the DU Photocopying case to that of Sci-Hub.

However, Sci-Hub in the objects mentioned on its website clearly self-admittedly states that it provides research material for anyone who wishes to access the same and hence the exemption of educational purposes cannot be claimed here.

Further, the provisions of Section 32A<sup>198</sup> of the also provide substantially in the case. Section 32A is a result of the development of IPR in developing countries and numerous negotiations in Stockholm and Paris.

Under this section, a third party can seek permissions of the copyright board to reproduce copyrighted material for ‘systematic instructional activities’ if such material is not available in the Indian domain or the prices of the same are exorbitant.

These particular provisions make it clear that there is scope to accommodate tools such as Sci-Hub keeping in mind the cost of academic research otherwise.

It would be unfair to impose a cost of ₹1500 crores on an already underfunded academic infrastructure as it would only decrease productivity due to the commercialization of public knowledge, which can, if utilized for research, bring about betterment to society in general.

## **Conclusion**

It can be established that the odds are stacked against these Academic Robin Hoods and there is a reasonable chance that the Delhi HC may issue a dynamic injunction against Sci-Hub. This would not only bring an end to the source of academia to many, but would also set a precedent and disincentivize other websites that indulge in privacy, including those on the film and infographic fronts as well.<sup>199</sup>

Further, it is argued that the onus to make more quality academic research accessible to the public should not be on piracy-based websites, rather must lie on the government in a country like India, where most research is publicly funded.

It is further stated that piracy in any form must be desisted from and relying on the same would reduce the credibility of the same, hence the author is against the mode of which Sci-Hub

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<sup>198</sup>The Copyright Act, 1957, Act 14 of 1957, Section 32A.

<sup>199</sup> SCI-HUB Case: Legally Removing the Barriers in the Way of Science. NLUJ LAW REVIEW, <http://www.nlujlawreview.in/sci-hub-case-legally-removing-the-barriers-in-the-way-of-science/> (last visited Jun 30, 2021)

operates, however is not in opposition of the purpose and object i.e., ‘Knowledge for All’.

To replace dependency on sources such as Sci-Hub, the government or concerned legitimate organizations would need to formulate policy and infrastructure to accommodate the same.

One such example would be ‘cOAlition S’ launched by the European Research Council and the European Commission, which aims to make open access to all research a possibility by focusing on a ‘Plan S,’<sup>200</sup> which makes the requirement of ensuring that research publications as a result of grants are allocated by the Coalition is in no way monetized mandatory.

The ‘Project Deal’ focused on by the German Reactors’ Conference has been given the task to negotiate open access deals with large commercial publishers such as Springer Nature. Observing the same, numerous countries such as Finland and Netherlands have followed suit.

In the Indian Context, the government has already expressed its ambition through the ‘One nation, One Subscription’ policy, by which it proposes to purchase subscriptions to numerous scientific journals in bulk and provide free access to everyone in India.

Although this is mooted as a permanent solution to the high prices to the exorbitant prices that the normal citizen would otherwise have to shell out, it is to be noted that the burden would still remain on the citizen as it would increase the tax burden on the tax paying population by ₹1500 crores, which is a large amount for a country as large as India.

The author is in strong belief that a system where researchers are remunerated for their research be implemented so as to check the excessive and unjustifiable profits of the publishing houses. Further, key research work as may be identified must be reclassified as open access so as to provide the entire world free access to knowledge that would otherwise be very expensive to avail. Thus, in conclusion, the author argues that the matter in question is a balancing act between legitimacy of copyright claims, the access to knowledge and the affordability thereof. The current Delhi HC case will stand as a testament and would tip the scale towards determining whether India depends on free knowledge without conditions or whether there are strings attached.

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<sup>200</sup> About; what is cOAlition S, PLAN S, <https://www.coalition-s.org/about/.s>



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**THE BALANCE OF COMPETITION AND INTELLECTUAL PROPERTY  
RIGHTS: AN INSIGHT INTO A COMPLEX LANDSCAPE**

Isha Bharti<sup>201</sup>

**Abstract**

*The investigation delves into the intricate relationship between antitrust law and intellectual property rights. It is interesting to explore the incompatibility between these two legal systems, as they appear to have opposing policy goals. Have you ever wondered how intellectual property rights (IPRs) and competition law impact innovation and fair competition? IPRs provide exclusive rights to holders in order to encourage creativity and innovation, while competition law strives to promote fair competition and penalise any anti-competitive behavior.*

*This research delves into the intricacies of overlapping frameworks and the resulting conflicts and complementarities. It specifically focuses on patent pools, standardisation, licensing practices, and the misuse of dominant firms. The aim of this research is to explore the intricate landscape of balancing competition and intellectual property rights (IPRs) by examining policies, legal practices, and businesses' comprehension. This will be achieved by analysing relevant case law and scholarly literature.*

**Keywords:** Antitrust Law, Intellectual Property Rights, Competition Law, Patent Pools, Standardisation

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## Introduction

The interplay between competition law and intellectual property rights (IPRs) has grown more complex and nuanced in the contemporary globalised and technology-oriented economy.<sup>202</sup> Competition law and intellectual property rights (IPRs) play crucial roles in fostering innovation, economic development, and consumer well-being, albeit via distinct legal frameworks and goals. The intersection of these two legal domains presents a multitude of complexities and prospects, requiring a thorough analysis of their interaction.<sup>203</sup>

The primary objective of competition law is to maintain equitable and unaltered competition in the market by proscribing anti-competitive conduct and fostering market efficacy. Conversely, intellectual property rights (IPRs) bestow upon creators and innovators the sole entitlement to their inventions, artistic works, trademarks, and other intangible assets, thereby motivating investment in research and development. The legal frameworks in question exhibit a tension that stems from the possibility of conflicting goals, namely the promotion of innovation and the preservation of competitive markets.<sup>204</sup>

Upon initial examination, it may seem that competition law and intellectual property rights (IPRs) function independently of one another. The intersection of markets and technology has become more prominent due to the growing reliance on technology and emphasis on innovation. The amalgamation of these factors poses a dualistic scenario that necessitates meticulous scrutiny and assessment.<sup>205</sup>

One of the key obstacles arises from the possible exploitation of intellectual property rights (IPRs) as a means to impede competition. Entities possessing dominant intellectual property rights (IPRs) have the ability to utilise their exclusive privileges to restrict entry to crucial technologies or commodities, which can hinder competition and impede the progress of innovation. The matter assumes significant importance, especially in the context of standard-essential patents (SEPs), wherein the pledge of the possessor to grant licences on fair, reasonable, and non-discriminatory

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<sup>202</sup> Dinwoodie, Graeme B., and Rochelle C. Dreyfuss. "A New Approach to Patent-Antitrust Intersection: The Competitive Standard for Licensing of SEPs." *Harvard Journal of Law and Technology* 31, no. 1 (2017): 1-79.

<sup>203</sup> Reto M. Hilty, Josef Drexler, (2017). Intellectual Property and Competition Law: New Frontiers, New Challenges. *IIC-International Review of Intellectual Property and Competition Law*, 48(8), 887-898.

<sup>204</sup> Moser, Petra. 2013. "Patents and Innovation: Evidence from Economic History." *Journal of Economic Perspectives*, 27 (1): 23-44.

<sup>205</sup> Correa, C. (2007). Intellectual Property and Competition Law: Exploration of Some Issues of Relevance to Developing Countries, ICTSD IPRs and Sustainable Development Programme Issue Paper No. 21, *International Centre for Trade and Sustainable Development*, Geneva, Switzerland.

(FRAND) conditions assumes a decisive role.<sup>206</sup>

One of the difficulties encountered is the need to reconcile the conflicting policy goals of intellectual property rights and competition law. Competition law aims to deter anticompetitive conduct, whereas Intellectual Property Rights (IPRs) serve as a motivator for innovation by conferring exclusive entitlements to creators and innovators. Achieving a suitable equilibrium between these aims is crucial to guarantee that Intellectual Property Rights (IPRs) do not excessively impede competition or lead to monopolistic behaviours that negatively impact consumers' welfare.

Notwithstanding the aforementioned challenges, the intersection of competition law and intellectual property rights (IPRs) affords prospects for collaboration and mutually beneficial outcomes. Through the reconciliation of these two distinct legal domains, it becomes feasible to effectively leverage the advantages of innovation while concurrently preserving fair competition. The interplay between competition authorities and intellectual property offices can be effectively addressed through collaborative efforts, resulting in the establishment of comprehensive and uniform guidelines, frameworks, and policies that tackle the intricacies involved.<sup>207</sup>

Moreover, the interaction between competition law and intellectual property rights requires a re-examination of the conventional legal doctrines and principles in both domains. The adaptation of concepts such as market definition, dominance, abuse of dominant position, and anticompetitive agreements is necessary to accommodate the distinctive features of intellectual property rights (IPRs) and the intricacies of markets driven by technology.<sup>208</sup>

### **Concept of Intellectual Property Policy and Rights (IPRs)**

IPRs are defined as the combination of the public's approval of an idea, invention, or creative expression with the legal protections afforded to private property. Owners of intellectual property rights (IPRs) enjoy the same exclusive use and access rights to protected subject matter as owners of physical property, as well as the ability to license others to commercially exploit their innovations if

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<sup>206</sup> Lianos, Ioannis, *Competition Law and Intellectual Property (IP) Rights: Analysis, Cases and Materials* (October 30, 2016). *Chapter 13 in Ioannis Lianos & Valentine Korah with Paolo Siciliani, Competition Law* (Hart Pub. 2017 Forthcoming),

<sup>207</sup> Pham, Alice (2008), 'Competition Law and Intellectual Property Rights: Controlling Abuse or Abusing Control?', CUTS International, Jaipur, India

<sup>208</sup> Pamela Samuelson, "Intellectual Property And The Digital Economy: Why The Anti-Circumvention Regulations Need To Be Revised"

they lack the resources to do so themselves.

The legal frameworks of contemporary society rely heavily upon the implementation of intellectual property (IP) laws, which serve as a fundamental safeguard for intangible assets originating from both individuals and entities. The primary objective of these laws is to provide impetus to the advancement of innovation, creativity, and economic prosperity by conferring exclusive rights and legal safeguards on intellectual creations. The primary objective of this scholarly article is to offer a comprehensive analysis of the legal framework surrounding intellectual property, delving into its breadth, the categories of intellectual property that are safeguarded, and its role in promoting progress and social advancement.

### ***Copyright law***

Copyright law serves to safeguard the intellectual property rights of creators of original works in the domains of literature, art, music, and other creative fields. The legal doctrine of copyright confers upon authors and creators the privilege of possessing exclusive rights over their intellectual property, encompassing the prerogative to replicate, circulate, showcase, execute, and engender derivative works. The legal safeguard of copyright protection is an inherent attribute of creative works, triggered upon their inception and persisting for a designated duration, thereby empowering creators to regulate the utilization and monetization of their intellectual property.

### ***Patent law***

The field of patent law is designed to safeguard novel and non-obvious inventions, granting inventors the privilege of exclusive ownership over their creations for a finite duration. The provision of exclusive rights to inventors to restrict the unauthorized making, usage, sale, or import of their inventions is a significant driver of innovation in the realm of patents. The patent application undergoes a meticulous evaluation process to ascertain its novelty, non-obviousness, and industrial applicability.

### ***Trademark law***

Trademark law serves as a safeguard for unique and recognizable indicators, such as verbal expressions, graphic representations, emblematic figures, or ornamental patterns that serve to differentiate and demarcate the merchandise or amenities of a particular establishment from those of another. The concept of trademarks is rooted in the fundamental principle of enabling consumers to identify and establish a connection between products or services and their respective sources or



origins. The proprietors of trademarks enjoy the sole entitlement to employ their marks and possess the authority to impede others from utilizing analogous marks in a manner that may potentially result in perplexity among consumers.

### ***Trade secret law***

Trade secret law serves to safeguard sensitive and proprietary business data, encompassing a wide range of confidential information, including but not limited to formulas, manufacturing processes, customer lists, and business strategies. The primary objective of this legal regime is to maintain a competitive edge by preventing unauthorized access to and disclosure of such information. In contrast to patents or copyrights, trade secrets are maintained in confidentiality and are not publicly revealed. The safeguarding of trade secrets is contingent upon the implementation of appropriate measures aimed at preserving the confidentiality of the information, including but not limited to the use of non-disclosure agreements and the imposition of access restrictions.

### ***Industrial design***

Industrial design pertains to the protection of a product's visual features or aesthetic attributes. The legal concept of design protection pertains to safeguarding the distinct configurations, contours, motifs, or embellishments that confer aesthetic allure and economic significance upon merchandise. The legal framework of industrial design rights serves as a safeguard against unauthorised usage or replication of a safeguarded design, thereby fostering ingenuity in the realm of product aesthetics.

### ***Geographical Indication (GI)***

Geographical Indication (GI) safeguards indications of origin that serve to distinguish goods as originating from a particular geographical area, thereby possessing distinct qualities or attributes attributable to their place of origin. The implementation of geographical indication (GI) protection serves as a means to instill confidence in consumers regarding the genuineness and caliber of merchandise linked to a specific geographical region. This, in turn, facilitates the growth of local economies while safeguarding conventional expertise.

Intellectual property is a crucial safeguard for a diverse range of intangible assets, encompassing creative expressions, innovations, brand identities, confidential information, industrial designs, and geographical indications. The laws that provide exclusive rights and legal protection serve as catalysts for innovation, creativity, and investment, thereby fostering economic growth and societal advancement. Comprehending the extent and importance of intellectual property legislation is

paramount for individuals who engage in creative and innovative pursuits, commercial entities, and decision-makers to effectively navigate the intricate terrain of intellectual property and cultivate an equitable framework that incentivizes and acknowledges ingenuity while also taking into account the welfare of the public.

### **Concept of competition policy**

Essentially, competition policy refers to any action taken by the government that has an effect on the way businesses operate or the composition of a given industry.

Efficiency and maximum welfare are the goals of competition policy. To promote competition in local and national markets, competition policy entails a liberalised trade policy, openness to foreign investments, and economic deregulation. To prevent anti-competitive business practises and unnecessary government interventions, competition policy entails measures such as legislation, judicial decisions, and regulations. Competition/antitrust law describes this factor.

### **Concept of Competition law in India**

The legal system for competition law in India is predominantly anchored by the Competition Act of 2002, along with its subsequent modifications. The primary aim of the aforementioned Act is to foster and maintain equitable competition within the Indian market, prevent any instances of anti-competitive conduct, and safeguard the welfare of consumers. The Act designates the Competition Commission of India (CCI) as the regulatory entity tasked with the enforcement of its provisions.

The Competition Act is comprehensive legislation that encompasses diverse facets pertaining to competition, such as anti-competitive agreements, abuse of dominant position, and regulation of combinations, which include mergers, acquisitions, and amalgamations. It is noteworthy that the Act has a wide-ranging scope, encompassing all sectors of the economy, be they public or private enterprises. Furthermore, it extends to both domestic and international transactions that have the potential to significantly impede competition within the Indian market.

The core principle of the law in question is the interdiction of agreements that are deemed to be anti-competitive in nature. The aforementioned pertains to accords forged between commercial entities that possess the purpose or consequence of impeding competition, such as the establishment of fixed prices, manipulation of bids, allocation of markets, or constraining production or distribution.

According to the Act, agreements of such nature are deemed null and void, and may potentially incur

penalties.

The Act additionally encompasses provisions that pertain to the prevention of enterprises from exploiting their dominant position in the market. The Competition Act serves to curtail the potential for enterprises to engage in anti-competitive behavior by leveraging their dominant market position to the detriment of competitors, customers, or suppliers. This includes the imposition of inequitable or prejudicial terms or conditions. The Competition Act serves to establish an equitable and impartial environment for all entities involved in the market.

Moreover, the Act governs mergers and acquisitions that possess the potential to have a significant detrimental impact on market competition. It is mandated that corporations seeking to engage in mergers, acquisitions, or amalgamations that exceed specific financial thresholds adhere to the regulatory protocol of notifying the CCI and procuring its authorization prior to executing such transactions. The objective of this particular provision is to curtail the formation of entities that possess an undue amount of market power and foster a climate of robust competition.

The CCI is vested with the authority to scrutinize and delve into purported instances of anti-competitive conduct, entertain grievances from aggrieved entities, and implement suitable measures for ensuring compliance. The CCI, vested with the power to enforce competition law, possesses the ability to levy sanctions, proffer directives to cease and desist, and, in extreme cases, mandate the reorganization of a commercial entity in order to reinstate a competitive market.

In recent times, the Competition Commission of India (CCI) has been proactively engaged in promoting fair competition and tackling instances of anti-competitive behavior across diverse domains of the Indian market, such as e-commerce, pharmaceuticals, telecommunications, and more. The preservation of a competitive market landscape and safeguarding the welfare of consumers have been dependent on its pivotal contribution.

The Competition Act of 2002 defines the goals of Indian antitrust law, which are to encourage healthy competition, restrict anticompetitive behavior, and protect consumers. The Act regulates combinations and prohibits anti-competitive agreements and the exploitation of a dominant market position. The Competition Commission of India is responsible for upholding the Act and fostering a level playing field in India's marketplace.

### **Interplay Between Competition Law and Intellectual Property Rights (IPR)**

It is apparent that the objectives of intellectual property rights (IPR) and competition law may seem to be in conflict with one another. The issue suggests that the entities in question possess incompatible characteristics, leading to an inevitable state of discord and resistance. While there exists a potential intersection between intellectual property rights (IPR) and competition law with regard to the concept of friction, it is important to note that these two legal frameworks can also operate in a complementary manner. Despite the possibility of conflict, there is potential for synergy between these two areas of law. It is noteworthy that the objectives of the concerned party are congruent with their overarching aim, which is to enhance the well-being of the populace by expediting market innovation.<sup>209</sup>

The achievement of this objective is facilitated through diverse methods. Intellectual property rights (IPRs) provide innovators and producers with exclusive rights to receive fair compensation for their research and development expenditures. Conversely, competition law safeguards the interests of the entire community by restricting private rights, including those conferred by IPRs, to guarantee that the market remains free from anti-competitive practices. This approach fosters greater innovation and superior products for consumers. The intersection of intellectual property rights (IPRs) and competition law is a crucial aspect that contributes to the enhancement of consumer welfare through the promotion of innovation.<sup>210</sup>

The objective of facilitating innovation requires a delicate equilibrium in competition law to safeguard against the misuse and overuse of intellectual property rights while simultaneously fostering an environment that encourages a thriving marketplace for inventive and imaginative endeavors.

The discourse on the link between intellectual property rights (IPR) and competition law is comprised of several distinct sections.

It is noteworthy that Section 3(5) of the Indian Competition Act, 2002, provides an exemption for the reasonable use of inventions, thereby limiting the scope of competition law. This suggests that the Act's protection is reliant on the validity of the restrictions put in place by the owner of the intellectual property rights (IPR). It is pertinent to note that any condition deemed unreasonable can be subject to scrutiny under competition law.

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<sup>209</sup> Keith N. Hylton, Antitrust and Intellectual Property: A Brief Introduction, in *The Cambridge Handbook of Antitrust, Intellectual Property, and High Tech* 81 (Roger D. Blair and D. Daniel Sokol eds., 2016),

<sup>210</sup> Igor Nikolic and Damien Geradin, *The Interface Between Intellectual Property and Competition Law: Recent Developments and Future Challenges*, *European Competition Journal*, 2019,

The Indian Competition Act, 2002, in Section 4, pertains to the subject of abuse of a dominant position. It is noteworthy that the provision solely prohibits the act of abuse and does not extend to the mere existence of a dominant position. It is noteworthy to observe that Section does not provide any exemption for intellectual property rights (IPRs). This is likely due to the fact that IPRs do not necessarily confer a dominant position in the market. Furthermore, it is important to emphasize that the aforementioned section does not prohibit the mere existence of a dominant position, but rather the abuse of such a position.<sup>211</sup>

Section 4(2) of the Indian Competition Act, 2002, is a provision that deems enterprise action as abuse and is applicable to intellectual property rights (IPR) holders as well.

The Indian Competition Act, 2002, in Section (3), explicitly bars anti-competitive practices. However, it is noteworthy that this prohibition does not impede an individual's entitlement to curtail any violation or impose rational conditions that are essential for safeguarding their rights conferred by the Intellectual Property Rights (IPR) laws. These laws encompass the Copyright Act, 1956, the Patents Act, 1970, the Geographical Indications of Goods (Registration and Protection) Act, 1999 (48 of 1999), and the Designs Act, 2000.

### **The Proposal for Democracy**

Even though there is an overlap between IP and competition, which results in an interaction, it is argued that these two concepts have different spheres of influence and operate in various regions since they serve different purposes. The two spheres are separate and should remain so.

#### **A. Time Frame: When Can you use each of them?**

Many people believe that intellectual property (IP) and competition (competition) should be kept completely apart, as IP is concerned with the correct assignment and defense of property rights, while competition is focused on the use and exercise of such rights in the market. It follows that the same degree of distance must be observed when carrying out legal enforcement. We agree with this viewpoint, and we offer various justifications for it.

When an asset is created, ownership rights are transferred simultaneously. However, when

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<sup>211</sup> Spyros Maniatis, Intellectual Property Rights and Competition Law: Friends or Foes?, Journal of Intellectual Property Law & Practice, 2016

intellectual property rights (IPRs) are used to exert market power, competition steps in to limit their usage. This distinction between the two is based on market dominance. The exercise of the property rights assigned by intellectual property law is also subject to some degree of regulation, albeit without consideration of market dominance.<sup>212</sup> When it comes to regulating property rights as a source of market power, competition does not single out IPR but rather regulates all property rights equally. Therefore, there is a distinction between the two regarding the duration and extent of enforcement.

### **The Competition Law Doesn't Do**

Competition legislation does not jeopardize the primary goals of IPRs. It does not call into question the use of excluding power per se against third parties seeking access to the IPR-protected innovation or creation, but rather the implementation of additional anti-competitive behavior aimed at exploiting the position of strength on the market in dealings with third parties and the consequent generation of further anti-competitive effects. Only the additional use of IPRs to leverage and expand market dominance beyond the essentially provided anti-free-riding function is subject to antitrust law's limitations.

### **Strengthening Competition law**

Intellectual property is an exception to the rule favoring open markets. When the goals of intellectual property have been met, protection should end. If intellectual property fails to restrain the use of such authority beyond the scope of its intended protection, then market forces can. So anti-trust advocates don't view intellectual property rights with hostility. If the IP holder goes above and beyond the core function for which the right is issued, such as protecting the achievements of inventors against free riders and protecting the IP itself, this mechanism steps in to make sure that the rights' basic purpose is not destroyed.

The company's brand and reputation. Such a situation may occur if the owner's IPRs are contractually exercised in a way that significantly limits competition beyond what is necessary to prevent free-riding. In other cases, where IPR grants such market dominance, a third party's forced license of the right may be warranted.

When the effect of exercising the right goes beyond the initial motivation for granting it, IP law may

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<sup>212</sup> Donna M. Gitter, The Conflict in the European Community between Competition Law and Intellectual Property Rights: A Call for Legislative Clarification of the Essential Facilities Doctrine, 40 Am. Bus. L.J. 217, 293 (2003)

be powerless to prevent the abuse of that right. The exercise of property rights can have far-reaching effects, and it is at this point that competition law comes into play. In these cases where IP law may fail to achieve its ultimate aim, competition law steps in to provide the necessary protections.

This case illustrates the partition between intellectual property and rivalry. Maintaining the functions' independence from one another in terms of when they take effect and under what circumstances ensures the system's effectiveness and the security of its objectives.

### **Differences**

In the context of patent laws, the tension between competition policy and the IP rights regime has been particularly heated. Competition policy and patent law intersect at their shared mechanisms of implementation. While antitrust law mandates that businesses be free to operate without undue barriers to entry, patent laws provide innovators with a brief monopoly that shields them from other firms' exploitation of patented products.<sup>213</sup>

Protecting intellectual property (IP) helps spur economic progress and new product creation, both of which are good for consumers. Patent protection allows creators of new items and techniques to legally prevent others from profiting from their work for a certain period of time. To recoup the costs of their groundbreaking research and development, innovators and holders of intellectual property rights are granted a limited monopoly under the law. They generate a fair profit, which encourages them to keep pushing the boundaries of their industry.

On the other hand, consumers and businesses alike benefit greatly from competition law's ability to eliminate price gouging, and monopoly abuse, induce more efficient resource allocation, and level the playing field for businesses and consumers alike. Therefore, it prevents the monopoly power associated with IPRs from being abused, extended, or made too complex. As a result of competition law's emphasis on protecting competition and the competitive process, which in turn encourages innovators to be the first to market with a new product or service at a price and quality that consumers want, competition law also seeks to stimulate innovation as competitive inputs and thereby works to improve consumer welfare.

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<sup>213</sup> Nikhil Kumar, The Interface Between Ipr And Competition Law, November 23, 2019

Despite their differences, the two regimes often coexist, with each discipline limiting the rights of the other to ensure its own dominance. Compulsory licensing was developed to strike a balance between intellectual property rights and public interest in industries like the pharmaceutical industry, where a lack of consumer knowledge has led to issues like pay-for-delay and delay settlements, discrimination in patient assistance programs, EV programs, the use of patents, and so on.

## **Conclusion**

To fully grasp the magnitude of the complex and multidimensional linkages between Competition Law and Intellectual Property Rights in contemporary India's thriving markets, a nuanced understanding of both is required. Competition law aims to prevent abuses that may arise as a result of monopolistic power, whereas intellectual property rights seek, in many situations, to grant exactly such monopolistic powers in order to incentivize innovators to innovate. Having the two regimes function in a way that promotes widespread competition and provides adequate protection for innovators to recoup their investments in R&D is in the best interests of Indian society.

These two aims have a common denominator: improving the lives of consumers by creating favorable conditions for new ideas to flourish. While increased competition between businesses leads to higher quality and lower prices for consumers, intellectual property rights (IPRs) increase innovation by giving creators a greater chance to profit from their work.

Regarding jurisdiction, India would immensely benefit from a more developed legal structure defining the CCI's authority. Wherever the exercise of IPRs goes beyond "reasonable conditions," as defined in Section 3(5) of the Indian Competition Act, 2002, competition law should impose curbs to restore a sense of equilibrium to the IPR regime; however, such curbs should not go beyond the extent to which the exercise of IPRs causes an appreciable adverse effect on competition.

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