

PROFESSIONAL PROGRAMME

UPDATES FOR INTELLECTUAL PROPERTY RIGHTS: LAWS AND PRACTICES

(Relevant for students appearing in December, 2018 examination)

MODULE 3- ELECTIVE PAPER 9.4

Disclaimer:

This document has been prepared purely for academic purposes only and it does not necessarily reflect the views of ICSI. Any person wishing to act on the basis of this document should do so only after cross checking with the original source.

Students appearing in December 2018 Examination shall note the following:

Students are also required to update themselves on all the relevant Notifications, Circulars, Clarifications, etc. issued by the Competent Authorities to relate to Law of Intellectual Property Rights in India & Central Government on or before six months prior to the date of the examination.

These Updates are to facilitate the students to acquaint themselves with the amendments in laws relating to Intellectual Property Rights upto June, 2018, applicable for December, 2018 Examination. The students are advised to read their Study Material (2015 Edition) along with these Updates. In the event of any doubt, students may write to the Institute for clarifications at academics@icsi.edu

Intellectual Property Rights (Imported Goods) Enforcement Amendment Rules, 2018 (Notified on June 22, 2018)¹

The Union Ministry of Finance has amended Intellectual Property rules to revoke the power vested with Customs authorities to seize imported products based on the complaint of patent infringement.

Key Amendments to the Rules

The Ministry had made two important amendments to the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007.

Firstly, the Intellectual Property Rights (Imported Goods) Enforcement Amendments Rules, 2018, omits all reference to the Patents Act, 1970.

Secondly, the following conditions shall be incorporated:

- Oblige the Right-Holder: The right holder or his authorized representative shall inform the Commissioner of Customs at the time of giving notice about any amendment, cancellation, suspension, or revocation of the Intellectual Property Right by the authorities under the Intellectual Property Laws or any Court of Law or Appellate Board, subsequent to its registration with the authorities under the Intellectual Property Law and in case of any such amendment, cancellation, suspension or revocation of the Intellectual Property Right during the validity of the notice registered under Rule 4, the same shall be brought to the notice of the Commissioner of Customs by the right holder within a period of one month of the date of communication of any such amendment, cancellation, suspension or revocation of the Intellectual Property Right to the right holder or any person authorized by him in this regard.
- In the event of any amendment, cancellation, suspension or revocation of the Intellectual Property Right by the authorities under the Intellectual Property Law or by any Court of Law or Appellate Board, the Commissioner of Customs may accordingly amend, suspend or cancel the notice and the corresponding protection”.

Further Conditions

Another amendment incorporates further conditions that oblige the right-holder to notify the Commissioner of Customs of any amendment, cancellation, suspension or reaction that

¹ Available at: <http://www.egazette.nic.in/WriteReadData/2018/186661.pdf>

concern Intellectual Property rights, and require the Customs authorities to accordingly amend, suspend or cancel the corresponding protection provided by them.

In the past, mobile phone companies have faced issues because of the earlier rules. For instance, in 2007, Madurai-based Ramkumar, who held a patent for a dual SIM, sought seizure of products imported by Samsung and Spice Mobile, which affected several importers.

“Now, the amended law will permit the Customs authorities to cancel his patent from its records based on the order passed by the Intellectual Property Appellate Board (IPAB)

What are Intellectual Property Rights

Intellectual Property Right is the exclusive right that is had by a person or by a company to use its own plans, ideas, or other intangible assets without the worry of competition, at least for a specific period of time.

These rights include copyrights, patents, and trademarks. They may be enforced by a court through a lawsuit.

The idea behind these rights is to encourage innovation without the fear that a competitor will steal the idea or name or take the credit for it.

Terms to Remember

Patent: A patent is an exclusive right granted to an individual or organization by the Government that permits the inventor to exclude others from making, selling or using the invention for a period of time. The Indian Patent legislation conforms to the World Trade Organization’s Trade-Related Aspects of Intellectual Property Rights (TRIPS).

Trademark: A trademark is a distinctive sign that identifies certain goods and services as those produced or provided by a specific person or enterprise. It identifies the source and origin of the good, creates brand loyalty.

Copyrights: As per the Copyright laws in India, copyright comes into existence as soon as work is created. Copyright subsists in all original published or unpublished works. Though registration of copyrights is not mandatory it is advisable to apply for registration of copyright.

Geographical Indication: It is primarily the agricultural, natural or manufactured goods originating from a definite geographical territory.

TRIPS Agreement

The World Trade Organization's TRIPS Agreement came into effect on 1 January 1995, is to date the most comprehensive multilateral agreement on intellectual property.

It covers the area of copyright, trademark, geographical indications, industrial designs, patents, layout-designs of integrated circuits and undisclosed information including trade secrets and test data.

Significance of the Amendment

The amendments will oblige the right-holder to notify the Commissioner of Customs of any amendment, cancellation, suspension or reaction that concern Intellectual Property rights.

The amended Intellectual Property Rules will permit the Customs authorities to cancel the patent from its records based on the order passed by the Intellectual Property Appellate Board (IPAB).

Intellectual Property Appellate Board

The Intellectual Property Appellate Board (IPAB), headquartered in Chennai, was established in 2003 to hear and resolve the appeals against the decisions of the registrar under the Indian Trademarks Act, 1999 and the Geographical Indications of Goods (Registration and Protection) ACT, 1999.

Since April 2007, the IPAB has been authorized to hear and adjudicate upon the appeals from most of the decisions, orders or directions made by the Patent Controller under the Patent Act.

Therefore, all the pending appeals of Indian High Courts under the Patent Act were transferred to IPAB.

Conclusion

Protecting the intellectual property is a crucial foundation for the success of any business. It not only improves the competitive position but also excludes others from practicing one's invention. In simpler terms, it prevents or deters others from competing with one's business or one's own technology. The recent amendments to the rules will oblige the owner of the rights to notify every detail of the change to the Commissioner of Customs.