

---

## **Chapter 4 INDIA'S TRIPS COMPLIANCE: INTELLECTUAL PROPERTY AND INTERNATIONAL COMMITMENTS**

---

### **4.1 Legislative measures in India before the TRIPS Agreement**

### **4.2 Legislative developments in the India IPR Laws Post TRIPS Agreement**

- 4.2.1 Overview of the changes made after joining TRIPS Agreement
- 4.2.2 Tracking the changes in the Trademark Law Post TRIPS Agreement
- 4.2.3 Tracking the changes in the Patents Law Post TRIPS Agreement
- 4.2.4 Tracking the changes in the Design Law Post TRIPS Agreement

### **4.3 Tracking the Changes as per Civil and Administrative Procedures and Remedies stated under Part 3 Enforcement of Intellectual Property Rights of the TRIPS Agreement**

- 4.3.1 Remedies to IP Violation in India
- 4.3.2 Fair and Equitable Procedures and Enforcement Mechanisms
- 4.3.3 Evidence
- 4.3.4 Injunction
- 4.3.5 Damages
- 4.3.6 Other Remedies
- 4.3.7 Right of Information
- 4.3.8 Indemnification of the Defendant
- 4.3.9 Administrative Procedures
- 4.3.10 Criminal Procedures under TRIPS Agreement
  - 4.3.10.1 Jan Vishwas Act, and IPR
- 4.3.11 Abolishment of IPAB

### **4.4 IPR infringement and Customs Department in India**

- 4.4.1 India's submission to WTO in relation Article 51-60 of the TRIPS Agreement
- 4.4.2 Legal Provisions under the Customs Act, 1962

### **4.5 Counterfeit Market in India**

### **4.6 Conclusion**

## 4.1 Legislative measures in India before the TRIPS Agreement

### Historical Development of Patents, Designs and Trademark Law

The evolution of IPR law in India has seen significant developments over the years. The journey began in 1856 with the enactment of the United Kingdom's Act of Protection of Invention, followed by the passing of the Patent and Designs Protection Act in 1872 and the Inventions and Design Act in 1888; all influenced by UK legislation. The Act VI of 1856 marked the initial legislation concerning patents in India. Its purpose was to foster the development of new and valuable inventions and to encourage inventors to disclose the secrets behind their innovations. However, due to its enactment without the approval of the Sovereign, it was subsequently repealed by Act IX of 1857. In 1859, Act XV of 1859 was introduced as a fresh legislation to establish a framework for granting "exclusive privileges." This legislation incorporated certain modifications, such as conferring exclusive privileges to useful inventions and extending the priority period from 6 to 12 months. Importers were excluded from the definition of an inventor.<sup>185</sup> While the 1856 Act drew inspiration from the United Kingdom Act of 1852, it deviated in certain aspects, such as enabling assignees to apply for patents in India and considering prior public use or publication in India or the UK to ascertain novelty.

The Act of 1859 in India provided protection exclusively for inventions and did not cover designs, in contrast to the UK, which had been safeguarding designs since 1842.<sup>186</sup> Recognizing this deficiency, the "Patent and Design Protection Act" (Act XIII) was enacted in 1872. This amendment to the 1859 Act expanded its scope to include new and original patterns or designs, as well as their application to substances or manufactured articles, under the definition of "new manufacture." Several important turning points occurred in the development of Patent laws' from the late 19th century to the 1970.<sup>187</sup>

The first centralised administration of Patents and Designs was established by the historic law, in the year 1911, Indian Patent and Design Law which was later amended in 1920 and 1930 to include new requirements.<sup>188</sup> In 1933, the Patent and Designs Rules were created to govern registration procedures and carry out the terms of the statute.<sup>189</sup> Post-Independence the Indian

---

<sup>185</sup> IP India, History of Indian Patent System, *available* at <https://ipindia.gov.in/history-of-indian-patent-system.htm> (last visited on July 21, 2020)

<sup>186</sup> G.Krishna Tulasi and B.Subha Rao, A detailed study of Patent System for Protection of Invention, *available* at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3038276/> (last visited on July 21, 2020)

<sup>187</sup> History of Indian Patent System, *available* at <https://ipindia.gov.in/history-of-indian-patent-system.htm> (last visited on July 21, 2020)

<sup>188</sup> *Ibid*

<sup>189</sup> Pournavnair, Origin and Development of Design Act, 2000, *available* at

government started implementing reforms after realising the necessity for extensive patent laws. The Bakshi Tek Chand Committee was established in 1949 to examine current legislation and suggest improvements.<sup>190</sup> The Committee suggested using compulsory licencing to prevent the infringement of patent rights and guarantee reasonable access to necessities like food and medication.<sup>191</sup> The 1952 amendment established measures pertaining to compulsory licencing; nevertheless, further legislative attempts, such as those filed in 1953 and 1965, encountered difficulties.<sup>192</sup> The 1911 law were superseded by the Patent Act of 1970, which was passed based on suggestions made by the Justice N Rajagopala Ayyangar Committee. It brought important new rules to control patents, define inventions, and stop the infringement of patent rights.<sup>193</sup>

In terms of design law, the Designs Act of 2000 was passed with the intention of modernising and streamlining design protection provisions in order to comply with the criteria of the TRIPS Agreement. This law, which took effect on May 11, 2001, superseded the antiquated 1911 statute with the aim of bolstering the protection of registered designs and promoting design-related activities. A registered design's owner or proprietor has the only authority to commercialise, licence, transfer, and incorporate the design into any product under the terms of the 2000 Act. The main goal is to protect the original designs' intellectual property rights while appreciating and respecting the inventive work of the designers.

Trademarks were acknowledged and governed by common law principles prior to the adoption of a formal legal act. The first statutory legislation in Britain was passed in 1875 as a result of the recognition of the need for a legal framework to register trademarks and protect them against infringement. A systematic registration procedure for trademarks was introduced by the British Trademark Act of 1875, depending on whether the trademark clearly recognized the goods of a trader. The initial evidence of trademark ownership was then provided through registration. The Patents, Designs, and Trademark Act of 1883 succeeded the Trademark Act

---

<https://www.legalserviceindia.com/legal/article-475-origin-and-development-of-designs-act-2000.html> (last visited on July 21, 2020)

<sup>190</sup> Shrishti Mittal, Patent –Types and Laws related to them in India, *available at* <https://articles.manupatra.com/article-details/Patent-Types-Laws-related-to-them-in-India> (last visited on July 21, 2020)

<sup>191</sup> *Ibid*

<sup>192</sup> Uday S Racherla, Historical Evolution of India's Patent Regime and Its Impact on Innovation in the Indian Pharmaceutical Industry, *available at* [https://link.springer.com/chapter/10.1007/978-981-13-8102-7\\_12](https://link.springer.com/chapter/10.1007/978-981-13-8102-7_12) last visited on July 21, 2020. *See also*, History of Indian Patent System by office of the Controller General of Patents, Design and Trademark, *available at* <https://ipindia.gov.in/history-of-indian-patent-system.htm> (last visited on August 1, 2020)

<sup>193</sup> WTO, Overview of the Patent System, *available at* <https://www.wipo.int/patent-judicial-guide/en/full-guide/india/6.1> (last visited on August 1, 2020)

of 1875 and enlarged the definition of a trademark to include "unique or uncommon words" and "brands."<sup>194</sup>

Trademark law in India has evolved through different stages.<sup>195</sup> In 1940, the Trademarks Act was introduced, leading to the establishment of a trademark registry. The Trade and Merchandise Act was enacted in 1958 to further regulate trademarks. In 1999, a new act was implemented to align with the TRIPS agreement and accommodate changes in trading practices, including the recognition of service marks and registration of well-known marks. Additionally, in 2013, provisions of the Madrid Protocol were introduced to simplify international trademark registration processes.

Hence, this historical journey is a reflection of India's changing views on intellectual property rights and its attempts to strike a balance between economic growth, public interest, and creativity.

## **4.2 Legislative developments in the India IPR Laws Post TRIPS Agreement**

### **4.2.1 Overview of the changes made after joining TRIPS Agreement**

In response to the TRIPS agreement, India enacted many new laws to ensure compliance with its requirements and to promote IPR. A brief overview of laws other than Patent, Design and Trademark are as follows:

- The Copyright Amendment Act of 1999: India updated its Copyright Act to give increased protection for copyright holders in order to comply with TRIPS. The amendment addressed a number of issues, including the definition of copyright, the rights of authors, performers, and manufacturers of phonograms, the protection of digital rights management, and provisions for international copyright relations.
- The Geographical Indications of Goods (Registration and Protection) Act of 1999 was enacted to protect Geographical Indications and to provide legal recognition and protection for distinctive products originating in certain geographical places. It established a registration system for GIs to protect them and prevent unauthorised use.

---

<sup>194</sup> Banana IP, History and Evolution of the Trademark System, *available* at <https://www.bananaip.com/ip-news-center/history-and-evolution-of-trademark/#:~:text=India%20borrowed%20the%20British%20Trademark,30th%20day%20of%20December%201999>. (last visited on August 1, 2020)

<sup>195</sup> Saoni Thawani, History and Development of Trademarks In India, *available* at <https://bnwjournals.com/2020/05/02/history-and-development-of-trademarks-in-india/> (last visited on August 1, 2020)

- Plant Variety Protection and Farmers' Rights Act of 2001: This Act was designed to safeguard novel plant types and to defend farmers' rights. It established a sui generis system for plant variety protection, providing breeders exclusive rights to their new plant varieties. It also acknowledged farmers' rights to conserve, use, exchange, and sell farm-saved seeds. The Act sought to find a balance between rewarding breeders' efforts and safeguarding farmers' traditional knowledge and rights.
- Biological Diversity Act, 2002: The Biological Diversity Act was enacted to govern access to biological resources and associated traditional knowledge, to ensure fair and equitable distribution of benefits emerging from their use, and to promote biodiversity conservation and sustainable usage. It established the National Biodiversity Authority as the central institution in charge of granting access to biological resources and associated knowledge. The Act also required the formation of State Biodiversity Boards and established rules for the conservation of biodiversity-rich areas and community rights.
- The Semiconductor Integrated Circuits Layout-Design Act of 2000: This law was designed to protect the layout designs of semiconductor integrated circuits. It established a registration system for IC layout designs, providing artists exclusive rights and barring unauthorised copying or commercial use.
- A Trade Secret is a type of confidential information that is unique to a particular trade or business, is known to a small number of people, and has commercial value.

There is no explicit legislation in India to protect proprietary information and confidential data. However, the same is protected under Contract Law.

#### **4.2.2 Tracking the changes in the Trademark Law Post TRIPS Agreement**

India attempted to improve its intellectual property regime, foster innovation and creativity, enable domestic and international trade, and provide stronger protection for trademark owners by implementing the Trademark Act, 1999. The Trademark Act of 1999 made several significant changes and improvements to the trademark registration and protection process in India. It streamlined procedures, clarified definitions and rules, broadened the area of registrable trademarks, and added additional laws to prevent trademark infringement and counterfeiting along with effective dispute resolution.

### **Major changes introduced by Trademark Act 1999:<sup>196</sup>**

- The definition of a trade mark has been broadened to encompass not just symbols or words, but also the shape of goods, packaging, and color combinations. The Act now allows the registration of trademarks for services, expanding beyond just goods.
- A single, unified Register of Trade Marks has been established with simplified registration processes.
- The process for licensing a registered trade mark (referred to as a registered user) has been streamlined.
- It includes provisions for the registration of collective marks owned by associations.
- An Intellectual Property Appellate Board has been established to expedite appeals against Registrar decisions.
- The final authority for certifying trade mark registrations has been transferred to the Registrar.
- The Act aligns penalties for trade mark-related offences with those in the Copyright Act, 1957, to deter the sale of counterfeit goods.
- It prohibits the use of another entity's trade mark as part of a corporate or business name.
- A single application can now cover goods or services in multiple classes (multi-class applications).
- The duration of trademark registration and renewal has been extended from 7 years to 10 years.
- Certain trademark offences are now classified as cognizable.
- Courts have been given enhanced powers to issue ex parte injunctions in specific cases.
- Additional amendments have been made to simplify and streamline the administration and procedures related to trade marks in the country.

---

<sup>196</sup> IP India, New elements in Trademark Act 1999, *available at* [https://ipindia.gov.in/writereaddata/Portal/IPOAct/1\\_107\\_1\\_new-elements-in-the-trademarks-act-1999act.pdf](https://ipindia.gov.in/writereaddata/Portal/IPOAct/1_107_1_new-elements-in-the-trademarks-act-1999act.pdf) (last visited on August 15 2020)

**Following are the features of Indian Trademark law in compliance to TRIPS Agreement:**

**Definition of Trademark and Grounds for Refusal:** Section 2(zb), in line with Article 15 of TRIPS,<sup>197</sup> recognizes signs distinguishing goods. Section 9 is consistent with Article 15(2), allowing refusal on grounds.<sup>198</sup> Section 20 handles procedural aspects during trademark registration.<sup>199</sup>

**Exclusive Rights of Trademark Owners:** Sections 28 and 29 align with Article 16(1) of TRIPS, granting exclusive rights against similar signs causing confusion.

**Protection of Well-Known Trademarks:** Section 11(2) aligns with Article 16(2) of TRIPS, preventing similar trademarks that could harm the distinctive character or reputation of well-known Trademarks.

**Validity Despite Use in Common Language:** Section 36(1) aligns with Article 16(3) of TRIPS and Article 6bis of the Paris Convention, ensuring Trademark's validity despite common language use.

**Limitations on Trademark Use:** Section 30 sets limits on Trademark use, ensuring it aligns with honest practices and doesn't harm the trademark's distinctiveness.<sup>200</sup>

**Duration, Renewal, and Removal of Trademark:** Section 25 aligns with Article 18 of TRIPS<sup>201</sup> providing initial registration for ten years, exceeding the TRIPS minimum. Sections 47 and 48 align with Article 19, covering non-use removal and registered users.<sup>202</sup>

**Protection of Trademark Rights:** Article 20 of TRIPS emphasizes protection of trademark rights, aligning with the overall framework of the Trademarks Act.

**Trademark Licensing and Assignment:** Article 21 of TRIPS allows Members to decide on trademark licensing or assignment, emphasizing the owner's right to transfer or sell the trademark. Several sections in the Act mirror Article 21:<sup>203</sup>

1. **Section 37:** Permits trademark assignment without mandatory licensing, consistent with Article 21.

---

<sup>197</sup> This is in compliance with Article 15 (1) of the TRIPS Agreement

<sup>198</sup> This is in compliance with Article 15 (2) of the TRIPS Agreement

<sup>199</sup> This is in compliance with Article 15 (3) of the TRIPS Agreement

<sup>200</sup> This is in compliance with Article 17 of the TRIPS Agreement

<sup>201</sup> This is in compliance with Article 18 of the TRIPS Agreement

<sup>202</sup> This is in compliance with Article 19 of the TRIPS Agreement

<sup>203</sup> This is in compliance with Article 21 of the TRIPS Agreement

2. **Section 38:** Enables the transfer of trademarks with or without business goodwill, in harmony with Article 21.
3. **Section 39:** Acknowledges the assignment of unregistered trademarks, reflecting Article 21's essence.
4. **Section 40:** Introduces restrictions on assignments to prevent confusion, aligning with Article 21.
5. **Section 41:** Restricts assignments causing conflicting exclusive rights, consistent with Article 21.
6. **Section 42:** Establishes conditions for assigning trademarks unrelated to business goodwill, in line with Article 21.
7. **Section 44:** Mandates registration of assignments for transparency, echoing the principles of Article 21.

In summary, India's Trademarks Act of 1999 ensures adherence to global standards, simplifies procedures, and fosters a fair business environment through a comprehensive framework for trademark management and protection.

#### **4.2.3 Tracking the changes in the Patent Law Post TRIPS Agreement**

Adapting its legal framework to align with the TRIPS agreement presented a formidable yet imperative task for India, marking a crucial juncture since the inception of TRIPS on January 1, 1995. In response to these obligations, India embarked on a systematic and substantial restructuring of its patent legislation, aimed at meeting the benchmarks stipulated by TRIPS. Among the initial steps, the Indian government enacted the Patents (Amendments) Ordinance in 1994, just before the close of the year, to create a temporary measure while permanent statutory changes were pursued within the parliamentary process. However, this interim ordinance lapsed on March 26, 1995, without a definitive legislative resolution from the Parliament to fulfill the TRIPS mandates. The dissolution of the 10th Lok Sabha, the lower house of the Indian Parliament, later that year, further ushered in a period of uncertainty regarding India's IPR laws. This period of political instability saw India being brought before the WTO dispute settlement panel twice, once by the United States and once by the European Union, leading to judgments against India.

The Indian Parliament felt a greater sense of urgency to pass the necessary legislation because of the looming threat of possible trade sanctions. Three successive amendment Acts were

eventually passed as a result of this, in 1999, 2002, and 2005, all with the goal of gradually improving the Patents Act of 1970 in order to bring it into complete compliance with TRIPS. With the reinstatement of "product" patents and the criminalization of the unauthorised duplication or imitation of patented pharmaceuticals without the necessary licence from patent holders, significant progress was made in 2005 when amendments to the Indian Patents Act of 1970 were made.

Additionally, the amended law included various other provisions to strengthen the overall rights of patentees in addition to embracing the contentious 20-year guarantee for patent holders required by Article 32 of TRIPS. The Doha Declaration of November 2001 evolved as a reaffirmation, highlighting the flexibilities included in Article 31 of TRIPS, amid mounting concerns expressed by developing and least-developed countries. These adaptabilities gave Member Nations the ability to deal with issues brought about by the incompatibility of patent laws with TRIPS standards. This affirmation gave Indian legislators comfort, and they decided to keep sections 84 and 92 of the modified law, which gave India the right to enact compulsory licencing in situations where patent privileges were being exploited by patent holders or in times of national emergency, respectively. Additionally, the inclusion of Section 3(d) into the updated Act was a major addition. In relation to incremental advancements in particular, this rule created a stricter standard for patentability, requiring a showing of increased efficacy in comparison to recognised substances for patent eligibility. This particular provision was made to prevent the practise of "evergreening," or patent stacking, which involves extending patent monopolies by modest and cosmetic alterations.

The First Amendment to the Patent Law, was introduced in the year 1999 (Act 17 of 1999) and was given a retrospective effect from 1995. This was done as India was taken before the WTO's DSB by USA and Europe. Hence, to comply with TRIPS Agreement, amendment was introduced to incorporate Mail-Box provisions, so that product Patent Application can be submitted and also to provide exclusive marketing rights for drugs and medicines

The Patent (Amendment) Act, 2002 (Act 38 of 2002) introduced the Second Amendment to the 1970 Act. This amendment, along with the implementation of the New Patents Rules, 2003, brought significant changes. The key features of the Patent (Amendment) Act, 2002 were as follows:

- Enhanced codification of non-patentable inventions.
- Standardization of the patent term to 20 years for all technologies.

- Provisions for the reversal of burden of proof in cases of process patents.
- Introduction of compulsory licenses to address public health concerns.
- Removal of the provision for license of right.
- Introduction of a deferred examination system.
- Mandatory publication of applications after 18 months from the filing date.
- Inclusion of provisions for process patents for microorganisms.
- Establishment of the Appellate Board.
- Provision for parallel imports.
- Exemption from infringement proceedings for using a patented invention to obtain regulatory approval for a product based on that invention.
- Provisions to protect biodiversity and traditional knowledge.

The Third Amendment to the Patent Act, 1970 was initially introduced through the Patent (Amendments) Ordinance, 2004, effective from 1st January 2005. This ordinance was later replaced by the Patent (Amendment) Act, 2005 (Act 15 of 2005) on 4th April 2005, with its provisions retroactively effective from 1st January 2005. The salient features of this amendment were as follows:

- Extension of product patents to all fields of technology, including food, drugs, chemicals, and microorganisms.
- Removal of the provision related to exclusive marketing rights (EMR).
- Introduction of provisions enabling the grant of compulsory licenses for exporting medicines to countries with insufficient or no manufacturing capacity to address public health emergencies.
- Modification of opposition procedures to streamline the system, incorporating both pre-grant and post-grant opposition within the Patent Office.
- Strengthening provisions related to national security to prevent patenting of technologies with dual-use applications.
- Rationalization of provisions concerning timelines to introduce flexibility and reduce the processing time for patent applications.

**Following are the features of Indian Patent Law in compliance to TRIPS Agreement:**

The Patent Law, in alignment with the TRIPS Agreement, encompasses several significant aspects:

1. **Equality:** Section 6 of the Patent Act provides equal treatment to both Indian and foreign inventors, allowing them to follow the same regulations, reflecting the non-discrimination principle of TRIPS Article 27(1)<sup>204</sup>.
2. **Ethical Considerations:** Section 3 of the Patent Act ensures that inventions conflicting with public order, morality, or environmental well-being are excluded, echoing TRIPS ethical guidelines.<sup>205</sup>
3. **Patentee Rights:** Section 48 grants extensive rights to patentees, covering various aspects of patent exploitation.<sup>206</sup>
4. **Disclosure Requirements:** Section 10(4) mandates clear & complete disclosure of inventions by applicants, ensuring understanding by those skilled in the relevant field.<sup>207</sup>
5. **Compulsory Licensing:** Section 84 permits the granting of compulsory licenses under specific conditions.<sup>208</sup>
6. **Article 31 and Section 92:** Both address compulsory licenses under specific circumstances, prioritizing public welfare with fair terms for patent holders.<sup>209</sup>
7. **Judicial Oversight and Revocation:** Sections 64, 58, 117G, and 151 establish processes for revocation and judicial review, aligning with TRIPS Article 32.<sup>210</sup>
8. **Patent Duration:** Section 53 defines a 20-year patent term.<sup>211</sup>
9. **Burden of Proof:** Section 104A aligns with TRIPS Article 34, addressing the burden of proof in cases of infringement involving process patents.<sup>212</sup>

In essence, the Indian Patent Law harmonizes with TRIPS, ensuring a balanced ecosystem for innovation, patent protection, and public interest. It incorporates TRIPS principles while considering India's unique socioeconomic context and the global landscape.

To sum up, the Indian Patent Law seamlessly integrates with the core principles of the TRIPS Agreement, establishing a harmonious interplay between innovation, accessibility, and ethical

---

<sup>204</sup> This is in compliance with Article 27 (1) of the TRIPS Agreement

<sup>205</sup> This is in compliance with Article 27 (2) and (3) of the TRIPS Agreement

<sup>206</sup> This is in compliance with Article 28 of the TRIPS Agreement

<sup>207</sup> This is in compliance with Article 29 of the TRIPS Agreement

<sup>208</sup> This is in compliance with Article 30 of the TRIPS Agreement.

<sup>209</sup> This is in compliance with Article 31 of the TRIPS Agreement.

<sup>210</sup> This is in compliance with Article 32 of the TRIPS Agreement.

<sup>211</sup> This is in compliance with Article 33 of the TRIPS Agreement.

<sup>212</sup> This is in compliance with Article 34 of the TRIPS Agreement.

considerations. The concept of "inventive step" embodies the crux of patentability, merging technological advancement with economic value. The legal framework impartially extends patent rights to inventors, regardless of origin, promoting consistency in patent eligibility criteria. Within this legal context, the boundaries of patentable subject matter are clearly defined, upholding public well-being, morals, and ecological equilibrium. The canvas of patentee privileges encompasses creation, application, and commercialization. Transparency finds expression in comprehensive disclosure requirements, facilitating a clear understanding of the patented innovation. Compulsory licensing, rooted in provisions reminiscent of Article 31, highlights a commitment to societal welfare, orchestrating a delicate equilibrium between patent rights and community interests. Opposition, termination, and review are steps in this complicated procedure that guarantee its fairness and clarity. Similar to laws defending patent rights, processes safeguard private information while guaranteeing equity for patent contestants. Indian patent law is in line with the TRIPS Agreement

#### **4.2.4 Tracking the changes in the Design Law Post TRIPS Agreement**

The Designs Act of 2000 was introduced in India, building upon the framework of the earlier legislation while incorporating several modifications. Notably, the Act introduced provisions aligning with the TRIPS Agreement and various international treaties. It is essential to recognize that the core provisions of the Designs Act, 2000 must be understood alongside the Designs Rules of 2001, which outline the procedural regulations necessary for its implementation. Together, they form the comprehensive legal structure governing design protection in India.

#### **Salient features of Indian Design Law in compliance to TRIPS Agreement:**

##### **Design Registration Restrictions**

- Designs that are not new or original cannot be registered under Section 4 of the Designs Act.
- Designs made public prior to the filing date are excluded from registration.
- Designs that are not significantly distinguishable from existing designs are not permitted.
- Designs containing scandalous or obscene material are also disallowed. These requirements align with Article 25 of the TRIPS Agreement, which mandates that designs be fresh or original and not substantially similar to existing designs.

### **Application Process for Design Registration**

- The application process is outlined in Section 5 of the Designs Act.
- The Design must be new or original, not violate morality or public order, and not be previously published.
- These standards are consistent with Article 25(1) of the TRIPS Agreement for protecting independently generated industrial designs.

### **Alignment of Design Act Provisions with TRIPS**

- **Sections 6, 7, 12, 13, 14, 17, 19, 21, and 22** of the Design Act align with the principles in Articles 25 and 26 of the TRIPS Agreement.
- **Section 6** allows registration for specific articles, emphasizing protection for new or original designs as stated in Article 25.
- **Section 7** requires the publication of registered designs, reflecting the transparency advocated by Article 25.
- **Sections 12 and 13** pertain to the restoration of lapsed designs, echoing TRIPS requirements for ensuring protection of new or original designs.
- **Section 14** addresses the rights of proprietors of restored designs, aligning with Article 25's intent to protect these proprietors.
- **Section 17** facilitates public inspection, safeguarding design protection while ensuring transparency, as outlined in Article 26(1).
- **Section 19** includes provisions for the cancellation of registration, resonating with the need to grant protection only to eligible designs, as stated in Article 25.
- **Sections 21 and 22** address design exhibitions and piracy of registered designs, correlating with Article 25's focus on new or original designs and Article 26(1)'s emphasis on protecting design owners' rights.

### **Copyright Duration**

- **Section 11** aligns with Article 26(3) of the TRIPS Agreement, stating that the registered proprietor of a design holds copyright for ten years from the registration date.

## **Recognition of Exceptions**

- Although there is no specific section in the Design Act that directly corresponds to Article 26(2) of the TRIPS Agreement, India recognizes the need for limited exceptions. These exceptions aim to prevent unreasonable conflicts with the normal exploitation of protected industrial designs while considering the legitimate interests of third parties.

## **Balancing Protection and Public Interest**

- India's intellectual property framework aims to strike a fair balance between protecting design rights and fostering innovation and public interest. By acknowledging the importance of exceptions and limitations, India ensures that the protection of industrial designs does not unreasonably hinder their normal use and development.

The Indian Design Act of 2000 aligns harmoniously with the key principles of the TRIPS Agreement, particularly Articles 25 and 26. The Act upholds the essence of Article 25 by requiring designs to be novel and original and ensuring that the registration process meets international criteria. It establishes a robust framework to protect design owners' rights and prevent unauthorized use, reflecting the principles of Article 26. Provisions on the restoration of lapsed designs, cancellation of registration, and protection of exhibited designs highlight a balanced approach respecting both design owners' rights and broader public interests. The Act exemplifies India's dedication to fostering innovation while adhering to international standards, creating a cohesive framework that safeguards design integrity and promotes equitable protection for design owners and society.

## **4.3 Tracking the Changes as per Civil and Administrative Procedures and Remedies stated under Part 3 Enforcement of Intellectual Property Rights of the TRIPS Agreement**

### **4.3.1 Remedies to IP Violation in India**

India has experienced a noticeable increase in intellectual property litigation cases in recent years, as the population becomes more aware of their rights in this field. When an IP owner's rights are violated, the injured party has two options Civil Law and Criminal Law. So far as Civil remedies are concerned substantive provisions are given under specific IP Laws and procedural provisions are given under Civil Procedure Code, 1908 (CPC). Hence any civil case would have to strictly adhere to the provisions of CPC which provides for principles of natural justice, equal opportunities to both parties and remedial orders in order to protect the rights. IP infringement cases are to be presented either before the District or Commercial Courts in India.

### **4.3.2 Fair and Equitable Procedures and Enforcement Mechanisms**

Article 42 of TRIPS mandates civil judicial procedures for intellectual property rights enforcement, ensuring defendants' rights to timely notice, legal representation, and a fair presentation of evidence. The Indian legal framework aligns with these requirements through various sections in the Trademark, Patent, and Design Acts.

Trademark Act through Sections 134, 21, and 145, establishes a civil judicial process for enforcing trademark rights, providing notice for applications, legal representation, and mechanisms for cancellation.<sup>213</sup>

Patent Act via Sections 104, 106, 107, 108, 109, and 110, aligns with TRIPS Article 42, detailing jurisdiction, addressing groundless threats, outlining defenses, offering remedies, and allowing licensees to initiate proceedings, thereby promoting fair and equitable procedures.<sup>214</sup>

Design Act through Sections 22, 24, 32, and Chapter VIII, ensures fair and equal treatment in design rights enforcement, covering theft procedures, fee accountability, enforcement jurisdiction, and evidence submission.

### **4.3.3 Evidence**

Article 43 of TRIPS states that Judicial authorities are empowered to order the opposing party to produce specified evidence, provided the claiming party has presented sufficient evidence supporting its claims and identified relevant evidence under the opposing party's control. There may be measures in place to protect private information with this order. Affected parties may also be given the chance to refute the accusations or supporting documentation before court authorities issue preliminary or final decisions based on the facts at hand if a party willfully withholds information that is required or obstructs enforcement efforts.

Section 127 of the Trademark Act empowers the Registrar similar to Article 43 of TRIPS, ensuring fair trademark registration. Sections 140 & 135 align with TRIPS Article 44, preventing entry of infringing goods & recognizing injunctions as remedies for trademark infringement.<sup>215</sup>

---

<sup>213</sup> This is in compliance with Article 42 of the TRIPS Agreement

<sup>214</sup> This is in compliance with Article 42 of the TRIPS Agreement

<sup>215</sup> This is in compliance with Article 43 (1) and (2) of the TRIPS Agreement

Sections 77 & 79 of the Patent Act, 1970 align with Article 43 of TRIPS, granting civil court-like powers to the Controller and flexibility in evidence presentation for efficient patent enforcement.<sup>216</sup>

Section 37 & 39 of the Design Act, 2000 even though they do not expressly address the instances listed in TRIPS Article 43. They support the effective & equitable enforcement of design rights in India.

#### 4.3.4 Injunction

An interlocutory, temporary, or ad-interim injunction is a court ruling that prohibits a party from acting in a certain way until the case is resolved.<sup>217</sup> To obtain this relief, the plaintiff must demonstrate a prima facie case, a balance of convenience in their favor, and the potential for irreparable harm if the interim injunction is denied.<sup>218</sup> In contrast, a perpetual or permanent injunction is a court order that either permanently forbids certain actions by a person or entity or mandates that specific actions be taken permanently.<sup>219</sup>

Apart from injunction, Mareva's Order is issued by the Court to safeguard the plaintiff's interests during the court case.<sup>220</sup> It prevents the defendant from selling any property located within the jurisdiction until the trial is finished or the infringement case has been adjudicated. Also, Anton Pillar Orders can be issued by the Courts. In some cases, the court has the inherent authority to grant a plaintiff's request for access to the defendant's property to view pertinent papers and property, make copies of them, or secure them.<sup>221</sup> This is known as an ex parte or in camera application. The Anton Pillar orders are these. When there is a significant possibility that pertinent records and illegal items may be removed or destroyed, jeopardising the administration of justice, such an order is required.

John Doe Orders is specific remedy that gives the court the ability to undertake searches and seizures against unidentified or unidentified defendants, giving the plaintiff broad jurisdiction to raid locations where illegal activity is allegedly taking place alongside court-appointed local commissioners.<sup>222</sup>

---

<sup>216</sup> This is in compliance with Article 43 of the TRIPS Agreement

<sup>217</sup> *Bristol Myers Squibb Company and Anr. v. V.C. Bhutada & Ors.* (2012) CS(OS) No. 2801 of 2012

<sup>218</sup> *Gujarat Bottling Co. Ltd. Case*, AIR 1995 SC 2372 See also *Agricultural Produce Market Committee Vs. Girdharbhai R.*, AIR 1997 SC 2674

<sup>219</sup> *Star India Pvt. Ltd. vs. Leo Burnett (India) Pvt. Ltd.*, 2003(2) BomCR655, 2003(105(2)) BOMLR28, 2003(27) PTC81(Bom)

<sup>220</sup> *Raman Tech. & Process Eng. Co. v. Solanki Traders*, Appeal (civil) 6171 of 2001

<sup>221</sup> Souvik Bhadra and Arka Majumdar, Anton Piller Order in UK and its possible implications in India, *Journal of Intellectual Property Rights*, Vol 12, September 2007, pp 488-496. See also *Anton Piller KG v. Manufacturing Processes Ltd* [1976] 1 All E.R. 55 (C.A.)

<sup>222</sup> *Tej Television Limited vs. Rajan Mandal*, [2003] F.S.R 24. See also *Ardath Tobacco Company Limited vs. Mr.*

Article 44 of the TRIPS Agreement, states Judicial authorities are empowered to require a party to cease infringement, particularly to prevent infringing imported goods from entering commercial channels within their jurisdiction immediately following customs clearance. However, Members are not mandated to grant this authority for protected items acquired or ordered by an individual who was unaware or had no reasonable basis to believe that such actions would infringe an intellectual property right. Even though there are other rules in this section, if the rules in Part II about government or authorized third-party use without permission are followed, countries can limit the remedies for such use to just requiring payment for compensation. In all other situations, the remedies outlined in this section will apply, or if those remedies don't match a country's laws, people can still seek declarations or fair compensation.

In line with Article 44(1) of TRIPS, Section 140 of the Trademark Act prevents the entry of infringing goods.<sup>223</sup> Section 135 corresponds with Article 44(2), recognizing injunctions as a remedy for trademark infringement. The Patent Act's Section 108 grants courts the authority to award damages, injunctions, and other remedies in patent infringement cases, complying with TRIPS principles.<sup>224</sup> The Design Act, through Sections 22 and 32, establishes a framework for remedies and enforcement, offering relevant actions for injunctions, even though it does not explicitly mirror TRIPS Article 44.

#### **4.3.5 Damages**

**Damages or Accounts for Profits** are the two distinct remedies accessible to the plaintiff. While accounting of profits are an equitable remedy that calls for the defendant to turn over the real profits made from the infringing acts to the plaintiff, damages pay the plaintiff for losses sustained as a result of the defendant's actions.

**Article 45** of the TRIPS states that, authorities may mandate that violators pay compensation to right holders for infringements, whether or not they are known or reasonably foreseeable, under Article 45 of the TRIPS Agreement. Attorney's fees may be included in this reimbursement. Moreover, violators may occasionally be forced to reimburse profits or predetermined damages, even if they were unaware of the violation.

---

*Munna Bhai & Ors.*, 2009(39)PTC 208(Del)

<sup>223</sup> This is in compliance with Article 44 (1) of the TRIPS Agreement

<sup>224</sup> This is in compliance with Article 44 of the TRIPS Agreement

Section 135 of the Trademark Act, 1999 grants relief in infringement suits, mirroring TRIPS Article 45(1) and (2). Section 133 complements this, enabling the recovery of costs, including attorney's fees, aligning with TRIPS provisions on damages and expenses.

Section 106 of the Patent Act, 1970 tackles threats, allowing lawsuits. Sections 108 & 109 offer remedies in line with TRIPS Article 45, providing damages & rights to exclusive licensees.<sup>225</sup>

Sections 22 and 32 of the Design Act, 2000 cover infringement redress. Section 22 addresses damages and injunctions for registered design infringement, while Section 32, though not explicit, implies the Controller's authority to award damages in design infringement actions.<sup>226</sup>

#### **4.3.6 Other Remedies**

Article 46 grants judicial authorities the power to order, without compensation, the disposal or destruction of infringing goods, aiming to effectively deter infringement. This authority extends to materials and tools mainly used in creating such goods. The consideration of proportionality, balancing the gravity of the infringement and ordered remedies, and safeguarding third-party interests is crucial. Notably, for counterfeit trademark goods, the mere removal of unlawfully affixed trademarks is usually inadequate for permitting the release of goods into commerce, except in exceptional cases.

Section 135(1) of the Trademark Act, 1999 gives the court authority to provide relief in infringement cases, covering injunctions, damages, profit accounts, & orders for destroying or erasing infringing labels. Notably, it doesn't specifically discuss the disposal or destruction of complete infringing goods.<sup>227</sup>

Section 108(2) of the Patent Act, 1970 deals with the disposal of counterfeit goods.<sup>228</sup> It permits the court to order the seizure, forfeiture, or destruction of infringing items and related materials without the need for restitution. This ensures the removal of illicit goods with minimal risk of future infringements.

Section 22 of the Design Act, 2000 tackles design piracy, prescribing sanctions for infringement. While not a direct match to TRIPS Article 46, it shares similarities in legal remedies. It prohibits unauthorized use and importation of registered designs, outlining consequences like monetary penalties and injunctions. Though not mirroring Article 46, it

---

<sup>225</sup> This is in compliance with Article 45 of the TRIPS Agreement

<sup>226</sup> This is in compliance with Article 45 of the TRIPS Agreement

<sup>227</sup> This is in compliance with Article 46 of the TRIPS Agreement

<sup>228</sup> This is in compliance with Article 46 of the TRIPS Agreement

aligns with its objective of providing effective remedies with due consideration to the severity of infringement.<sup>229</sup>

#### **4.3.7 Right of Information**

Article 47 grants the authority to judicial bodies to instruct infringers to reveal details about third parties participating in the creation and distribution of infringing goods or services. This is contingent upon maintaining proportionality with the gravity of the infringement.

Section 127 of the Trademark Act, 1999 grants the Registrar powers akin to a civil court, facilitating evidence collection. While not directly aligning with Article 47, these authorities contribute to obtaining information, possibly unveiling third-party involvement in trademark infringement.

While lacking a specific alignment with Article 47, the Patent Act's, 1970 Section 108(1) indirectly encourages information disclosure.<sup>230</sup> The court can mandate the defendant to furnish pertinent material, aiding in the identification of third parties involved in infringement.

Section 32 of the Design Act, 2000 provides the Controller with civil court-like powers, forming a robust framework for design rights. While not directly addressing Article 47, these powers enhance the ability to obtain information, potentially revealing details about third-party involvement in design infringement.

#### **4.3.8 Indemnification of the Defendant**

Article 48 deals with the obligations and damages in situations where intellectual property rights are enforced. A party that was unfairly subjected to enforcement actions as a result of the asking party abusing the process may be awarded compensation by judicial authorities. This payment may include attorney's fees in addition to covering damages. Furthermore, public authorities and officials are only immune from liability when they carry out their duties in good faith and in accordance with the administration of laws pertaining to the protection of intellectual property rights.

The Trademark Act, Patent Act and Design Act do not have a specific section that directly corresponds to Article 48 of the TRIPS Agreement. However, general legal principles including the principles of justice, fair dealing, and abuse of process are available as remedies for erroneous injunctions or abusive enforcement efforts in the Indian legal system. Section 35

---

<sup>229</sup> This is in compliance with Article 46 of the TRIPS Agreement

<sup>230</sup> This is in compliance with Article 47 of the TRIPS Agreement

of the Code of Civil Procedure does allow for the awarding of compensation costs, including legal fees, to the winning party in a civil litigation. Although this clause does not specifically address indemnification of defendants in the area of intellectual property rights, it can be used by the court to compel the payment of adequate compensation or costs to the defendant in situations where there has been an abuse of enforcement processes.

#### **4.3.9 Administrative Procedures**

There are no specific sections in the Trademark Act, Patent Act and Design Act that directly corresponds to Article 49 of the TRIPS Agreement. In relation to administrative procedures Indian law provides two administrative opportunities to challenge the grant of Patent, Trademark, Designs before the administrative office : pre-grant and post grant opposition.<sup>231</sup> Also in for better functioning of the administrative procedures Patent (amendment) Rules 2024, Design Rules (amendment) Rules 2021 and Trademark Rules 2017.

#### **4.3.10 Criminal Remedies under TRIPS Agreement**

As per Article 61, Countries must establish criminal procedures and penalties for cases involving intentional trademark counterfeiting or copyright piracy on a commercial scale. These penalties should include imprisonment and/or fines significant enough to deter such crimes, similar to penalties for other serious offenses. In some cases, authorities should also have the power to seize, forfeit, and destroy the counterfeit goods, as well as any tools or materials primarily used in the offense. Additionally, countries may choose to apply criminal sanctions in other types of intellectual property infringement, particularly when done deliberately and at a commercial level. To comply this provisions specific sections are incorporated in the relevant IP Laws and the same have been recently amended vide, Jan Vishwas Act, 2023.

##### **4.3.10.1 Jan Vishwas Act 2023 and IPR**

On July 26, 2024 the Ministry of Commerce and Industry announced that the Jan Vishwas (Amendment of Provisions) Act will come into effect from August 1, marking a significant shift in IP legislation.<sup>232</sup> This Act, which was passed by Parliament last year, introduces amendments to several key IP statutes, including the Copyright Act, 1957; the Patents Act,

---

<sup>231</sup> V.K. Unni, Indian Patent Law and TRIPS: Redrawing the Flexibility Framework in the Context of Public Policy and Health, *available* at <https://core.ac.uk/download/pdf/303865429.pdf> (last visited on October 29 2020)

<sup>232</sup> Jan Vishwas (Amendment of Provisions) Act, 2023, India *available* at <https://egazette.gov.in/WriteReadData/2023/248047.pdf> (last visited on August 15 2020)

1970; the Trade Marks Act, 1999; and the Geographical Indications Act, 1999. The Act's primary objective is to streamline and simplify the regulatory landscape for businesses by decriminalizing certain offenses, thus aiming to enhance both the ease of doing business and the overall ease of living for citizens.

On a more positive note, the legislation introduces new resolution mechanisms for offenses under the Trademark and Patent Acts, through the proposed Trademark Rules and Patent Rules. While these changes offer a framework for addressing infringements and ensuring compensation for right holders, they also come with their own set of challenges. These new rules need careful scrutiny to ensure they effectively balance the needs of all stakeholders and truly contribute to a more efficient and equitable IP enforcement system.

### **Amendments in Patent Act after Jan Vishwas Act 2023**

The recent amendments to the Patents Act, 1970, introduce a series of significant changes aimed at modernizing and enhancing the enforcement mechanisms within India's patent regime. Notably, Section 120 now prescribes increased penalties for unauthorized patent claims, with fines escalating up to ₹10 lakh and additional daily penalties for persistent misrepresentations. This change represents a substantial shift from the previous maximum fine of ₹1 lakh. Additionally, Section 121 has been repealed, eliminating the criminal penalties associated with misleading uses of the term "patent office," which previously could result in up to six months of imprisonment. In a further reduction of criminal penalties, the revised Section 122 lowers the maximum fine for failing to furnish required information to ₹1 lakh, with ongoing failures attracting a daily fine, down from the prior maximum of ₹10 lakh. The amendments also decriminalize the act of providing false information, replacing potential imprisonment with a financial penalty capped at either 0.5% of the business's turnover or ₹5 crore, whichever is lower. Moreover, the penalty for practicing as an unregistered patent agent under Section 123 has been significantly increased to ₹5 lakh, with an additional daily fine for continued violations. The new Sections 124A and 124B establish a structured process for adjudicating penalties and provide a mechanism for appealing decisions, thus enhancing procedural fairness. Finally, the addition of clauses (xiiia) and (xiiib) to Section 159(2) authorizes the Central Government to draft rules governing these new procedures, culminating in the enactment of the Patents (Second Amendment) Rules, 2024. These comprehensive changes collectively aim to streamline patent enforcement, improve transparency, and bolster compliance with international standards.

### **Amendments in Trademark Act after Jan Vishwas Act 2023**

The recent revisions to the Trade Marks Act, 1999, reflect a significant shift towards decriminalizing certain offences and updating penalty structures to enhance the effectiveness and fairness of trademark enforcement. Notably, the removal of specific provisions, including Sections 106, 108, and 109, eliminates imprisonment for offenses related to the improper marking of goods, false representations of business connections with the Trade Marks Office, and falsification of register entries. Instead of criminal sanctions, these violations now carry financial penalties. For instance, under the amended Section 107(2), the penalty for falsely representing a trademark as registered is now based on turnover, calculated as either 0.5% of the total business sales or ₹5 lakh, whichever is lower, replacing the previous imprisonment term of up to three years or a fine. The new Sections 112A and 112B establish a framework for adjudicating penalties and provide an appeal mechanism through authorized officers designated by the Registrar. Additionally, the failure to comply with document requests related to imported goods bearing false marks has seen an increase in fines from ₹500 to ₹10,000. The introduction of clauses (xxxiiiia) and (xxxiiib) in Section 157(2) grants the Central Government the authority to set rules governing these new procedures, aiming to improve the regulatory framework and ensure efficient implementation.

#### **4.3.11 Abolishment of IPAB**

The Indian Government established the Intellectual Property Appellate Board (IPAB) on September 15, 2003 to hear and decide appeals against the Registrar's decisions made in accordance with the Indian Trademarks Act, 1999, and the Geographical Indications of Goods (Registration and Protection) Act, 1999.<sup>233</sup> Since April 2, 2007, IPAB has been permitted to hear and rule on appeals from the majority of the decisions, orders, or instructions issued by the Patent Controller pursuant to the Patents Act. As a result, IPAB received all of the Indian High Courts' ongoing appeals concerning the Patents Act.

The Tribunals Reforms (Rationalisation and Conditions of Service) Ordinance, 2021 was passed in April 2021, dissolving the IPAB, despite numerous appeals to continue its functioning. Unknown causes may have led to the 18-year-old board's termination. While some reports contend that the IPAB's sluggish justice-delivery pace was a factor in the decision, it is important to note that after August 2020, the rate of case disposal increased to 48.9 per month,

---

<sup>233</sup> Scheme for Strengthening of Intellectual Property Appellate Board by IPAB, *available at* <https://dpiit.gov.in/programmes-and-schemes/intellectual-property-rights/scheme-strengthening-intellectual-propertyappellate-board-ipab>, (last visited on August 15 2020)

leading to a total of 275 cases being resolved in 2020 despite the challenges posed by the global pandemic.<sup>234</sup>

Six appellate tribunals were eliminated, like Film Certification Appellate Tribunal, Appellate Authority for Advance Rulings (Customs), Airports Appellate Tribunal, Plant Varieties Protection Appellate Tribunal, National Highway Tribunal and Intellectual Property Appellate Board, which increased the backlog on the High Courts that had already been assigned the cases.<sup>235</sup> As the High Court's lack the technical staff required to handle these cases, the IPAB's significance has also been diminished as a result of its abolition. For the nation's intellectual property regime, this change is expected to have substantial effects. The IPAB's detractors, however, have a different point of view. Former IPAB Chairperson Justice Prabha Sridevan believes that the Board's dissolution was required due to a number of reasons, including its dysfunction, concurrent lawsuits, lack of technical expertise, infrastructure limitations, and ongoing legal disputes regarding the board's operation. The changes brought after the abolishment of IPAB in Trademark Act and the High Court now has the authority to hear appeals against decisions made by the Registrar of Trade Marks as a result of the IPAB's dissolution. The words "Registrar" or "the High Court" are substituted for "Tribunal" or "Appellate Board," as appropriate. The Registrar of Trademarks and the High Court have the authority to, among other things: deal with applications for registration of certification trademarks; remove a trademark from the Register and impose restrictions on grounds of non-use; require an applicant to provide security; vary registration; and rectify the register.<sup>236</sup>

The changes brought by after the abolishment of IPAB in Patent Act is that Appellate Board, which previously handled appeals against decisions issued by the Controller General of Patents on patent revocations, ratifications, etc., has been eliminated as a result of the law. In the legislation, "High Court" has taken the place of the word "Appellate Board."

---

<sup>234</sup> Saiesh Dhawan, *The Aftermath of Change: The Abolishment of the IPAB and the Establishment of the IPD* available at <https://excelonip.com/the-aftermath-of-change-the-abolishment-of-the-ipab-and-the-establishment-of-the-ipd/> (last visited on October 9 2020)

<sup>235</sup> Bhumika Indulia, *6 Tribunals abolished by Tribunal reforms Acts*, available at <https://www.scconline.com/blog/post/2021/08/23/6-tribunals-abolished-by-tribunal-reforms-act-2021/> (last visited on October 9 2020)

<sup>236</sup> Vitiating of IPAB –Changes under the Trademarks Act by Banana IP Counsel , available at <https://www.bananaip.com/ip-news-center/vitiating-of-ipab-changes-under-the-trade-marks-act/> (last visited on October 9 2020)

## **Intellectual Property Division**

The High Court now have the power to render important rulings as a result of the IPAB's dissolution. The Delhi High Court announced a significant development in July 2021 when it created the Intellectual Property Division (IPD). The structural alterations made, though, are not significant. Judges from the Delhi High Court's Commercial Division who previously handled IP issues have been assigned to the IP Bench. Both first court actions and appellate cases will be heard by this bench. It's interesting to note that the Delhi High Court has asked legal professionals for their opinions on the IPD Rules, 2021. All Intellectual Property proceedings will be governed by the Commercial Courts Act of 2015, the Delhi High Court (Original Side) Rules of 2018, and the Patent Suit Rules of 2021, according to the High Court's rules.<sup>237</sup> The Delhi High Court's IPD Rules, which are innovative in many ways, surely represent important advancements in the IP system's procedural structure. As evidenced in Rule 36, which requires filing in a Portable Document Format with Optical Character Recognition, these regulations also take the requirements of advocates for the disabled into consideration. Additionally, the regulations encourage the use of cutting-edge techniques for documenting evidence, like hot-tubbing, which involves the presenting of many pieces of evidence simultaneously. Approximately 3000 cases that were pending before the IPAB are currently being prepared for by the IP division.

The transitional provisions states that matters that were pending before the IPAB before the Ordinance will be transferred to the appropriate High Court in a manner that simulates what would happen if the cases had been brought under the Ordinance at the outset as stated under the Tribunal Reforms (Streamlining and Service Conditions) Ordinance of 2021 introduced modifications to the 1970 Patents Act. Furthermore, the relevant High Court has the authority to take on these cases at their current post-transfer stage, from an earlier time period, or from scratch, at its discretion.

In essence, this means that the High Court with jurisdiction may choose, at its own discretion, to advise the appellant or petitioner to commence these lawsuits from scratch regardless of how the current case is progressing.

---

<sup>237</sup> AZB & PARTNERS, Intellectual Property Appellate Board Abolished, *available* at <https://www.azbpartners.com/bank/intellectual-property-appellate-board-abolished/> (last visited on October 9 2020)

## **4.4 IPR infringement and Customs Department in India**

### **4.4.1 India's submission to WTO in compliance with Article 51-60 of the TRIPS Agreement**

The Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007, issued by the Government through notification No. 47/2007-Customs (NT) on 8.5.2007, lay out a detailed procedure that must be followed by right holders or their authorized representatives and the Customs department for seeking suspension of the release of suspect import goods. These rules are framed keeping in mind the criteria set out by the TRIPS Agreement. Articles 51 to 60 of the TRIPS Agreement require a WTO member nation to implement laws to fulfil duties relating to border measures, including the following provisions for IPR enforcement at the border<sup>238</sup>:

The provisions for the suspension of release allow a right holder to apply to Customs to halt the release of suspected counterfeit products. The application requirements include presenting prima facie proof of infringement and providing a sufficiently precise description of the products. To prevent misuse of the system, the individual filing the infringement complaint must provide security or an equivalent assurance. Customs is required to promptly notify the rights holder of the suspension, which lasts for ten working days after the notice is served. During this period, the right holder must initiate legal actions.

If there is wrongful detention of goods, the applicant must compensate the importer, consignee, and owner of the goods. The right holder is granted the right to inspect detained goods and access sufficient information to substantiate the claim. There is an optional provision for Ex - Officio action, which permits Customs to halt the clearance of goods on their own initiative without an application. This can occur either when Customs intercepts a shipment based on their own information after the right holder has completed the recordation of their intellectual property rights, or even if the rightful owner has not completed recordation. Remedies for infringement include ordering the destruction of infringing products, with re-exportation being prohibited. However, small non-commercial consignments may be excluded under the De Minimis Imports policy.

While the mandatory obligations under Articles 51 to 60 of the TRIPS agreement dealing with border measures are limited to infringement of Copyright and Trade Marks, the IPR (imported

---

<sup>238</sup>Enforcement of Intellectual Property Rights: Role of Customs Authorities by National Academy of Customs, Excise and Narcotics(NACEN), *available at* <https://nacin.gov.in/resources/file/downloads/53c7a6d74bd7a.pdf> (last visited on October 29 2020)

goods) enforcement Rules, 2007 address infringement of Patents, Designs, and Geographical Indications as well, in accordance with the practise of some other countries, most notably the EU countries.

There are two ways in which an IP owner can protect their intellectual property at the border: the regular procedure and the Automated Recordation & Targeting System (ARTS). ARTS is an electronic application designed to ensure the effective implementation of IPR border measures. It aims to register rights locally while protecting them nationally across all major customs locations in India. The system has been developed with several key objectives: ensuring effective enforcement of IPR border measures in conjunction with trade facilitation; integrating IPR enforcement within the customs clearance procedures; providing a web-based platform for rights holders to record their rights with customs; enabling national-level targeting of suspicious consignments; creating a centralized national database with useful information for enforcement; offering access to this centralized database for customs officers stationed across the country; and implementing an online, system-driven, centralized bond management module.

### **Border Measures in India in compliance to TRIPS**

India, as a signatory to the WTO's Agreement on TRIPS, has been bound by its provisions since January 1, 1995. Articles 51 to 60 of the TRIPS Agreement, found in Annex 1C of the Marrakesh Agreement, outline the necessary border measures for protecting IPRs against infringement at borders.

These Articles require member countries to implement specific laws to ensure border enforcement of IPRs, which include the following key elements:<sup>239</sup>

- **Suspension of Goods Release:** Right holders are allowed to submit a request to Customs to halt the release of goods suspected of being counterfeit.
- **Application Requirements:** This outlines the conditions for submitting an application, including presenting evidence of infringement and providing a clear description of the suspected goods.
- **Security Assurance:** The system requires the applicant to provide a security deposit or guarantee to prevent misuse of the process.

---

<sup>239</sup> Enforcement of Intellectual Property Rights Role of Customs Authorities by National Academy of Customs , Excise and Narcotics (NACEN) *available at* <https://nacin.gov.in/resources/file/downloads/53c7a6d74bd7a.pdf> (last visited on October 29 2020)

- **Notice of Suspension:** Customs must promptly inform the rights holder when goods are suspended.
- **Suspension Period:** A 10-working-day window is provided after the notice of suspension for the rights holder to initiate legal proceedings.
- **Indemnification:** If goods are wrongfully detained, the applicant may be held liable for compensating the importer, consignee, or owner.
- **Inspection and Information Rights:** The rights holder has the authority to inspect the detained goods and receive necessary information to support their claim.
- **Ex Officio Action:** This optional provision allows Customs to act independently to suspend goods clearance without requiring an application, based on their own intelligence.
- **Remedies:** Authorities can order the destruction of infringing goods, and re-exportation is prohibited.
- **De Minimis Imports:** Non-commercial, small-scale consignments may be exempt from these measures.

The TRIPS Agreement's mandatory border measures mainly focus on infringements related to Copyright and Trademarks. However, India's IPR (Imported Goods) Enforcement Rules of 2007 extend these measures to cover violations of Patents, Designs, and Geographical Indications, aligning with practices in other regions, such as the European Union.

While it is relatively straightforward for Customs officials to identify Trademark and Copyright infringements at the border, it is more complex with Patent, Design, and Geographical Indication violations unless a judicial ruling has already been issued in India. In such cases, Customs would merely be responsible for enforcing the decision, meaning extreme care is needed when determining infringement for these rights.

India's Copyright Act 1957, Trade Marks Act 1999, Patents Act 1970, Designs Act 2000, and Geographical Indications of Goods Act 1999, contain provisions that prohibit the importation of goods violating IPRs. The power for Customs to take action against these infringing goods at the time of import or export is covered under Sections 11, 111, and 113 of the Customs Act, 1962.

While IPR laws enable rights holders to pursue civil and criminal actions in cases of infringement, Customs authorities' jurisdiction is limited to addressing infringing goods at the point of import and export.

#### **4.4.2 Legal Provisions under the Customs Act, 1962**

##### **A. Section 11 of the Customs Act, 1962**

Section 11 empowers the Customs Authorities to either impose an absolute prohibition or set specific conditions (either before or after clearance) for the import or export of specified goods. This can be enforced through a notification under sub-section (1) of Section 11, aiming to fulfill purposes as laid out in sub-section (2), particularly clauses (n) and (u):

- Clause (n): To safeguard patents, trademarks, copyrights, designs, and geographical indications.
- Clause (u): To prevent violations of any law currently in effect.

##### **B. Prohibition on Import of Infringing Goods**

The Indian government, through Notification No. 49/2007-Customs dated May 8, 2007, initially banned the import of goods infringing on intellectual property rights protected under various Acts like the Copyright Act, 1957; the Trade Marks Act, 1999; the Patents Act, 1970; the Designs Act, 2000; and the Geographical Indications of Goods Act, 1999. This was later replaced by Notification No. 51/2010-Customs dated June 30, 2010.

The notification outlines a ban on goods that:

1. Bear counterfeit trademarks as per Section 102 of the Trade Marks Act, 1999.
2. Feature false trade descriptions under Section 2(1) of the Trade Marks Act, 1999.
3. Display a design, for which copyright exists under the Designs Act, 2000, or fraudulent copies unless authorized by the registered owner.
4. Have been produced outside India and infringe an existing patent in India, except with the patentee's consent, unless otherwise permitted under the Patents Act, 1970.
5. Violate false geographical indications as defined in Section 38 of the Geographical Indications of Goods Act, 1999.
6. Are restricted for import under an order issued by the Registrar of Copyrights under Section 53 of the Copyright Act, 1957.

### **C. Section 111 of the Customs Act, 1962**

Goods that infringe intellectual property rights, as prohibited by Notification No. 51/2010-Customs, dated June 30, 2010, are subject to confiscation under Section 111(d) of the Customs Act, 1962. Section 111(d) stipulates that: "Any goods imported or attempted to be imported, or brought into Indian customs waters contrary to prohibitions imposed under the Customs Act or any other law, are liable to confiscation."

### **D. Prohibition on Export of Infringing Goods**

Similarly, Notification No. 50/2007-Customs, dated May 8, 2007, prohibits the export of infringing goods, including:

1. Goods that fail to meet country-of-origin labeling requirements as per Section 139 of the Trade Marks Act, 1999.
2. Goods that are not appropriately stamped as per Section 81 of the Trade Marks Act, 1999, and the Trade Marks Rules, 2002.

### **F. Penalties for Importers/Exporters of Infringing Goods**

In addition to the confiscation of infringing goods, importers or exporters involved in such activities may face penalties under Sections 112 and 114 of the Customs Act, 1962.

### **G. Parallel Imports**

"Parallel import" refers to the legal import of genuine products (not counterfeit or pirated) that have been lawfully sold abroad, brought into the country by individuals other than the intellectual property rights holder, without the holder's permission. The Board clarified the legality of parallel imports in Circular No. 13/2012-Customs dated May 8, 2012, after consulting with the administrative ministries responsible for intellectual property laws. It was specified that the prohibition of imported goods to protect intellectual property rights under Notification No. 51/2010-Customs only applies to infringements explicitly mentioned in the notification.

For example, under the Trade Marks Act, 1999, prohibitions on trademark infringements for imported goods intended for sale or use in India, which trigger the IPR (Imported Goods) Enforcement Rules, 2007, are covered under the notification's para (i) and (ii):

1. Goods with counterfeit trademarks, as defined in Section 102 of the Trade Marks Act, 1999.

2. Goods with false trade descriptions, as specified in Section 2(1) of the Trade Marks Act, 1999.

Thus, the prohibitions outlined in Notification No. 51/2010-Customs apply only when imported goods violate the relevant sections of the Trade Marks Act, 1999.

In the given context, the Department of Industrial Policy and Promotion (DIP&P), Ministry of Commerce & Industries, has addressed the issue of parallel imports, which refers to the importation of original/genuine products (not counterfeit or pirated) that were legally sold/acquired abroad and brought into the country without the permission/authorization of the intellectual property right holder. The DIP&P, being the nodal authority for matters related to the Trade Marks Act, 1999, the Patents Act, 1970, and the Designs Act, 2000, has provided the following clarifications.<sup>240</sup>

- In the case of Patents, Section 107A (b) of the Patents Act, 1970 states that the importation of patented products by any person from a duly authorized person who is legally permitted to produce, sell, or distribute the product does not infringe upon patent rights. Therefore, parallel imports are allowed for patents under Section 107A (b).
- Under the Trade Marks Act, 1999, Section 30(3)(b) specifies that if goods bearing a registered trademark have been lawfully acquired, any further sale or dealing in such goods by the purchaser or a person representing the purchaser is not considered an infringement, as long as the goods have not been materially altered or impaired after being put on the market.
- Regarding Designs, Section 22(1)(b) of the Designs Act, 2000 clarifies that parallel imports are not permitted.

In conclusion, India has made substantial efforts to comply with TRIPS provisions, integrating them into its legal and administrative frameworks. While challenges exist, particularly in determining infringement for certain IPRs, India demonstrates a commitment to fostering a robust environment for the protection of intellectual property rights.

### **Key Features of the IPR (Imported Goods) Enforcement Rules, 2007**

The government introduced the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007 through Notification No. 47/2007-Customs (NT) dated May 8, 2007. These rules outline the specific process that right holders or their authorized representatives, as well as

---

<sup>240</sup>Central Board of Customs Manual, Refer Circular No.13/2012-Cus., dated 8-5-2012, *available* at <https://cochincustoms.gov.in/upload/manual/cs-manual2015.pdf> (last visited on October 29 2020)

Customs authorities, must follow to suspend the release of goods suspected of infringing intellectual property rights.

Some of the key provisions include:<sup>241</sup>

1. The filing of a notice by the right holder.
2. Registration of the notice by Customs.
3. A specified time frame for the right holder to participate in proceedings.
4. A centralized registration point for notices filed by right holders.
5. Adequate protection for legitimate importers.
6. Protection for Customs officers acting in good faith.
7. Customs may take suo-moto action under certain conditions.
8. The proper disposal of confiscated goods.
9. Exemption from action for goods of a non-commercial nature, such as those in personal baggage or small shipments meant for personal use by the importer.<sup>242</sup>

### **Automated Recordation and Targeting System and IPR**

India has introduced an Automated Recordation and Targeting System (ARTS) to enhance IPR enforcement and streamline trade facilitation. This system allows rights holders to easily register their IPR with Customs Authorities and ensures stronger protection and monitoring by Customs across the country.

ARTS is essentially an e-platform designed to implement IPR border measures more effectively. It enables the registration of rights locally and provides nationwide protection at major customs points. The system is built around several key goals:<sup>243</sup>

1. Strengthening IPR border enforcement while facilitating trade.
2. Integrating IPR protection with customs clearance procedures.
3. Offering a web-based interface for rights holders to register their IPR with Customs.

---

<sup>241</sup> Enforcement of Intellectual Property Rights Role of Customs Authorities by National Academy of Customs , Excise and Narcotics (NACEN) *available at* <https://nacin.gov.in/resources/file/downloads/53c7a6d74bd7a.pdf> (last visited on October 29 2020)

<sup>242</sup> Detailed procedure is available in National Academy of Customs, Excise and Narcotics (NACEN)

<sup>243</sup> On-line IP recordation system and recordation procedure, *available at* on [www.ipr.icegate.gov.in](http://www.ipr.icegate.gov.in). (last visited on October 29 2020)

4. Targeting potentially infringing shipments across India.
5. Building a national database to aid enforcement efforts.
6. Providing Customs officers with access to a centralized database for better coordination.
7. Enabling a system-driven, online module for centralized bond management.

This innovative approach aims to significantly boost IPR enforcement in India, making the process more efficient and transparent.

#### **4.5 Counterfeit Market in India**

India's counterfeit market has become a significant challenge as the nation's economy continues to grow rapidly. Counterfeiting, which involves unauthorized replication of designs, logos, and products, poses a threat to the integrity of IPR and undermines the country's economic and social fabric. The fashion, pharmaceuticals, electronics, and automotive parts sectors have been particularly affected by this surge in counterfeit goods. Not only does this hurt the revenue and brand value of legitimate companies, but it also endangers public health and consumer safety, with fake auto parts jeopardizing vehicle safety and counterfeit drugs leading to ineffective treatments and severe health consequences.

Despite the efforts to enforce laws against counterfeiting, the vast scale of the market, limited resources, and the sophistication of counterfeiters make enforcement challenging. According to the "State of Counterfeiting in India 2021" report by ASPA Global, the top five industries most affected by counterfeiting were tobacco, FMCG, alcohol, medicines, and cash. The States with the highest number of counterfeiting cases included Uttar Pradesh, Bihar, Rajasthan, Madhya Pradesh, West Bengal, Punjab, Jharkhand, Delhi, Gujarat, and Uttarakhand.<sup>244</sup> Additionally, India was highlighted as one of the top countries of origin for counterfeit goods in the "Dangerous Fakes" report by the European Union Intellectual Property Office (EUIPO) and the Organisation for Economic Co-operation and Development (OECD).<sup>245</sup> Also The Notorious Markets List identifies online and physical markets that are reportedly involved in or aid in significant trademark counterfeiting or copyright piracy. The U.S. Trade

---

<sup>244</sup> Shwetabh Raj, The geography of counterfeiting in India, *available* at: [https://intellectual-property-helpdesk.ec.europa.eu/news-events/news/geography-counterfeiting-india-2022-09-06\\_en#\\_ftn1](https://intellectual-property-helpdesk.ec.europa.eu/news-events/news/geography-counterfeiting-india-2022-09-06_en#_ftn1) (last visited on October 29 2020)

<sup>245</sup> Illicit Trade, Dangerous Fakes Trade In Counterfeit Goods That Pose Health, Safety And Environmental Risks by OECD and EUIPO, *available* at [https://euiipo.europa.eu/tunnel-web/secure/webdav/guest/document\\_library/observatory/documents/reports/dangerous-fakes-study/dangerous-fakes\\_study\\_en.pdf](https://euiipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/observatory/documents/reports/dangerous-fakes-study/dangerous-fakes_study_en.pdf) (last visited on October 29 2020)

Representative (USTR) first began identifying notorious markets in the Special 301 Report in 2006. Since February 2011, the USTR has released the Notorious Markets List separately from the Special 301 Report on an annual basis, aiming to raise public awareness and assist market operators and governments in prioritizing intellectual property enforcement efforts to safeguard U.S. workers and businesses. However, the Notorious Markets List is not an exhaustive list of all markets reported to engage in or facilitate large-scale copyright piracy or trademark counterfeiting, nor does it represent legal findings or the U.S. Government's evaluation of the overall intellectual property protection and enforcement environment in the respective country<sup>246</sup>. Such assessments are provided in the annual Special 301 Report, which is published at the end of April each year.

Responding to these challenges, the Government of India emphasized that while the U.S. Trade Representative's (USTR) Notorious Markets List, released on January 14, 2021, highlights concerns for American companies and consumers, India is not obligated to act on such reports. Instead, India relies on its robust legal and judicial system to combat counterfeiting and piracy. The Ministry of Commerce & Industry, led by Minister Som Parkash, along with the Cell for IP Promotion and Management (CIPAM), took steps to strengthen enforcement through over 100 training programs for police, customs, and judiciary officials.<sup>247</sup> The Ministry of Home Affairs also advised State Police Academies to incorporate IPR into their training curriculum, and an IPR Enforcement Toolkit was developed to assist police in handling IP crimes. Furthermore, CIPAM, in collaboration with the National Internet Exchange of India (NIXI) and the Maharashtra Cyber and Digital Crime Uni, suspended over 380 infringing websites based on incomplete KYC or WHOIS norms.

In 2022, the U.S. Trade Representative released its annual "Review of Notorious Markets for Counterfeiting and Piracy," which continued to list major markets in India known for dealing in counterfeit goods. These markets included Mumbai's Heera Panna, Bengaluru's Sadar Patrappe Road Market, and Delhi's Tank Road. An additional market, Kidderpore in Kolkata, commonly known as "Fancy Market," was also highlighted for offering a wide range of counterfeit and pirated goods, including clothing, cosmetics, electronics, optical media, and

---

<sup>246</sup> USTR Releases 2023 Review of Notorious Markets for Counterfeiting and Piracy by USTR, *available* at <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2024/january/ustr-releases-2023-review-notorious-markets-counterfeiting-and-piracy#:~:text=The%20Notorious%20Markets%20List%20highlights,trademark%20counterfeiting%20or%20copyright%20piracy>. (last visited on October 29 2020)

<sup>247</sup> Government of India Ministry of Commerce & Industry Department For Promotion of Industry and Internal Trade Rajya Sabha, *available* at <https://sansad.in/getFile/annex/253/AU1353.pdf?source=pqars> (last visited on October 29 2020)

software.<sup>248</sup> In 2023 this list was reduced to with same 3 markets and the Kidderpore Market was no longer part of the list.<sup>249</sup> India's commitment to enhancing intellectual property rights protection is evident in its proactive measures, including the suspension of infringing websites and the implementation of targeted awareness campaigns. Moving forward, the success of these initiatives will depend on sustained collaboration between government agencies, industry stakeholders, and the public to create a more robust environment that deters counterfeiting and safeguards both economic interests and public safety.

#### **4.6 Conclusion**

In conclusion, India has exhibited a strong commitment to TRIPS compliance by enacting several legal frameworks and establishing administrative systems to protect IPRs. In accordance with TRIPS principles, the country has imposed border measures, import and export restrictions, penalties, and confiscation processes. Furthermore, Circular No. 13/2012-Customs clarifies Parallel Imports, providing additional guarantee of international standards compliance. However, there are several areas of concern that must be addressed. It is difficult to determine infringement for certain IPRs, such as Patents, Designs in the absence of earlier judicial decisions. Furthermore, the narrow scope of customs authority, which is confined to acts during import and export and subject to certain laws, may inhibit effectiveness.

However, there are some areas of caution that should be addressed, the limited scope of customs authority, which is limited to acts during import and export and subject to certain laws, may impede effective implementation of IPR protection measures. Overall, while India has made substantial progress in aligning its IPR laws and enforcement systems with international norms, there is still need for continual monitoring and development to address existing difficulties and maintain effective protection of IPR in the country. India's legislative efforts, both pre and after TRIPS Agreement, indicate the country's commitment to establishing a strong intellectual property environment. By matching its legislation with TRIPS standards, India has established itself as a responsible global partner in IP protection and enforcement. These policies are critical for supporting innovation, boosting creativity, and advancing the country's economic prosperity.

---

<sup>248</sup> Office of the United States Representative, 2022 *Review of Notorious Markets for Counterfeiting and Piracy* (2023) , available at [https://ustr.gov/sites/default/files/2023-01/2022%20Notorious%20Markets%20List%20\(final\).pdf](https://ustr.gov/sites/default/files/2023-01/2022%20Notorious%20Markets%20List%20(final).pdf) (last visited on October 29 2020)

<sup>249</sup> Office of the United States Representative, 2023 *Review of Notorious Markets for Counterfeiting and Piracy* (2024) available at [https://ustr.gov/sites/default/files/2023\\_Review\\_of\\_Notorious\\_Markets\\_for\\_Counterfeiting\\_and\\_Piracy\\_Notorious\\_Markets\\_List\\_final.pdf](https://ustr.gov/sites/default/files/2023_Review_of_Notorious_Markets_for_Counterfeiting_and_Piracy_Notorious_Markets_List_final.pdf) (last visited on October 29 2020)