Professor Takabayashi, Waseda University: There are close to ninety who have registered to be present this afternoon. We are in Friday afternoon and already we are past 2:00 this afternoon. Although there will be people joining us later, I would like to start the seminar on IP enforcement in India without any adieu. My name is Takabayashi, professor at Waseda University. I would like to say a few words at the outset. Global COE was to first organize a series of seminars for some time and this seminar had been planned prior to the program and we will have funding by MEXT. Under this program, we will cover IP enforcement in India and that is why we have been able to access this grant. We are in the second tier. Already we have established a database of jurisprudence on IP in India. The database is underway and Global COE already created webpage. You will be able to access it to find out about cases in India, cases in Taiwan, China, Korea, Vietnam, and Thailand. This webpage is very useful in searching jurisprudence cases, and judgments in these countries. These are all in English. This is provided free of charge. I encourage you to access this website to search necessary information. We also have India, in addition, and since India has been adopted as a Global COE, we will further expand the regions to cover Europe, such as Germany, France, and the U.K. The U.K. and India are English speaking countries, but in any case, regardless of whether a country speaks English or not, this database will be based on the English language. Therefore, I hope that this website information will be highly useful for your purposes.

Because the time is limited, I would like to start the seminar without further adieu. India is rapidly growing, as is the case with the PRC. Correction, India has had a long history of IP since the days of U.K. rule and has a unique enforcement and legal system when it comes to IPR. We have scholars, justices, and lawyers from India and we also have an American attorney who has done business in India. I think we will be able to discuss IP enforcement in India from different perspectives this afternoon. I hope that you will all have a package which we have distributed to you. We have a full afternoon and we have pages of documents, because of our limitations to translate these English documents, we spent sleepless nights translating these English materials and some may question the quality of the translations we are providing, but these Japanese translations are tentative translations and I hope you understand that there was a time limit for us to translate English documents and we have simultaneous interpretation available to you this afternoon so I ask for your kind understanding.

First we have two keynote speakers, which will be followed by a panel discussion. We have three panelists for the panel discussion. As for our keynote speakers, we have Dr. Verma, University of Delhi, India and
Delhi High Court Justice, which has built an extensive jurisprudence on IPR; Justice AK Sikri, Judge, Delhi High Courts, who is well-versed in IPR cases and we would like to give thirty minutes each to our keynote speakers. Our first keynote speaker will be Dr. Verma of University of Delhi, India under the topic of “Characteristics of India IP Enforcement in Recent Years.” Professor Verma, the floor is yours.

Dr. S.K. Verma, Professor, University of Delhi: Good afternoon to all of you. First of all, I would like to put on record my sincere appreciation to Professor Takabayashi and Professor Toshiko Takenaka and the very cooperative Li Tsang for arranging our arrival here and making our stay very comfortable, taking care of each and everything, which is more than what we could expect from them.

As a matter of fact, since time is very much limited to each of us, I will not spend much time because between myself and Justice Sikri, we have decided that I will be talking in general terms regarding the position of IP enforcement in India, and he will present the judicial approach regarding what the courts are doing, what they are developing in the law and evolving the law on intellectual property.

India is a party to the TRIPs agreement and after becoming a party, India put in place all the laws making it TRIPs compliant. We had certain earlier laws as well, but some of them have been amended, some of them have been repealed and new laws such as in the case of trademarks have been enacted. And in some cases, where no law existed prior to that, a new law has been enacted, like in the case of geographical indications, plant varieties, and also to some extent in the case of biodiversity. On the statute books we have almost eight laws to our credit. Except for any specific law on trade secrets, which is dealt to some extent under the contract law in India, laws exist on all the major IPRs.

So far as the enforcement part is concerned, I certainly would like to take a quick look at what the TRIPs has to say. TRIPs has 21 articles which are divided into various heads, as you can see from the slide. They are on general obligations, civil and administrative procedures, border measures, and criminal procedures. Accordingly, they have to be provided in the country concerned, all these measures have to be implemented. The specification of measures and procedures are left to the members. Members are, at the same time, not obliged to put a separate distinct judicial system for the enforcement of IPRs procedure, but at the same time, the procedures have to be fair and equitable, not complicated or costly or entail unreasonable time limits or be unwarranted. As a part of civil and administrative actions under the TRIPs -- they have to provide injunctions, declaratory judgments, compensation which may include attorney's fees, recovery of profits, payment of pre-established damages, and at the same time, goods which are found to be infringing goods may be destroyed, removed from the channel of commerce. Now there has to be a mandate for provisional measures. Infringing goods have to be stopped at the border. Border measures have to be provided. Criminal action in case of counterfeiting and piracy, if done willfully has to be stopped.

If we look into the Indian laws, on enforcement, that is where Article 41-61 of the TRIPs agreement is concerned, we have existing laws, which are TRIPs compliant. They are enough. They provide enough scope. Enforcement is mainly effected through the courts in India, but we do not have any special IP
courts unlike Brazil or Thailand. Apart from specific IP laws, we have, as I have just stated, eight laws on the statute books on IP. Apart from these IP laws, on enforcement, there are other relevant laws, which do not find much mention. These are like the Customs Act, 1962, for border measures. Section 11 of the Customs Act, which empowers the government to take measures for the protection of patents, trademarks, and copyright at the border.

Now, way back in 1984, the Supreme Court decided a case where they gave enough scope that at the border these goods can be stopped. In the case of copyright infringing goods, Section 11 of the Customs Act has to be read with Section 53 of the Copyright Act which means that the Registrar of Copyrights will have to approach the customs officers. First of all, the person who is alleging that the infringing goods are coming has to approach the Registrar, and the Registrar will in turn approach the customs authorities, and the customs authorities will stop the goods at the border. Similarly, in the case of trademark, infringing goods have to be stopped at the border and in this particular case a more _suo moto_ action could also be taken by the customs officers.

Now the customs office is empowered to take ex officio action under the law and it also allows the authorities to seize infringing goods. Customs officers can seize any document or thing which is useful or relevant for the proceedings. Goods can be seized or penalty imposed after serving a notice on the wrong-doer, that is, the person who is the owner who is importing the infringing goods. Recently, since there had been a lot of pressure to comply with the international obligations and the TRIPs, the government of India has brought out a notification, the Intellectual Property Rights (Imported Goods) Enforcement Rules on May 8, 2007. This is based on the World Customs Organization (WCO), guidelines. Giving effect that thereby the goods have to be stopped at the border, that is the importer who is alleging that the importing goods are infringing goods has to go to the customs officer, notifying the Commissioner of Customs in writing, and when the goods come, they will be seized.

The new rules provide a two-way procedure for suspension or release of infringing goods that is on the notice by the right holder that when it gives to the customs officers and on the initiative of the customs authorities when they have reasonable doubt that the goods are infringing goods. Customs officials enjoy a quasi-judicial authority. They can, themselves, stop and then they can take certain measures as well. Infringing goods can be ordered to be destroyed by the customs authorities as well.

We have the Indian Penal Code, which also makes counterfeiting an offense. This can also be one of the grounds for stopping infringement of intellectual property rights. The Specific Relief Act is another Act which will provide for the permanent and interim injunction. There is a Code of Civil procedure which has to be followed in the infringement cases or in for enforcement cases. Then there is the Code of Criminal Procedure.

The Code of Civil Procedure was amended in 2002. It is aimed at reducing judicial delays, because India is known for having a lot of judicial backlog. The cases are piling up and there is a lot of time which is being spent in all the cases, not necessarily in the case of intellectual property, so sometimes in intellectual
property cases, if you get an injunction, it is as good as you have won the case. That is because there are a lot of long court procedures. The new amended Civil Procedure Code provides a time-bound filing of written statements and replies, a cap on the number of adjournments granted by the courts, service of summons through courier, and use of facsimile if directed by the court, evidence by way of an affidavit filed in the court, containing the relevant information from the witness, and amendments of other procedures that often cause delay.

Beside that there is also provision of the CPC, for alternative dispute resolution. That is Section 89 in the Code of Civil Procedure, whereby a court seized of any dispute can refer the matter to arbitration, conciliation, judicial settlement, or mediation. This section has already been used by courts to refer certain trademark matters for mediation and maybe Hon. Justice Sikri will be touching on this point, because he is from the High Court and he is very active in these matters as well in the workings of Section 89.

Under the specific IP laws, I will be touching on the three Acts; that is copyright, the Trademarks and Patents Act. They provide civil and criminal remedies. The Patents Act provides for civil remedies like injunction, including interlocutory injunction, damages, account of profits, and also infringing goods, material and implements can be ordered to be destroyed or seized or forfeited.

There is also a unique provision under our Patents Act that is on groundless threats of infringement. In that particular case, the courts can issue a declaration, injunction and damages in such a case against the party which is just threatening the rightful owner of the patent. In patent cases, the court may take the help of an independent scientific advisor to an infringement suit, because the courts may not have the expert eyes for scientific matters. The criminal remedies of fine or imprisonment are provided for intentional infringement on the act.

Against the orders and decisions of the Controller, appeals lie before the Intellectual Property Appellate Board. This is the Appellate Board which had been constituted by virtue of the amendment of the Patents Act in 2002. Under the Trademarks Act there is a provision and the same board takes care of trademark matters. It also entertains the appeals in geographical indications and design matters. There has to be a technical member for patent matters in the Appellate Board.

In trademark matters, the Act also lists certain remedies for infringement or passing off, which include injunction, damages, and account of profits, delivery up of infringing labels and marks. In the case of collective marks, as you all know, TRIPs has a provision for collective marks and the certification marks, so on collective marks, the court is empowered to issue any order, based on the loss suffered/likely to be suffered by the registered proprietor. Here also, as I have already told you, the IPAB has the power.

The Act provides for criminal remedies. It provides for penalties and imprisonment. And under the Act the fine can range from 50,000 Rs. 50,000 is almost 1,000 dollars, and 200,000, that is $4,425, but in Indian terms it is big money, imprisonment from six months to three years. Higher penalties and imprisonment on the second or subsequent conviction are provided.
In copyright matters, we have civil remedies. That is injunction, damages, accounts, and costs which have been suffered and criminal remedies which are cognizable offence, imprisonment up to three years, and fine up to 200,000 Rs. Apart from that there are administrative remedies. I am not going into the details, because I know there is a panel discussion which will be taking up all these issues in much more detail. For administrative remedies, we have the Copyright Enforcement Advisory Council. We have Copyright Societies. Then there is the Copyright Board.

Infringement cases are decided by the Copyright Board and the courts. They have the power. The Board and the Registrar of Copyright possess certain powers of a civil court. The court may grant an injunction, ex parte interim injunction coupled with Anton Pillar order. Justice Sikri will be throwing light on that. A civil suit is to be instituted in the concerned civil court in whose jurisdiction the plaintiff resides or he carries on business. It is unlike any other civil case in that where the defendant resides, the case will be brought there. Under the Copyright Act now, where the plaintiff resides, the case can be brought. The court may order the destruction of infringing copies of the work and of all plates in the possession of the offender to be delivered to the owner. Further, it provides, on order of the court, that a sub-inspector can seize all infringing copies without a warrant. Police have the power to seize infringing goods. Plates used for infringing purposes also can be seized. Use of pirated computer programs is an offense under the Copyright Act and fine up to 200,000 Rs. or imprisonment from 7 days to 3 years. It also provides remedies for groundless threats. Since I am short of time, I am not talking about this case of India TV vs. Yash Raj Films where there was a TV show. There, a threat was given by the defendant and the court issued an injunction against it.

The Copyright Enforcement Advisory Council, which was constituted in 1991 reviews the progress of enforcement of the Copyright Act periodically and advises the government regarding measures for improving the enforcement of the Act. There are Copyright Societies, for which there is a provision under the Copyright Act. There are four Copyright Societies which are registered under the Act. These are SCRIPT that is for the cinematic films and its full name is Society for Copyright Regulation of Indian Producers of Films and Television. Then there is IPRS. This is the Indian Performing Rights Society. That is for musical notes and etc. Then PPL. That is Phonographic Performance Limited. And then there is IRRO. That is the Indian Reproductive Rights Organization, which is mainly for books or literature or articles or artistic works.

The Copyright Board is entrusted with the task of adjudication of disputes pertaining to copyright registration, assignment of copyright, grant of licenses in respect of works withheld from public, unpublished Indian works, production and publication of translations and works for certain specified purposes. This is the jurisdiction of the Board. It enjoys certain quasi-judiciary powers of a civil court and there are few matters which only the board can take.

There are special cells for copyright enforcement in the Economic Offences Wing (EOW) of the Police which are set up by various states. That is the name of the states I have mentioned, and then there are nodal officers appointed by state governments to coordinate enforcement between industry and enforce-
ment agencies. Particularly in the state of Tamil Nadu it is quite active, because of the film industry. The politicians are very much in the film industry and they want to protect their interest and that is why this particular office has become very active in the Tamil Nadu state.

There are practical difficulties in enforcement, as far as copyright is concerned. They lack coordination. There are a number of agencies. Police enjoy wide powers under Section 64 of the Copyright Act. Many police officers may refrain from implementing their powers because of the clause ‘if he is satisfied’ used in Section 64. Copies seized are to be produced before a Magistrate ‘as soon as practicable,’ so there is no time limit. They may not feel very much obliged. The police generally lack the orientation towards copyright laws, such as knowledge of distinguishing infringing copies from the originals. As for the machines used for making duplicate copies etc. -- they do not have much knowledge about them. Police, judiciary, customs personnel involved in combating piracy have to be trained in the Copyright Act, the kinds of violations under different segments of the copyright industry. The entertainment industry is the biggest sufferer. They do not have much information or much orientation.

In the IP Enforcement Civil Remedies, they are generally, if you just club them all, are in the nature of injunction, damages; the court can direct an account of profits to be produced, issue an order requiring delivery up of the infringing goods. Additionally, a court can grant an ex parte injunction along with an interim order for discovery of documents, preservation, preservation of infringing goods or other evidence. The court may also pass any of the following orders to restrain the defendant:

They are in the nature of Anton Piller order, which is court commissioners are appointed to search and seize infringing goods and take them into custody or return the seized goods once sealed to the infringer with an undertaking to produce the goods before the court. Then there is Norwich Pharmacal order that third parties such as customs and excise officers can be directed to disclose details regarding the movement of goods, quantities, and other things. Then there are Mareva Injunctions. That is assets of the defendant may be frozen so that in case a judgment is given in favor of the plaintiff, there will be enough assets to give him damages or his loss will be rectified. Then there is the John Doe Order that the court commissioners are empowered to visit any premises where they have reason to believe that infringement was being committed. This is they can go on their own.

The civil remedies are to sue for damages, proof of loss and benefit to the other person will be taken into account and on this I think Mr. Sikri will be throwing a lot of light so I will stop. An injunctive relief is more effective, as I already told you. Since a suit for damages takes a lot of time, and where the time is the crucial factor that the defendant must be stopped in that particular case injunction is the prime remedy. In the case of injunction, there are three elements which are to be proved, that is the prima facie case of infringement, irreparable loss/injury to the plaintiff and balance of convenience in favor of the plaintiff. These are the things which have to be taken into account.

There are temporary injunctions and permanent injunctions. Due to delays in court proceedings, temporary or permanent injunction is the main remedy in most of the cases. Injunction is granted also in pro-
tecting emerging rights such as rights in ring-tones and desktop wallpapers. Damages have been increasingly awarded in IP infringement cases both in copyright and trademark cases. At the same time we do not have any statutory procedures regarding how to measure the damages and what paradigms should be taken into account. So, it depends entirely on the discretion of the particular judge how he comes to that particular conclusion on how much damage must be paid. In some cases, both compensatory and punitive or exemplary damages have been paid with interest as well. In some, a small amount of damages have been paid. In Amarnath Sehgal’s case regarding moral rights of the author, damages were paid.

There is no specific law that we have on domain names, but courts have also given effect to rights in cyberspace by interpreting statutes broadly. The courts are very innovative and it is not that any case comes and they say that “we don’t have the law,” but they always try to find a law and improve justice under the existing provisions of the law under different statues. Damages are also awarded in domain name infringement cases and there are cases of fellow network and torts in other cases as well.

At the end, I would like to say that in recent years, what my evaluation is so far as IP enforcement in India is concerned evidently the courts have increasingly leaned in favor of the IPR owner. New remedies are constantly evolved by the courts. So all these orders, damages, accounts, and the other things, they are there. Internationally known remedies are also being implemented. Newer areas of IPR are also accepted without difficulty. Culture of damages has set in but needs to be made the rule, devising the detailed mechanism of measuring damages rather than the exception. Damages could be compensatory as also punitive. The main remedy in infringement cases in India is still predominantly confined to injunctions and to mainly interim injunctions. In IP cases trials are rare, because the court procedure is very much lengthy and tardy. As I told you, to get an injunction is as good as winning the case. Delays in trials need to be addressed; rather than entirely based on documentary evidence, affidavits and cross-examination may help, affidavits and cross-examination may help in the context of the amended Civil Procedure Code. In criminal actions, there is a need of streamlining of the system and bail should be granted restrictively. IP specialist courts at district level in states should be mooted, as a matter of fact, special IP benches in the high courts and Supreme Court could be constituted.

We do not have any special courts. In fact, every now and then the roster of the courts change in the high courts. We have very well informed judges and particularly in some of the high courts, the judges are very active, particularly the Delhi High Court where practically 75% litigation on IP cases is handled. The next 15% is handled by the Bombay High Court, and the rest of these, maybe 10 to 15% are handled by other high courts in India. Our lower judiciary is also increasingly becoming active. You see the case of some high courts having original jurisdiction, like Delhi, Bombay, Madras, and Calcutta high courts, where the case can go directly to the High Court, but in patent cases where there is an opposition to the case, then in that particular case, if the case has been filed in the lower court, it will go directly to the High Court. It will be transferred there. That is how it is.

Models from other countries like Thailand and Brazil where there are special IP courts may be looked in to where special IP courts have been created. Greater penetration of IP consciousness at the level of Dis-
District Courts is required at the present level. This particular knowledge at the District level is not at an optimum level, or not very acceptable levels and so they need to be made more IP friendly and more knowledgeable. Police and customs authorities need to be sensitized to stop piracy and counterfeiting. Thank you.

Professor Takabayashi: Thank you very much, Professor Verma. She is a professor and so she talked extensively about TRIPs compliance and post-TRIPs compliance. How the criminal, civil, legislation in India and customs legislation as well as enforcement in India have evolved. She gave an overview. She also talked about the court system in India toward the end, in particular about injunctions. Through injunctions certain reliefs are given, but beyond injunctions, when cases are brought to court they could be lengthy and some cases are appealed to the High Court.

There was mention about Thailand and here in Japan a few years ago, we created a High Court specializing in IP and it is now on track. We hope to have active discussions on that later. We have a judge from the High Court today in the audience. We hope to have active discussion on that later.

Next, 75% was the number mentioned -- so the High Court in Delhi, which handles 75% of IPR cases, we have a representative from the court and he is a well known expert in this area, Judge Sikri who lectures around the country. He will talk, not just about the court system, but about enforcement of IPRs as well from the judge’s point of view. Now Judge Sikri, your honor, the floor is yours.

Justice A.K. Sikri, Judge, Delhi High Court: Good afternoon to you all. Mr. Takabayashi, Ms. Toshiko Takennaka, my friend from the U.S., ladies and gentlemen, and my dear students. It is a great pleasure to be here with you and to share some of the things which the judiciary is doing in India, in so far as enforcement of intellectual property rights are concerned and therefore, like Madam Verma said, I thank the organizers here to give me this chance, organizers of Waseda University.

Before I start my presentation, I have two comments to make. One is with regard to the paper which I had sent which has 128 slides. In that paper, I tried to cover practically everything insofar as enforcement is concerned. If that is circulated it will give you fairly good idea of enforcement. But since time allotted to me is 30 minutes within which I have to pack up, it is not possible to cover all these areas. At the same time, I am still at peace in the sense that when we had a meeting early in the morning, I came to know about the topics or the areas which are going to be covered by others. So I will be leaving those areas and I will be speaking mainly on the court role as far as enforcement is concerned.

My second comment is that it is a strange coincidence, which I observed about our Indian team viz., is concerned. Madam Verma was my teacher and the other two ladies from India; Sadas and Girija Krishan Varma were my students when I was teaching in the law faculty in Delhi University. Naturally they would be your students in any case. So that is three generations of teacher-student relationships which have converged here and are going to discuss IP jurisdiction with you.
As far as our statutory framework is concerned, Madam Verma has discussed in brief generally about the entire IPR system and I can say that this IPR is recognized worldwide. So, based on entirely the same kind of system are our laws also, which are now amended from time to time and with recent amendments in the last few years, we are internationally compliant as far as our statutory framework is concerned. Generally speaking, this is the way in which our IPR regime works. We have the Trademark Act, which deals with trademarks. The Patents Act, then Copyright, Designs and fifth is Geographical Indications Act. So broadly, under these five acts there are various protections granted to the various holders of intellectual property rights.

Insofar as trademark is concerned, I am told Mr. Manoj is going to discuss in detail about it, and therefore I'll skip most of it, except reference to saw of the cases highlighting ways in which the court in India are enforcing these laws. Normally we have two types of actions. One is violation of registered trademark. When a trademark is duly registered with the Trademark Registry and somebody violates it, the other person, the defendant or the opposite party violates that trademark so there can be an action called Violation of Trademark, but we recognize violation of even unregistered trademark. If the trademark is not necessarily registered, but if it has acquired sufficient goodwill in the market and is known with that particular mark, then also it cannot be copied by others. This is what we call passing off. Passing off is a sort of common law action, because India is a common law country. Common law means judge made law which judges have made from time to time. So, passing off comes under that. We have Section 29 which deals with the infringement of trademark and under this a mark used by a person must be either identical or deceptively similar to the registered trademark or it is specifically covered by the registration and the use of trademark must be in the course of trade. These are some of the parameters which have to be fulfilled. It is used in such a manner that it is likely to be taken as a mark of that person who has got itself registered. These infringements, because I think Mr. Manoj will be dealing with this in detail, so I am skipping all this.

So, passing off as I told you earlier, is a form of tort and the main test here is whether the product of the other side, that is, the infringing person, is such that the public is likely to be deceived and he's passing off, that means he's giving it as a product of the person who is the genuine trader in the field. That is a test which is to be applied in this and the characteristics which are in passing off are; misrepresentation, by a trader in the course of trade, to prospective customers or his ultimate consumer of goods or services supplied by him, calculated to injure the business and goodwill of the others, and it causes actual damages. Two cases which I have in mind, and I will discuss only those. They relate to your country.

The first case is of the Honda Motors Company. Honda, is very famous in automobiles. The defendants against whom Honda brought action in Delhi had started using it for a pressure cooker. So, a pressure cooker which has nothing to do with an automobile, nothing to do with cars, but they started using the name Honda for a pressure cooker. Still the court gave injunctions saying that a normal consumer may be deceived or he may be confused, that this is a product which is manufactured by a famous company, Honda, which is in Japan, and therefore there is a goodwill attached to these pressure cookers, and they are passed off as the goods manufactured by Honda. So, therefore, they were restrained. You have no right
to use the trade name Honda, even in respect of pressure cookers.

The other case is Hitachi Limited Japan. It is another interesting case. Hitachi’s again, from your country and very famous in electrical goods. The name which was adopted by the defendant was Hitashi. Hitashi is a Hindi word which means “a person who looks after your welfare, who is your benefactor.” So, the defendant said it is a Hindi word he had adopted, Hitashi, and since he was an Indian, he had a right to adopt a Hindi word and he was manufacturing sound amplifiers for this. When the matter went to a single judge in the first instance it was okay holding that, Hitashi is a Hindi word of Indian script, it has nothing common with Hitachi, and no injunction was granted. In appeal, the Division bench upset the judgment of the single judge and said no. Hitashi may be a Hindi word but it is hardly a word used for business purposes, so people would be confused with Hitachi and if you see the spellings, except C and S, it is all the same. H-I-T-A, H-I-T-A-I. Then C-H and instead of C-H it is S-H. So, therefore from there, the court said there is a phonetic similarity also and the way the two words are written there is a lot of similarity, so people may get confused that the defendant was selling the product of Hitachi and it is manufactured by Hitachi. So for that reason also, injunction was given.

There are invented words, coined words, common words, abbreviated words where injunctions can be given. Again, as I said, I am skipping all this as Mr. Manoj would be covering it. As far as Copyright is concerned, some of the things have already been highlighted by Madam Verma. We have Section 14 which deals with copyrights and the protection which is given to a person who is the owner of copyright and in the case of copyright it is not necessary that it has to be registered. One is that nobody has the right to reproduce that work. Then, to communicate the work into the public. These are the rights which are given to the owners, so therefore, another person has no right to copy these rights to issue copies of the work, to include the work, to make adaptation. This topic is going to be covered by others, so I am skipping this also.

Now, I come to enforcement on which I want to focus. This is also generally discussed already. There are two kinds of remedies which we have. One is the civil remedy and the other is the criminal remedy. In civil remedy there are injunctions, there are damages. There are accounts of profits. Then recovery of expenses including lawyer’s fees. Then disposal of infringing goods. That is where the court can say, regarding the infringing goods which were produced by the defendant, “You destroy these goods,” because these are goods which are imitations of the other party that is the plaintiffs and other remedies are the different kinds of injunctions to which I will come to at an appropriate stage. Then the criminal remedies are that there can be an imprisonment under the law. There can be monetary fines. There can be seizure and disposal of the infringing goods. The goods can be seized by the police and can be disposed of and there are some other sanctions as well.

Regarding the remedies which are under injunctions, there are three kinds. One is temporary injunction. This was also explained to some extent by Professor Verma. So, I will hurriedly go through them. Interim injunction is to be granted during the pendency of the suit, which is a remedy which is immediately needed. Normally such interim injunctions are given the moment it is shown that, yes, the defendant is
infringing the trademark or copyright or patent, etc. of the plaintiff. Perpetual injunction is an injunction which is given at the end of a trial. It is a permanent injunction where something is restrained forever. And mandatory injunction is, normally “injunction” means you restrain a person from doing an act. “Mandatory” is where you mandate a person to do an act. Here, this mandatory injunction is normally one in which yes, (as I told you earlier also), these are the goods which are infringing goods and a mandate is given and direction is given that you destroy these goods, or you hand over all these goods to the plaintiff. Now, damages can be given or accounts of profits. That is, one of these two can be given.

Now I come straightly to the role of the judiciary. From my judge’s point of view, what I have seen and what I have observed during this period, as far as development of IPR in India is concerned and what the role of the judiciary has played. Normally, what is done is this: a judge is normally required to interpret a statute, a particular law, and enforce that law. So, that is one function which every judge has to perform. If there is a right guaranteed under an act, which is infringed by the other side, we interpret that law and say that “Yes, this is the right given to the plaintiff,” and therefore we enforce that. No problem up to this. But, what happens in real practice is that many times while dealing with certain situations we find that there is no specific answer in the statute. When the law is made by the Parliament it cannot think and visualize each and every situation that will crop up in when the case comes before the court. So, there it is with the wisdom of the judge to see how and what principles to apply while interpreting the statute. New principles evolve, in course of time within the framework of law. Not that we overstep and we violate the law, but that is how the law grows and that is what the attempt is made as far as Indian courts are concerned insofar as the enforcement of IPRs is concerned.

Normally when we interpret the law and enforce it in particular cases, I can say from my own experience I am saying, normally, we find there are three challenges, which are the governing factors insofar as enforcement of laws as far as intellectual properties are concerned. One is market power. It was told to you by Mr. Takabayashi in the beginning, India is growing by leaps and bounds in the last few years. In the last 15 years it opened up and it is on the global village. Ours is now an open economy where we are attracting and asking persons from all over the world to invest in our country. There is so much investment by Japanese in India. Many cars and other products of Japan are household names. I gave you the example of Honda and Hitachi, etc. There are so many such companies. Therefore, at the back of our mind is, that the investments of these persons, including in the form of intellectual property, which we call Foreign Direct Investment FDIs, should be legitimately protected under the law. Otherwise it may effect the foreign direct investment into our country. Therefore it is our bounden duty as judges to protect the intellectual property even of a foreigner, not necessarily Indian, if he is entitled to that protection under our law.

Another principle which I will come to, and which is by interpretation, is that which we call cross-border reputation. A particular product which has come to India, but is known in India. Suppose the situation were that Honda Motors had not established any factories in India, they were not producing, but Honda was known to Indians even 50 years ago. In that case when a judgment was given, Honda would have had no presence, but this is the reputation which Honda enjoys, not only in Japan, but throughout the world. That is what we call “cross-border.” This principle was propounded in the Whirlpool Corporation case.
Whirlpool is a company which is very well known everywhere and another person started with the same name. His defense in India was Whirlpool has no presence in India, so how will the public be fooled? How will they be deceived? The court said “Sorry.” The Delhi High Court gave the judgment and said, “No,” If a person enjoys a reputation and is known in India, then we will protect it. The Supreme Court also upheld that judgment. So, this is that market power.

Second challenge is pressure for development. We have to strike a balance and it cannot be at the cost of indigenous industries and native industry. The challenge is to ward off unfair competition. We should ensure fair competition even within India. So that is the second factor which would govern in our mind while granting an injunction or damages in a particular case and deciding a case.

The third challenge, is innovative interpretation. I have already told you, that we have to sometime fill up the gaps. With these innovative interpretations, these are the areas where we have tried: one is innovative injunctions, which were not known in Indian jurisprudence, normally in other type of cases. We have innovated those injunctions through case law. Some of these were mentioned by Madam Verma, i.e., Mareva Injunctions, John Doe Orders, etc.

Second is injunction versus damages. On this also Madam Verma had stated how damages, etc. are given and I will come to it and will show you that it is totally judge made law. We have tried to deal with a peculiar situation in India to which Madam Verma had hinted.

Third is, as I have already told you, recognition of cross border reputation. Other is Trade dress. Then there is the issue of Designs versus Copyright. Also Estoppel, delay, and acquiesce. I will only say here normally in law when a case is brought to the court after much delay then the law is, which is everywhere, that he is acquiesced into the wrong action of the other side, so, “Sorry.” But as far as IPR is concerned, again there is an exception that if it is a registered trademark, even if a person made is coming much belatedly, he should be given protection. About jurisdiction, there are some path making judgments where we have said the court will not be bogged down by the normal civil procedure code which determines jurisdiction.

Much case law has developed upon Domain Names, etc., even before the amendments came into the Act and the courts had started giving judgments on them. On confidentiality, database, entertainment, moral rights, fair dealing, product disparagement and protection of geographical indication, I cannot deal with all these aspects, so therefore, I have decided only to deal with these new types of injunctions injunctions versus damages jurisprudence. I will stress only these two aspects in the time which is left with me.

Mareva Injunctions are those where the court has power to freeze the defendant’s assets. Now, it is normally done because many times these violators would be fly by night companies or would be small traders. If their assets are not frozen today, but the case is decided, after a few years and then damages are granted, by that time other side would not be available. So, to ensure that, when ultimately even after some years when the damages are granted they are able to recover this and the assets should not be dis-
sipated, the assets are frozen and kept in the court’s custody. It originated from Mareva case decided by English Courts and Indian Courts adopted this principle.

Same is the case with Anton Pillar order. This is again an English case. In the Anton Pillar cases what happens is that there’s a right to inspect each and every place where infringement is taking place without specifying in the order. Particularly in music industries or say film industry, a film is on DVD. It is very easy to make unauthorized copies. With one small computer sitting in a room 10 to 6 feet size one person can, from the genuine CD, make duplicat copies. Now what happens if injunction is given? By the time, the plaintiff goes to that place and wants an injunction to be enforced, that person has fled, and starts operating from another area which is one kilometer away. So, therefore, these kinds of orders were devised to meet these situations. A court officer is appointed who has the right to go to every place and seize the pirated stuff.

John Doe orders are when we do not know the defendants. There may be many. It started in Delhi and it was the first time the Delhi High Court had granted such an injunction. It was the World Cup. In football game, the FIFA had given television rights to one particular TV channel. TV channel purchase it by paying millions of dollars. If these television signals are released by others, it is infringement of rights. In India cable operations do this. Now these cable operators if they are to be injunction, how many persons will be parties? There are thousands in number. How to deal with this situation? There we adopted these John Doe Orders. John Doe is a fictitious name, an imaginary name. Any person who is found doing this is restrained by such an injunction.

Another aspect about which I want to highlight is, this is again a position peculiar to India and how our judiciary dealt with this. When the interim injunction is granted three ingredients viz., prima facie case, balance of convenience, irreparable injury which are applicable in all common law countries are to be satisfied. Up to that there is no problem. What I’ve found is that, there are normally three types of violations in India. First is piracy or counterfeiting. It is a flagrant violation, no doubt about it. Like I said, one movie is made, the other person has copied that and pirated DVDs are sold in the market. This is called counterfeiting. On the fact of it, it is a flagrant violation. This is one type of violation which is going on.

The other is violators by small companies or traders. They adopt somebody else’s trademark. I gave you the example of Honda. There is a small manufacturer manufacturing pressure cookers. Now he has to sell his product. He thinks, “Why not adopt the name Honda? I am starting my business. With the name Honda, I will have upstart. Already people will know Honda. They will think it is Honda, although it is not, and therefore they will start purchasing this product.” So, this is what we call riding on the goodwill of some established manufacturer and selling the product. There sometimes the exact same name is adopted, maybe of a different product, like Honda. It is not car. It is pressure cooker. Sometimes a confusingly similar name which is adopted, like I gave you the example of Hitachi and Hitashi. Hitachi is not identical. It is Hitashi. But it is creating confusion. So, these are small traders which want to do it and want to take advantage of the good will created by others. This also does not pose any problem.
Third type of cases are actual, genuine, bona fide contests. It may be between two giants. Say Colgate on the one hand and Anchor on the other hand. Both are very established toothpaste manufacturers. They may be even multi-nationals. Now a dispute between them has arisen. “You have adopted my scheme which is on the package”. Which we call trade dress. It is not that one is trying to imitate the other, but it is a sort of competition between the two, viz., how to oust one party from the market or how to capture more share in the market. So, this third type of cases are really genuine cases and are fought in the courts.

Now, in the first two cases, normally what happens is the injunctions are readily given for the asking by the Indian courts. It has created injunction jurisprudence on which Madam Verma has spoken. And people fight for interim injunction only. And that fight goes up to the Supreme Court. The main trial is pending. I have seen, I have been to America and other jurisdictions where the main emphasis is on damages. The court may not even grant interim injunction, because it may be dealing with the third type of cases and, therefore, ultimately, if the defendant loses, he knows that he will have to pay almost out of his nose and he may go bankrupt even. But in India, as those first two types of cases are concerned, the main intention is to immediately stop a person. Therefore, injunction jurisprudence has developed in our country. But over a period of time, we feel and the judiciary also felt that we have to have damage jurisprudence as well.

The question at that time comes until now what you have done? Most of the time, up to now, the plaintiff would say, “OK we give up the damages,” because how are the damages to be ascertained normally? In common law, or in civil law, or even now in statutory law, torts law or contract Act, whenever there is a breach, we have to prove the damages. Suit can be for damages or accounts of profits. Actual damages to be plaintiff or profits earned by violators are to be proved which is not possible for want of evidence.

So, to deal with this situation, the judiciary in India has taken the lead and has started awarding compensatory and penal damages. If I have sold this spurious mineral water and many may have consumed it, I have damaged the reputation of this company by selling spurious water. Therefore you have damaged my reputation. Compensate me for that. So, not only will you pay for the loss of damage to the other side, you will pay exemplary and punitive damages also.

These are the cases dealing with this aspect. First was Time Incorporated in 2005. Second was Hero Honda case about which I told you. Five lakhs, that is 500,000, was granted in this case. Another case is of Microsoft Corporation. This is incidentally my judgment in these two cases. I analyzed the law which was prevailing in many other jurisdictions, including U.K., Singapore, U.S., Australia, and borrowed principles from there and tried to develop damage jurisprudence in Indian and how damages can be measured also. Of course, Madam Verma rightly said that we have still to come out with some definite yard stick, because today, it is still in the discretion of the court. It may grant 500,000. It may grant one million, etc. But we are trying to develop this as well.

Now, my time has run out. I wanted to highlight on these aspects, and during the interactive session, if
some questions are to be asked on other points which I said, I will be glad to address those. Thank you very much.

[Japanese]

Professor Takabayashi: Thank you very much. That was Justice Sikri. Even in Japan, for IPR judges, one of their roles is to fill the gap by establishing new jurisprudence and rendering their decisions, and I believe the situation is very much similar in India. Many years ago, judges used to be quiet and silent with often times poker faces on their face, but in Japan we have very verbose justices so to speak, and I believe the Indian justices are also very active these days. Because the judiciary is no longer operable only within the border, I used to be a justice specializing in IPR for 17 years, speaking from my experience. These days, the justices have to be global, international and active. I am also a commentator this afternoon, so I am looking forward to opportunities for me to speak later on.

Culprits are doing very wrong things and if you give injunction orders, the culprit will only apologize. But if there is a rivalry between larger companies, then a huge amount of damages will be sought. In Japan, 10 billion yen, or 100 million dollar damages were ordered by a judge. I believe the judge is in the audience today, so we have renowned cases in Japan. So, that is the trend in Japan as well. The injunction is no longer the end of it. The recovery of damages has been an increasing focus of judiciary of IPR in recent years. I believe there is a dynamic trend also in India towards this direction. I believe I have already exhausted my time for my comments, but we've already heard highly informative keynote speeches by both Professor Verma and Justice Sikri. We only have fifteen minutes for our break, so we would like to resume at 15:30 upon which we will give the microphone over to Professor Takenaka of The University of Washington so that she can lead the panel discussion. So, now the break for fifteen minutes. Thank you.
Dr. Toshiko Takenaka, Professor, University of Washington: Ladies and gentlemen we would like to begin. I would like to share the session for the second session. I am a Professor at the University of Washington. In the first session, we have heard representatives from academia. Professor Verma gave an academic view. After that, the judges view (as well as Justice Sikri being a professor of a university). Here we had Justice Sikri, make a presentation from his perspective.

So in the second session, we have a practitioner’s view. Two presentation panelists, presentations from practitioners and from an academic perspective. We have one panelist to speak to you. I will introduce all three speakers at once and ask these three speakers to speak. The first panelist is from University of Delhi, Dr. Dass. Professor Takabayashi mentioned in his opening with regards to the establishment of the database for India and to establish that Dr. Dass had been greatly involved. Justice Sikri as well; as Professor Verma also mentioned in their presentations the various precedents, and most of those decisions are included in the database. The database, in the case of India, is not in the summary version. It is the full text version and it is searchable. So if you’re interested in any of the decisions by the courts, please check them at your leisure.

The second speaker we have today is Ms. Girija Krishan Varma. Ms. Girija is a lawyer in practice and patents as well as enforcement of other IPRs. Her realm of work includes, Dean of the Global Institute of Intellectual Property, an IP training institution.

The third speaker is Mr. Menda. Mr. Menda is a practitioner practicing as a lawyer specializing in patents. Mr. Menda also is a Director of a research institute of IP related businesses. So they are practitioners as well as educators. They have diverse roles they are taking. So, I would like to turn to the first speaker, Dr. Dass, please.

Dr. Poonam Dass, Faculty of Law, University of Delhi: Respected Chairperson, My topic enforcement of presentation is Enforcement of Copyright in India. The Copyright Act, 1957 protects original literary, dramatic, artistic works, cinematograph films and sound recordings. The Section 14 of the Act gives economic rights to the authors viz the right to the production including storing in any medium through electronic means, right to the issue of copies, right of performance, communication to public, adaptation, translation and also in case of computer programs and cinematograph films and sound recordings, the rental rights.

The moral rights, as already been discussed, are rights to paternity and rights to integrity, that is rights to authorship and if some action is prejudicial to the reputation of the author, then the right to integrity is there.

The neighboring rights include right of performance and rights of broadcasting organizations.

When is the copyright infringed? The copyright is infringed, under Section 51, whenever somebody does a work, [right to do which is conferred on the copyright owner] without obtaining license from the owner.
This is primary infringement. The secondary infringement occurs when somebody permits someone to use his place for a work which is infringement of copyright. The infringement also occurs when somebody distributes or sells or imports infringing copies or exhibits the infringing copies.

These rights of the author are subject to the rights of the public. There are 30 acts which do no amount to infringement under Section 52 of the Copyright Act - some important ones are fair dealing with respect to research, review, criticism in a newspaper, magazine, use of the material for teaching purposes; judgments of the court which are the part of the public domain.

The remedies have already been dealt with by Professor Verma and Justice Sikri in detail in their presentations. There are civil and criminal remedies; civil include injunction, damages and accounts, and criminal remedies include imprisonment and fine, i.e., imprisonment up to three years and fine up to Rs. 200,000. Regarding importation of infringing copies is concerned, Professor Verma has already dealt with this in detail.

The Act gives power to police who can seize infringing copies without warrant. This power has been conferred to an officer not below the rank of sub-inspector under Section 64.

The offense can be tried by first class magistrate viz. the judicial magistrate or metropolitan magistrate.

Regarding protection of foreign works, a foreign work is given protection if a work has been published outside India and, the author is a citizen of India, or the work has been published simultaneously, within 30 days in India also, and thirdly under Section 40, works of countries mentioned in international copyright are also protected.

Piracy

Piracy is a global problem. Piracy means unauthorized distribution, importation, selling of the copyrighted work. It is prevalent both in the traditional form and in digital form. Piracy not only affects the owners, but also the national economy as well as employment opportunities. It takes place more in cinematograph films, musical works, sound recordings, computer programs.

In case of cinematograph films, a few years back, the producer had just one right, i.e., theatrical right or the negative right. Now he has more rights because of the technological advancement viz. video rights, cable rights, satellite rights, sound track, digital downloads of compressed movies, telecommunication rights like ringtone piracy and all these rights are getting violated. As regard musical works and sound recordings are concerned, piracy takes place by copying songs, producing cover versions, counterfeiting, using the music already composed on different lyrics, peer-to-peer sharing in which violation is taking place through Internet. The radio channels are also violating these rights by broadcasting the songs without taking permission of the owner.

The arrest can be made under Section 63, for infringement or for violation of other rights, and under Sec-
tion 68A if any right has been violated under Section 52A i.e., certain particulars to be included in sound recordings or video films have not been included, e.g., information relating to name and address of owner, or copy of censorship certificate.

A study had been conducted by the U.S.-India Business Council in 2008 on media and entertainment industry, and they have said that Rs. 16,000 crore are lost each year due to piracy and 8.2 lac jobs are lost due to this menace. They have said that piracy is shifting to the Internet and there is a lot of online theft which is going on, which needs to be reduced. They’ve also suggested that a holistic common program is required to fight piracy on a proactive basis along with the consumers, judiciary, and policy makers.

The statistics with respect to revenue erosion in media and entertainment industry show estimated piracy percentage of total market is 64% in music, 63% in gaming, 39% in television and 31% in film. Total amounts to 38%. The employment also suffers and the loss of employment is 89% in music industry, 84% in gaming, 22% in television and 11% in film. Total loss is 14%. The statistics of impact on home entertainment is total pirated movies sold are $20.33 million, out of which, sold for home use are 40% and for hire are 60%.

Digital piracy.
With respect to digital piracy, India has not ratified treaties and there is no provision to control digital piracy, like rights management information, circumvention of technological measures. But, recently, in Super Cassette v. YouTube, the Delhi High Court restrained You Tube for communicating, transmitting, disseminating or displaying on the website any songs which infringe the copyright. The case is still pending.

As regards piracy in computer software, according to the study of Business Service Software Alliance, that is BSA, industry losses due to software piracy is about US$2 billion in 2007. Piracy has reduced from 71% in 2006 to 69% in 2007. Arrests can be made under Section 63 and also Section 63B for “knowingly using infringing copy of the computer program.”

Enforcement measures.
The authorities, copyright societies, police, other agencies and courts who work towards the enforcement of copyright.

Regarding the authorities, Professor Verma in her presentation, has already dealt with these in detail. The first one is Copyright Office which consists of the Registrar and whose function is to register and also to adjudicate disputes, second the Copyright Board which is an appellate body above the Registrar, grants compulsory licenses and deal with the applications of rectification of the register. Third is the Copyright Enforcement Advisory Council which is a governmental body which advises the government on copyright matters.

Copyright societies are registered under Section 33. Their job is to collect the fees for the owners. Re-
Recently Delhi High Court has said in *M/S Phonographic Performance Ltd v. M/S Hotel Gold Regency* that the copyright societies are not the exclusive licensee and they cannot file suit for infringement of copyright on behalf of the owners.

Police has powers under Section 64 for seizing the infringing material without warrant and that has been conferred to the officer of the rank of sub-inspector. There are separate copyright cells in some States and in Delhi there is Economic Offenses Wing, which has its IPR Cell Crime branch to look after these matters, Prof. Verma and Prof. Sikri have already dealt with it in their presentations.

The police are not so effective, the reason being that right holders are not coming forward and there is insufficient evidence. For example a cable operator is showing a pirated movie which is for three hours duration and if the police are not able to reach within those three hours at that place [where this movie is being shown], he cannot arrest the cable operator, because of lack of proper evidence. The other reason is the police personnel are not properly aware of provisions of copyright. They are acting only with the help of copyright societies, IMI, NASSCOM, BSA, etc. They are also not trained to distinguish copyrighted product from pirated product.

**Other Agencies**
The Indian Music Industry (IMI) has set up an anti-piracy organization for the whole of India. From 2001 to 2004 IMI has registered over 5,500 cases and seized over 1 million music cassettes and around 2.5 million CDs. It has also set up an internet anti-piracy team in the year 2000 and they managed to close within three years around 500 sites. Their emphasis is shifting to peer-to-peer (P2P) sharing.

The National Association of Software and Companies (NASSCOM) and the Business Software Alliance (BSA) has helped in conducting raids to seize pirated software. NASSCOM has developed two cyber labs, which collaborate with police to address cyber crimes and related issues. They have also created a toll free number to report piracy.

The Motion Pictures Association (MPA) had an operation blackout from November 2007 to January 2008 and under this they were able to get 117 people arrested in India. An arrest was made with the help of the Motion Picture Association, and the court that is additional. CMM at Delhi served to conquer in three year terms for copyright infringement and failure to display censorship and copyright ownership information. The total penalty against it was Rs. 400,000 and imprisonment for six years.

**Courts**

Courts play a major role in enforcement of copyright. Some of the decisions are: the Andhra Pradesh High Court in *M/s. Palakurthi Lakshmi Ganapathi Rao v. M/s. Manisha Video Vision* awarded damages for violation of video rights in a Telugu film. The second case, is of Delhi High Court, *Super Cassettes Industries Ltd v. Chanda Cassettes Pvt. Ltd* where two songs were used in a VCD, which was the violation of the sound recording. An injunction was granted in this case. Then the third case is again of the Delhi High
Court, *Super Cassettes Industries Ltd v. People Infocom Pvt. Ltd*, where telecom rights were violated in a film and the prima facie case of piracy was proved. An interim injunction was granted by the court.

The two cases on Hard Disc Piracy are *Microsoft Corporation v. Yogesh Papat* and *Microsoft Corporation v. Mr. Deepak Rawal*. Justice Sikri has already explained and dealt with *Microsoft Corporation v. Deepak Rawal*, decided by Justice Sikri. This is a case where the work was first published outside of India, that is America, and it was protected under the International Copyright Order. Justice Sikri ordered for exemplary damages and the punitive damages. In the second case, damages were awarded for selling computer with preloaded software on hard disc without permission.

The free to air broadcasters i.e. radio channels are also violating the sound recordings by broadcasting these songs without taking licenses. In *M/s Entertainment Network (India) Ltd. v. M/s Super Cassette Industries Ltd*, the voluntary licenses were already given by the Super Cassettes to some other broadcasting radio channels. Appellants had applied for compulsory licenses which were not granted. In this case, Supreme court gave the interpretation of Section 31 on the question whether a compulsory license can be issued or not, if voluntary licenses have already been given to some other channels. The court said that under Section 31 the Registrar or the Copyright Board has discretion, and it has to first inquire, if the number of broadcasters are more than one, to see whether they are fit or not and then they can grant compulsory licenses to the broadcasters, even though voluntary licences were granted earlier to other broadcasters.

I will conclude by saying that piracy is a global problem and there is a lack of evidence, because of which convictions are less. To control piracy, the police have to be trained in dealing with copyright offenses especially digital piracy, the area in which awareness of the police is less. The police are also not skilled in differentiating between pirated and original products.

The right holders also have to come forward for reporting copyright violations and there has to be coordinated effort of lawmakers, judiciary, police, copyright societies and other agencies like IMI, NASSCOM, for reducing piracy.

Holding awareness programs is very important because there is no knowledge of the copyright among the masses, especially those who are poor and illiterate. They use pirated products and are not aware of whether it has a copyright or not.

The coordination of national and international enforcement authorities like Interpol and national police is required. Law also needs to be amended to include protection for Rights Management Information and Circumvention of Technological Measures. These rights should be subject to an exception for space shifting. The space shifting for example means if there’s a program on a CD and one wants to use it on the computer, he should be allowed to shift it on the computer in the form of an MP3 file. Presently there is
no provision of such kind in the Copyright Act. There are proposed amendments to the Copyright Act, 1957 which include the protection for Rights management information and Circumvention of technological measures.

Thank you very much.

Ms. Girija Krishan Varma, Patents & IP Attorney & Dean, Global Institute of Intellectual Property (GIIP):

Good afternoon to everybody. And I would like to thank Hon. Justice Sikri and Professor Verma for not only being my teacher but also for the continuing learning that I get from Justice Sikri’s landmark judgments, that have changed the law in India. I am grateful to Professor Takabayashi and Professor Takenaka for making us comfortable here and for also putting together a database which is very important for practicing lawyers and we will see that in the future. Thank you to the entire team. With that, I will give my presentation.

I will first go into the pre-2005 law and then post-2005. Now for the pre-2005, I will just skip through these slides very quickly because that just lays down the foundation and then I will go to the provisions of the amended law. That would be from slide 16 onwards which would be post-2005.

Now this was the Indian patent system, pre-2005 and the various amendments that happened since then. In the previous act before 2005 there was no product patent and there was only process patent and this was specific to products which are pharmaceuticals, food and chemical-based products. Also, the term of the patent was much shorter. It had provisions for licenses of right which is compulsory license. The patentee was under obligation for working of the patent, and the patent could be revoked for non-working of the patent. There was a provision on patent of addition as well which is a patent where there was an original application for a main invention and then there is an improvement and modification in the main invention. It allowed the priority date and the term was also allowed to be continued by the inventor.

Now what was the impact of the 1970 act on the Indian economy? It had a very important impact. Basically on the Indian pharmaceutical industry the impact was that it grew very fast. Availability of medicines went up to about 85%. Prices of medicines became the lowest in the world because they would generate drugs which were manufactured in India at a lower cost. This also encouraged exports of medicines -- increased manifolds to the developed and the developing countries. There is a very famous case -- the Sub-Saharan Africa case where there was an epidemic of HIV and AIDS, and India provided the medicines at lower cost to Africa. More generic drugs were available due to reverse engineering and absence of product patents.

There was also another amendment in 1999 and basically this was because there was no product patenting allowed in India. They added a “mailbox” provision which allows the applicant to establish filing dates during transition period. So till India had a product patent provision, companies could file for product patents in the mailbox. They would not go through the normal patent procedures because there was no provision for product patenting. And Company could grant exclusive marketing rights after filing mailbox
applications.

Exclusive marketing rights include the exclusive ability of an inventor, his agents or his licensees to sell or distribute the article of substance in India. So, before they could get a patent, companies had come in through this provision and they were selling in the Indian market. EMR granted only where product patent with respect to medicines and drugs that are not covered by the Section 5.1 of the act. And it was only granted for a specific period. There was the famous case of *Hetero Drugs v. Walcott* where the court had held the validity of the EMR is only for five years or till the grant or refusal of the product patent whichever was shorter.

The impact of the 1999 amendment made it possible for inventors of medicines or drugs to apply for product patents. This was possible only if the invention was not exempted as under Section 3 and 4. Now there was another amendment in 2002 to Section 3 which laid out exemptions to invention which intended to include business methods. Those are not patentable. Literary works, topographic and computer software per se is not patentable. There were changes in the examination procedures of the application for the grant of the patent and also the patent rights were parted into rights with respect to process patents and product patents. So far we did not have a product patent provision which came in subsequently. The term of the patent was extended to 20 years from the date of filing of all inventions, and the central government use of patented invention was restricted to national emergency or extreme urgency of public non-commercial use. Also, what happened under the act of 2002 was that the burden of proof in infringement of process patents was on the defendant party whereas in product patents it was on the plaintiff or the patentee himself. Also the Indian Patent Appellate Board was established with detailed appeal process.

Now what was the impact of the 2002 amendments? The detailed amended provision brought more clarity and sharpness to the patent act one step closer to TRIPs compliance. Patentee’s rights got stronger and procedural laws were more clear. We were to comply with the TRIPs provisions by 2005, so we were under an obligation and this was a step closer to that.

Post-2005 is when we amended the act into what the current act is today. The Patent Act of 1970 was amended in 2005 for the final deadline for India’s TRIPs compliance. Now in the amendments, the definition of invention was changed. I will give some more details later in the presentation. The term inventor step was redefined. What was included was “technical advance” or “have economic significance.” The anticipation clause was added under the definition of “new invention”, which means that if you were to do a publication of your invention, you had one year within which the patent needs to be filed. This was extended. Earlier, it was six months. Now you had one year before which you could file for a patent without losing novelty.

Now the patent amendment act further amended Section 3(d) which was rewritten and says, “Mere discovery of a new form of known substance does not result in enhancement of the known efficacy of that substance or the mere discovery of a new property.” Now this is further interpreted by the court in a very
famous Novartis case which I will discuss at the end of this presentation. Section 5 was omitted and product and process patents are applicable to all fields including pharmaceuticals, food and chemicals.

So what it would mean was that product patent was now applicable to all fields including chemicals, drugs and food. Also the specification must mention the source of origin if the invention uses biological resources. A suit for infringement can be filed only after grant of the patent. The chapter relating to exclusive marketing rights was eliminated including the mailbox process. There was extensive framework for compulsory licensing and there is also a provision for making request for early examination of patents. So this has expedited the process and you can get a grant much quicker than before.

It also brought in provision of pre-grant opposition that allows third party challenges, which is where any person or third party can intervene and this is only before the Controller of Patents. This is pre-grant, so it is by any third party. It is for only pending applications, but it has no appeal. So if they want to appeal this, they have to go through the normal court procedure. The post-grant opposition is for cases in which the invention was wrongfully patented. Within one year after publication or grant a patent can be challenged by any interested person and the challenge is before the Controller. As we see today as the patents are being filed in a much larger number, we see that the pre-grant opposition procedure has its own problems because competing companies keep challenging the patent by invoking this provision. It can be challenged again and again, which delays the time of grant. And that is happening. I think the government will look into this and they will find a process, so that the grant procedure is not lengthened. There are also opposition proceedings which is post-grant. This is only by interested persons and must be within one year from date of publication of grant.

The Opposition Board is set up. If there is an opposition proceeding going on then an Opposition Board is set up and appealed to the IPAB which is the Appellate Board. Further, after the grant of a patent there is this provision for assignment of these rights which is only in writing and should be duly executed. Registration is done before the Controller of Patents which is optional.

What is patentable? Patentability requirements -- to get a patent grant the subject matter should be new, novel. There should be an inventive step and it should be non-obvious and capable of industrial application. What is novelty? There needs to be a review of the prior art. If there is a prior mention by publication or use, then novelty is lost except that as I had mentioned earlier you get a one year provision within which after publication you can file for a patent.

Now there was the case of Monsanto v. Koramandel. Monsanto Company patented an invention with respect to herbicide involving a chemical called Butachlor which if dissolved in a suitable solvent and mixed with an emulsifying agent solution it would kill weeds without harming the rice crop badly. Koramandel contended it was a well known invention and in public domain since 1969, when the chemical Butachlor was first found by Dr. John Olin but not patented, thus the chemical was publicly known. The Honorable Supreme Court observed that “being publicly known”, (this is actually how they define prior art), it is not necessary that it should be widely used. It is sufficient if it is known to the persons who are
engaged in the pursuit of knowledge of the patented product or process either as men of science or men of commerce or consumers.

Invention should not be known / obvious to a person skilled in the art to which the invention is related. And the invention requires an inventive step which includes technical advance or economic significance or both. It does not include a mere simple combination of two or more elements or any mixing in the nature of experimentation without any inventive faculty. So it is necessary that there has to be some inventive step/ faculty. There was a case based on this which is the case of Bajaj Auto v TVS Motor Company. Bajaj held a patent for digital twin spark technology. TVS claimed that their technology has a three valve engine and Bajaj’s patent is different. Twin spark technology had been widely used for 70 plus years for cars and high-end bikes. Bajaj was the first to introduce it in low-end bikes with Pulsar. Both technologies would support 125 cc flame engines with internal combustion, but Bajaj’s product would belt out 9.53 horsepower at 7,000 RPM and TVS’s product with its one extra valve dished out a higher 10.5 horsepower at 8,250 RPM. A suit was filed for permanent injunction by Bajaj Auto. The Madras Court held the case of obviousness. An invention has to be more than a mere workshop improvement. It should have some industrial applicability or practical usage.

What is capable of industrial application? A patent is granted for inventions that have practical applicability or are capable of being made or can be used in an industry. Exceptions to patentability in India are under Section 3 and those inventions that cannot be patented are those which are against public interest, morality, health, frivolous claims contrary to established natural laws, discovery of scientific principle or abstract theory, discovery of living or nonliving substance occurring in nature, mere discovery of new form of a known substance which does not result in the enhancement of the known efficacy of that substance. The latter is an issue that arose under Section 3(d) and was challenged in court.

Method of agriculture or horticulture, any process or the treatment of human or similar treatment of animals or plants, plants and animals in whole or part, and microorganisms are not patentable. Further exceptions to patentability are mathematical or business method or computer program… or algorithms, literary, dramatic music, artistic work, or mere scheme or method of performing mental act or method of playing game, topography of integrated circuits, inventions which is in effect as traditional knowledge, inventions related to atomic energy.

Now there have been – we can see after the amended law there have been a lot of legislation and legal cases happening. Some of the legal issues that were contended before a court are the case of Novartis versus the Union of India. Novartis had filed a patent application for a slightly modified version of a drug that they had patented in 1993. The patent was for renewed use of its cancer drug, Glivec. The new form consisted of crystals and the existing patent was in solid form. Indian patent officers rejected the patent under Section 3(d) of the Indian Patents Act. Section 3(d) intends to prevent frivolous patents, those that are based on small tinkering of existing molecules. This is also known in general terms as evergreening of patents. So this is what Indian law does not allow. It felt that in the case of pharmaceuticals, improvements should be restricted to only new chemical or pharmaceutical entities and Section 3(d) is intended to
prevent evergreening of existing drugs.

Challenges to Section 3(d). Novartis filed a petition challenging the domestic law Section 3(d), as to whether Indian courts have jurisdiction of the matter or not? Also, that Section 3(d) is unconstitutional being vague, arbitrary and violative of Article 14 of the Indian Constitution which is a section on discrimination. Is the section TRIPs compliant or not?

Issues related to Section 3(d) -- The court’s finding was: In respect to the question raised on TRIPs whether Indian law was TRIPs compliant or not? Indian courts have no jurisdiction to decide on issues such as TRIPs, which has its own dispute resolution mechanism for any compliance issues. For other aspects that were raised, the court observed that Section 3(d) along with its explanation, cast a duty upon the patent applicant to show that a discovery had resulted in significant enhancement or efficacy of the known substance. Patents are not to be given for new forms, uses or minor modifications of existing drugs unless they differ significantly in efficacy. But Section 3(d) does not give unguided powers to the Controller of patents. His decision is governed by various rules under patent law and principles of natural justice. Thus Section 3(d) is not vague, arbitrary and in violation of the Indian Constitution. However, it was found that there are no guidelines to interpret “enhanced efficacy” under the Indian Patent rules. Some guidelines need to be evolved and provided to examiners.

Limitations and right of patentee. These can be government use, revocation of patents, compulsory license, invention used for defense purposes, exemption from using foreign vessels and *De minimus*, i.e. minimum use for research and education. Patent procedures: Anybody filing for a patent in India, must first file in India. If also filing in the U.S., they need to file in India first and receive the permission of the government before filing in the U.S. Jurisdiction for filing a patent application depends upon the domicile of applicant or place of business or the place from where the invention actually originated. A non-resident applicant who has no place of business in India, can use an address for service in India which is the registered office or the place of business of the applicant’s patent agent or it could be within an attorney’s office. The Indian Patent Office is under the administration of the Controller General of Patents Design and Trademarks. The patent office is headquartered at Calcutta with branch offices other cities that are in Chennai, Delhi and Mumbai. The Patent Office’s information system offices are in Nagpur and these fall under the Ministry of Commerce and Industry.

What constitutes infringement? It is colorable imitation. Imitator makes variations to the invention, mechanical chemical equivalence, takes essential features by reverse engineering or makes mere combinations without efficacy.

As for the infringement proceedings, I think we have gone over these several times in other presentations.

Now there was this Roche case which I will quickly go through and then I will come to the end of my presentation. Roche had sought permanent injunction along with an interim injunction to restrain infringe-
ment of the patent for the drug Erlotinib. The drug marked a major breakthrough in innovation and treatment of cancer. It was used to destroy some types of cancer cells while causing little harm to normal human cells. Roche alleged that Cipla was illegally offering a generic version of Erlocip -- of the patented drug -- which causes harm to patients as well as infringes its patents. Cipla contended that Roche is not entitled to sue for infringement as the patent was not new but only a derivative of Quinazolin which already existed, and therefore, was not patentable under Section 3(d) as it was obvious to persons skilled in the art. The Delhi High Court was very progressive and they observed that Cipla's contention did not seem plausible and rejected Roche's plea for interim injunction on the following grounds: The Controller of patent overlooked the issue of obviousness while granting a patent to Roche. The difference between the Cipla and the Roche drug was the deciding factor. Also they looked at the fact that Roche imported the drug and did not manufacture it in India. The Court felt that in case the interim injunction was granted in favor of Roche, they may fail to meet consumer demands, which will cause injury to unknown parties. Thus, Cipla was directed to give an undertaking to give damages in case they were found guilty and were asked to file their annual statements with respect to the drug.

Who can file a suit for infringement in India? The patentee, co-owners, assignees, licensees, and legal representatives of the patent holder. Now this is the last slide, dealing with price controls. The government body that deals with price controls is India's Drug Price Control Order (DPCO). This sets a price ceiling on many drugs. The National Pharmaceutical Pricing Authority determines which drugs should fall under DPCO and at what price? I included this slide because controversial question in Intellectual Property is that by enhanced enforcement of patents there will be a rise in prices as well. And with that I end my presentation and thank you very much.

Manoj G. Menda, Advocate, Patent & Trademark Attorney: Good afternoon, ladies and gentlemen. Professor Takabayashi, Professor Takenaka, Miss Chang and Miss Honda thank you for looking after our arrangements and our stay here in Tokyo. I also thank my previous speakers, Hon. Justice Sikri and Madam Professor Verma who have drawn up the complete outline of what is going on in India. I thank my translator Takeyama and I promise to be slow so that everybody can try and understand what I have to say. I try to be slow not at the cost of missing out on something.

Let me begin by saying that India and Japan have a long history of doing business since the 1980s. We have historic tie-ups in the auto sector. We changed the whole auto sector business in India. More specifically with two collaborations which is the Hero Honda and Maruthi Suzuki. This successful collaboration still subsists and is our testimony to the fact that Japanese business has continued doing business in India.

Well, India is the largest democracy with great expectations and promises. One of the growing markets of the world, increasing literacy, higher consumption of goods and consumables, and it is a trillion dollar economy with a varying 7-9% GDP. Historically, India has followed the English cases which we inherited prior from the English because they ruled India until independence in 1947.
The court legal system is very fair. The government does not interfere in any dispute between parties. And it is for the parties to decide what kind of action and which jurisdiction and what manner of fight they decide to choose in India. All parties are equal before the law. It does not matter if you are a Japanese entity or a Japanese citizen.

Intellectual property history goes back to the 1960s when courts in Mumbai granted orders and injunctions. It was in 1990 that litigation in intellectual property peaked and this was probably due to the liberalization that India undertook at that given moment. Innovative injunctions were granted as Justice Sikri said. Damages, trans-border reputation, trade dress and even the recent judgment of the Supreme Court relating to delay has been passed.

Let us talk of what is the negative part of our legal system. Everything cannot be good. In everything there has to be some bad part. There has to be some good part. The good part is what I talked about already. The bad part is that we have 25 million cases pending. This is as of this year. About 18 million of these cases are criminal cases. So, criminal cases have been delayed considerably. And there is a huge backlog of criminal cases in India. It is a snail-paced criminal justice system.

What are our legal priorities as a nation? Can we afford to have special courts only for intellectual property? That is one of the issues that everybody talks about. Can India have special courts for its intellectual property system? The answer is with 25 million cases pending can a democratic nation afford to ignore what are the priorities that need to be addressed? These are some of the things that we must understand and appreciate before demanding a special IP court system in India.

Intellectual property activity has centered around most cities which are like Bombay, Delhi, Calcutta, Chennai, Bangalore and Hyderabad. This is where most of the litigation and filing happens in India. These are also the cities where most businesses happen. Delhi is the capital of India where the government controls all the regulatory and legislative process including the Parliament. Bombay is the financial capital where transactional deals relating to intellectual property also happen, especially through banking and venture capital funds. Trademark cases can be filed in any civil and/or criminal jurisdiction. Trademark, passing off cases and tradeware cases can be filed in municipal courts. Passing off action, as some of you might know, is pertaining to a common law action and these actions are only maintainable in a civil court. Most of the trademark cases are filed in either the Delhi or the Bombay High Court and, as they said, 70% of the cases would be of a civil nature and would be originating in the Delhi High Court.

Only a duly authorized representative of the owner of the brand of the trademark can file an action in court. Proper documentation is a requisite for filing and maintaining an action. Documents like the Power of Attorney granted to the person signing and also a resolution authorizing their action to be filed in India by the Japanese corporation or entity would be required. Trademark infringement and passing off actions are usually civil actions and some courts are known to provide immediate interim orders like injunctions and/or appropriate kinds of interim relief. We hardly see any of these cases going to trial. There have been cases which have gone to trial like the Scotch whiskey case. But, usually, in a clear-cut case, quick relief
is granted. In some cases, ex parte orders are passed without notice to the defendant, but the defendant has liberty to move the court at earlier date also. So the court is pretty fair and keeps the door open for the defendant to come in and have a say if there is a valid case on his part.

Jurisdiction of the court can play a very important role for grant of interim relief in India. Some High Courts like the Delhi High Court also appoint a commissioner with power to search the premises, seize infringing goods and also inspect and take accounts. In the Mumbai High Court, in some cases the court receiver who is an employee of the court is known to have been appointed by the court, may be ordered to enter the premises, take possession of the infringing materials, seal the infringing material and also take any inventory.

The concept of costs and damages as Justice Sikri said is developing. We still need a long way to go. In recent cases, some damages have been recorded, but it is not like the American system where damages can actually drive a corporation to bankruptcy.

Well known trademarks are protected in India. We have these trademarks which can be protected in the Trademark Office, in the Appellate Board and also in the WIPO arbitration and mediation and domain name process. High Courts in India have protected well-known brands and marks from various parts of the world. The Whirlpool case was a record case which was looked upon by all. The other case was the Apple Computers case which was way back in the 1990's which protected the trademark Apple. The Gillette case was also way back in the 1980's. Kellogg’s, Sharp, Westin, Xerox, Volvo, etc. are some of the brands which courts have protected when the proprietors have gone to court saying their mark has been infringed or passed off.

Some criteria followed in well-known trademark cases is that the court looks at the reputation of the mark in the relevant sector of the public, the duration of the use of the mark, the extent and geographical scope of any publicity of the mark, the history of the extent of enforcement actions and also things like trans-border reputation which contributes to the reputation of the mark.

As I said earlier, in 1988 Gillette, which is a household name, was protected by the Bombay High Court in a mark alluding to 7:00 which was in relation to blades. And the party was using it for toothbrushes. And they were injunctioned from doing so. The other case was a case in 1993 again in the Bombay High Court in which the court restrained the defendants from using Scott to show as a connection with Scotch Whisky. This also was a case passed by the Bombay High Court. In some more cases of well-known marks the trademark Volvo of the Swedish Company was also protected and a party using the company name Volvo Steel was injunctioned from using the mark and name Volvo. Another very important case out of the Delhi High Court which extends all issues beyond trademark registration and classification was the Daimler-Benz Mercedes case where a symbol of the Mercedes mark was used, the logo, was used in relation to use of underwear. There was no connection with automobiles. But the court said that the defendant should be restrained from using the mark Benz for underwear even though there would not be any confusion between automobiles and underwear. So this kind of jurisprudence has been developed by the Delhi High
Court. The other case was of trade dress where Glenfiddich in the Delhi High Court restrained McDowell from using a label which was similar to the label of the Glenfiddich case. This case has been recorded by FSR which is a report coming out of the United Kingdom. There are several Indian cases which have been reported in the reports of previous cases and the Fleet Street Reports.

Trademark criminal actions. Trademark criminal cases usually involve working with the police. Some of you all may have heard of the issues that could arise in countries where there are brought claims with the police. You could anticipate that this could be a real difficult problem. There is a negative provision in the Trademarks Act which is in Section 115. This provides that the police officer, before making any search or seizure, shall obtain the opinion of the Registrar of Trademarks on facts involved in the offense relating to the trademark and he shall abide by that opinion. In our humble view, this is a negative provision because if the police officer seeks the opinion of the Registrar, the time taken to raid and seize the goods would pass away and the whole action might become anfractuous.

In India, some states have special IPR police cells which act and handle only IPR matters. So these are cells which have awareness and knowledge of some basic issues of trademark and trademark law. Like I said earlier, in trademark law, criminal prosecution is slow and tedious and trials take years to begin and conclude. I also have a positive part to say. In some cases, it also may be advisable that a criminal action be filed to bring about a quick settlement in a matter because a criminal action, if it’s filed against corporate entities, there may be a quick settlement to the matter and it might act as a strong deterrent for parties having a long litigation because nobody would like a criminal record or criminal case pending against them.

Regarding the Appellate Board and the Trademark Office, let me talk about how the system works in India. The Appellate Board recently, being brought into the trademark system in India, takes up hearing appeals from the orders of the Registrar of Trademarks and also cancellation and rectification applications. We have four new IP offices with brand new buildings which have been set up in Delhi, Calcutta, Chennai and Mumbai, and we have a new office premise proposed for the existing trademark branch office in Ahmedabad. The trademark head office is in Mumbai. The trademark office initiatives in the last one year have been e-filing for trademark applications, web based trademark search since August 2007 and continuous ongoing process for records digitization.

Let me run you through some of the facts and figures of what may be relevant to you to understand what is happening in the Trademark Office. The majority of the applications for trademarks are filed from Mumbai and Delhi. They constitute more than 70% of the applications. 16% of the applications are for classifications which pertain to drugs and medicines. There is a one year backlog of unexamined trademark applications. This is compared to what was 11 to 12 to 14 years earlier. So, considerable progress has been made in examination and registration can take at least two years. Renewal can be as quick as two weeks; however, simple procedures such as change of name and address can take very long as the records are still in the process of being computerized.
Looking at some statistics we can see that in 2001, 2002 we had a huge number of examinations. In 2003 also of 249,000 applications, and in 2005 and 2006 we had 184,325 registrations in a given year compared to almost 6,000 in 2001 and 2002. You can see it is a big leap. It is a quantum leap and the Trademark Office has cleared almost 80% to 90% of the backlog. How did this happen? This is actually a case study for all countries and WIPO is using this as a case study. So, we are in the progressive stage and part of this was because of the outsourcing that was followed.

We've got recent cases of the Supreme Court in which the court held that a trademark action with cancellation was filed after a delay of 18 years and the action under the principles of acquiescence and waiver apply and the court said the class of buyer would know the value and quality of the content of Scotch whisky in this case. We also got in the recent case of Adobe which was passed by the Hyderabad High Court where the court went further and stopped the use of the mark Adobe and the domain name Adobe. Also, injunction with punitive damages were granted. This is a court which is not the Bombay High Court or the Delhi High Court. So, courts other than this also are very proactive now. A recent last case is an international case which covers trans-border reputation. Professor you would be interested in knowing about it or probably know about it. It involves online branding and gaming where an Indian company was restrained by a New York court from using the mark Scrabulous. The court said that any meta-digging, hyperlinking and including infringement marks of scores in the website also could not be used.

So to sum up, the principles and provisions regarding trademark law may be at attack for lower courts in India, but there have been courts in India which have gone further and expanded the interpretation of trademark law. In some cases, even extended it to cyberspace.

Thank you.

Professor Takenaka: Thank you very much for the panelist presentations. We would like to open up the floor for panel discussion. Therefore all speakers are to come forward. Yes, take a seat.

Professor Takenaka: First of all, before we invite discussions amongst the panelists, I would like to introduce to you two commentators for the panel. First is Professor or Mr. Jim Patterson. Justice Sikri talked about three generations of scholars being at the same place, but Jim Patterson used to be my student. He is a patent lawyer at the moment leading a global resources exploration company. He is working as an in-house counsel. He has recently made this move from an office. He was in India under a training program for preparing statements of description of patents in India, so I think he is well versed to talk about situations in India. He will be followed by comments by Professor Takahashi, perhaps from the vantage point of Japanese law. So, without further ado, the floor is yours Mr. Jim Patterson.

Mr. Jim Patterson, Attorney: Well, I would like to first thank the RCLIP for organizing this conference and for doing such a great job with all of us. I would like to thank the previous speakers for their contribution and I would like to thank the translators for navigating through Indian-English and now trying to get through horrible American English and I would like to thank all of you for taking your Friday afternoon to
come here and join us. I am going to do my best to speak clearly, which is difficult for me, but I know our translators will clear up everything.

What I would like to do now is first talk a little bit about my experience in India and then go on and include some comments on what was said previously today from an American perspective, especially from the perspective of a patent attorney in the U.S.

My experience in India - I have been an adjunct professor at the IIT in Kharagpur at the law school there; a newly formed law school that focuses on intellectual property. I also was a trainer living on site at Blue-file which was an interesting joint venture between an American law firm that specialized in patent prosecution and an Indian law firm. The whole purpose was to get Indian technologists, usually engineers, software people, some biotech people, and train them on how to help us write applications and office action amendments.

There are a lot of pros right now in India from this point of view. It is a very interesting topic. A lot of people ask a lot of great questions, and to be honest, a lot of people smell money on both sides. You have a huge market right now for patent work. As the patent practitioners in the office know, patent preparation and prosecution in the United States is very expensive. And right now, there is an estimated $2.2 billion of work, U.S. work, being outsourced to India. Also there is a great pool of technical talent in India. As you can see from these numbers, India graduates more technical graduates than the U.S. and Europe combined. And these men and women study in English, Indian-English, but they study it. They have great vocabularies as you've heard from the other speakers tonight, and it is very advanced. So, there is a lot of potential there.

What we found through our experience, however, is that there are some cons that negate a lot of the potential, not all of it, but there are some bumps in the road that we have to navigate in order to make things profitable. Right now, anyone who has dealt with patents knows that it is a very highly variable process. Each technology is handled differently. Claims for software patents are much different than claims for mechanical patents or hardware patents. So, it is very difficult to make a process, and, as most people know when they go to India, Indians are incredibly good at processes, much better than Americans are. This comes with their background in Six Sigma and things like that. If you give them a process, the technologists straight out of school will run it to perfection and refine it. Highly variable processes are difficult for everyone, even American technologists.

We also noted that there are deep linguistic demands, and American-English is very different than English-English, and everything is very different than Indian-English or Australian-English. And we had lots of problems with subject-verb agreement, the use of indefinite articles and definite articles “a” and “the”, the use of plurals when we would use singular, and in patent language where very small differences matter, this could sometimes be very frustrating and result in a lot of rewrites.

We also noticed there is a lack of barrier to exit for employees. In the United States, well, as anyone, again,
who has dealt with patents knows, sometimes the topic can be a little bit boring and sometimes you would
like to go back to engineering. But you cannot. Student loans and such like that in America and the
higher pay of being a patent professional keep you in your field. In India, however, it is very easy if you get
fed up with patent law or your American trainer, and you can easily go back and become an engineer again
and the decrease in pay is not that significant.

We also noted that Indians are very, very smart and savvy with the Internet. So, trying to arbitrage their
salary did not work. When you've got technologists who worked out well and who wrote good English,
they very quickly went on to websites like Greedy Associates or Information.com or other sites, found out
how much American patent attorneys were making and just left. Usually going to law school or trying to
find jobs in American law firms where they could quadruple or even more their salary overnight. I do not
blame them.

Training issues: there is a lot of turnover in the Indian market because there are so many job opportuni-
ties. Most Indian technologists will stay with a company for seven to nine months before leaving, and they
have a lot of options to go to. So, before we would get somebody trained very well, it would be the very
beginning stages of training and they would leave somewhere else. And, as most law firm folks know, that
is very frustrating when you lose your investment like that. That is why GIIP and other training organiza-
tions that were spoken about earlier in India are going to be a great help to get technologists up to a cer-
tain level so we don't have to train them as much.

The last factor and probably the most scary factor for American patent attorneys is the recent saber ratt-
tling by the U.S. Patent and Trademark Office. The PTO has said that before we send any work over to
India now, any sort of invention disclosures for searching or for preparation and prosecution of applica-
tions, we will have to get the equivalent of a foreign filing license which is just another step, another in-
convenience, and it really scares patent professionals to lose their reg. number that they fought so hard
to get. So you can see there are a lot of bumps in the road, a lot of difficulties that will have to be navi-
gated before preparation and prosecution of applications in India really takes hold and starts moving.

Now comments on today's presentations. From an American point of view, you can see that things are
very interesting in India. There are a lot of things happening. From a Japanese point of view as well. From
a European point of view as well. The Americans, have had interest from the very highest levels. In 2006,
George Bush went over and spoke with Prime Minister Singh and they made a joint statement to promote
innovation and creativity in the patent system, more or less. So, it really comes from the highest levels.
Within a year this was elaborated by U.S. Consul-General Michael Owens where he spoke about collabora-
tion with U.S. judges, U.S. law enforcement officials and U.S. patent examiners going over to India and
working with their counterparts there and, in fact, the Patent Office has a formal representative now in
Delhi at the U.S. Embassy working on these matters day to day. So it is very important for all of us.

Here are some figures that catch most people's interest. The market in India, as you can well imagine, is
mammoth, gigantic; 1.1 billion eager consumers. Consumers from my impression that have been locked
out of pretty much, well, consumerism as we know it in our countries, and they’re hungry for it, especially the middle class. I would count within the middle class all the technologists, the people working in outsourcing and call centers. They have money in their pocket. A lot of them have traveled to foreign countries, and they really want to have a much better life. They want to consume like we consume. What we take for granted; they are really hungry for. You can see that India has the world’s second largest car market which is of great interest to the United States now that GM has been overtaken by Toyota. You see that 100 Fortune 500 companies have operations already in India, and a lot of these are focused on research. They are taking advantage of these hundreds of thousands of technological graduates being churned out by fine Indian universities every year. You also see that India has the largest group of software developers after the U.S., and this fact might be a little bit misrepresentative because a lot of our software folks come from India and you see that there are a lot of rich folks right now on the Forbes list that are Indian, more than the U.S. in fact. Buying power, you can see that Indians, you know, on the main are much poorer than their Western counterparts, but it does not mean they do not buy. They do. You just have to package it right for them. Detergent for washing clothes, instead of selling them a week’s supply, you sell them a daily supply for as much money as they have in their pocket, and they can buy. You multiply that by 1.1 billion, and you have got yourself a market.

It was noted before that there is a backlog of cases in the Indian courts. That can scare a lot of people for the delay of justice or for the fact that, as was stated before by Professor Verma, if you win an injunction you pretty much won the case. So this is something to really think about. Also, there are no software patents, which are my bread and butter. India has so many software developers, there is so much innovation there, and most of these developers are working for foreign companies. It is an issue. Something to think about. You cannot protect your own inventions in India where you are getting the research done.

One of the interesting points, however, is that this effectively deals with the situation that is called pejoratively “patent trolls.” These are organizations that just acquire patents and applications and use them to extract licensing revenues. One example I have is Intellectual Ventures, which is from my home state of Washington, and which has 20,000 patents and applications and is getting all sorts of licensing revenue. $200 to $400 million in the last several months from huge companies: Verizon, Cisco, Sony, Nokia and Microsoft. By not having software patents, people like these are pretty much chopped off at the knees which is an interesting technique and one good byproduct. Will this be great for the patent system? Will it chill innovation? Will not having patent trolls be helpful or hurtful? I do not know. It is something to think about and it is also a very interesting topic. We probably could fill up an entire day in a seminar like this on that alone. But, we could go on and on and on and on, but it is Friday afternoon. I can see that everybody is getting a little bit tired right now with patent law. So I want to thank you for your kind attention.

Unidentified Female: Professor Takabayashi, please.

Professor Takabayashi: I was moderating. My name is Takabayashi. I do not have any PowerPoint presentation prepared for this session. I am sorry. I will be just speaking off the top of my head. Listening to the
keynote lectures as well as the panelists’ presentations as well as Mr. Patterson’s presentation, I would like to give you my impression, or share with you some of my comments. In December, a symposium, “IP Enforcement in Asia” was held and India was not included, but other Asian countries, China or Thailand or South Korea and Indonesia, we had participation from especially judges and lawyers talking about IP enforcement. And we compared interestingly with the Japanese enforcement system and today we have taken up IP enforcement in India as a topic. We talked about the IP enforcement in the Indian setting and we will be holding a panel discussion.

So, if I may give you some of my comments to set the stage. When we talk about enforcement there is the administrative enforcement that today there was some mention with regards to customs, injunction as well as police power of control and other boards and commission level authorities and agencies and also there was a court procedure that was talked about. Criminal procedure and also civil trials, especially injunction orders as well as damage orders that have been used. So there are different layers of actions taken.

It is 13 years or so since I left my position as judge and I practiced as a judge 13 years. When I was a student, or when I was in my earlier years as a judge, there was a great boom in criminal procedures. In Tokyo District Court there were many criminal trials that were ongoing, but gradually there was a shift toward civil procedures, civil trials. Amongst the civil trials, especially in the IP area, as was mentioned, when I was starting out as a judge or when I was engaged, first of all, in IP trials, as was mentioned by the Indian presentations, it was a situation where it was enough as long as you had an injunction. So people were pursuing injunctions, and although damages were ordered, they were only small amounts. So, as long as you had an injunction you would then go for a settlement. The amount of settlement in any case was very small and minor.

But gradually there was a change from criminal procedures to civil procedures, and now in civil procedures people are not focusing or aiming at mainly injunctions. People are talking about damages and aiming for that and talking about the amount of damage, the calculation method of the damage in Japan under the law. There were detailed provisions, one of the highest level of detail in the world and depending on how you use these provisions you can have an amount ordered higher than those damages claimed in the U.S. And so the amount of damage claims is larger now, and the trials are used as a tool by companies in order to settle disputes and resolve disputes and conflicts. It will be increasingly so in the future.

Against this back drop, there is one episode I would like to share with you. The other day a Thai judge came to Japan and went to the Supreme Court and asked for an arrangement through myself to meet with an IP related Supreme Court judge. I asked the Supreme Court contact to have referred to us and introduce to us any specialist on IP. The answer was “We don’t have any.” Such as civil procedure we have Mr. Mimura in front of me and there are many justices in the Supreme Court in civil procedure, but when it comes to civil procedure IP there are none. Justice Sikri talked about piracy and the three classifications he talked about and also theft-like action, those type of classification are tried under criminal procedures and newspaper articles talk about that. But most of them end the procedure after the police procedure
and most of them do not go to trial and gain attention.

This is the background in Japan and we heard about the situation of enforcement in India with regards to the product patent in Japan. I am an author of a textbook and the substance product was introduced in Japan 30 years ago. But such a product patent system has not been introduced in India and, as was mentioned by Justice Sikri, various requirements have been ordered in India and for policy and politically they had to introduce these systems. These are not quite policy oriented. Just because you have the law you could not automatically come up with a decision by the court. So there is much jurisprudence or thought injected into the decisions by the justices.

I am sorry for talking in a disorganized manner, but I listened to the presentations, the situation in India. There has been much impact from the United States with regards to such enforcement. They have been undergoing many trials and errors and they are developing their system and Japan is as well. So in that sense I hope to have a fruitful discussion in the panel discussion to follow. That is all. Thank you.

Professor Takenaka: Thank you. Justice Mimura’s name was just mentioned, Justice Mimura, as you all know, is a judge at the IP High Court. He is a renowned IP judge in Japan. I believe it was last year that Justice Mimura was in India by himself, so perhaps I should give the microphone to Justice Mimura.

Justice Mimura: Thank you for your kind introduction. I am Mimura. I am a judge and as a judge I spent the past 17 or so years spending my time on IPR, and I used to work with Professor Takabayashi. I am temporarily away from the IPR field since April of this year, but as was mentioned by Professor Takenaka, I spent a week or so in India last year in January at the George Washington University IP Summit. The IP Summit was organized by George Washington University and I was a participant in the fourth IP Summit organized by George Washington University. Professor Adelman of George Washington University and leading Western IPR practicing lawyers and justices were participating in this summit and I believe the fifth summit was held this year. I believe some of the panelists also participated in the summit.

My observation is that, speaking for India, India is under an influence of the U.K. judicial system. The British judicial system was transplanted to India in comparison to China for example. There is a long history of a democratic and very much Western judicial system in India. That was my impression from visiting the country myself. George Washington University has held this IPR Summit five times in the past. Since this field is based on common law, basically, and the American type or Western type of system is being established by the People’s Republic of China at the moment and I think the same is true for India.

As mentioned by Professor Takabayashi with regards to IPR cases in Japan since 1998 for the past decade or so IPR legislation has developed significantly. We have expedited the procedures and the IP High Court was established three or so years ago dedicated to IPR cases. Increasingly the amount of damages granted by the courts in Japan are becoming higher. Thank you.

Professor Takenaka: So, we would now like to start our panel discussion on comments made by commen-
tators. Does anyone of you have any comments or question? Yes.

Justice Sikri: Some of the things, actually, which I could not say and respond to what professor–

Professor Takenaka: Please use the microphone. Please start over.

Justice Sikri: Professor Verma and even afterwards Mr. Manoj mentioned there is a discussion about the early years in this country as far as India is concerned and the slowness of the process. I would only add, what are the steps which have been taken? In a nutshell, briefly I will say and particularly in the Delhi High Court insofar as cases under IPR are concerned. It is likely said that up to now we have the system of injunctions and the entire fight is to obtain an injunction – interim injunction and the case hardly goes for trial. We have seen that that is the experience, that even at interim stage when the injunction is argued, it takes as much time which is normally required for final trial of the case. They lend the arguments. Both sides will depend on documents which are, the material, etc. maybe trademark registration or patents or design depending on whatever jurisdiction it is, and file the cases, and even when the interim injunction is granted and most of the judgments which are cited are interim injunctions only. Every case, every judgment that bears discusses each argument, the law on the subject and even the material on the basis or evidence on the basis of the suspected parties are relying upon. What I am trying to show is that even at the interim stage though injunction is given and it is an interim injunction and suit is still pending, virtually the case is finally decided. As far as injunctions are concerned, yes, damage is a part.

So, how to deal with this situation -- Why only injunction and why not final suit? We found in 2002 our Code of Civil Procedure was amended, and now the evidence can be led by in the form of affidavits also. It is not necessary that the party has to come and orally depose everything and then on that there need be cross-examination by the other side. So, one way is even at the interim stage when the case is there, because although we are referring to documents also, but these documents are still not exhibited in the form because a trial has not taken place. So, the consumption of time is almost as the same. So why not, at that stage tell the parties, you file your affidavits, all these documents you are relying upon, state that in the affidavit and, I tell you from my experience, in 50% of the cases even cross-examination does not take place. Most the parties agree, “Yes, it is on the basis of these affidavits.” So, by adopting this technique we are finally deciding cases. Where cross-examination takes place in some of the cases, the parties say it does not last for more than hour or two total. Therefore many cases are now getting decided, finally.

As I told you, in so far as damages are concerned, briefly I indicated that it is difficult to prove loss as such as far as actual damages are concerned. The jurisprudence which is developing now is this, that wherever there are two parties which are stronger parties, one of the examples given by, I think, Girija also in the patent case where, although the interim injunction was refused, -- no I am sorry. It was given by Professor Dass, saying that you filed the undertaking was taken that you filed your accounts regularly, etc. And you will compensate for damages. So, therefore, we are trying to drift to that system where the parties are genuine fighting parties that instead of injunction that there be a final determination and the damages can
be, in those cases, the accounts, etc. file damages, can be actually assessed, actual damages. If not, the
case doesn’t fit in that category, then as I discussed in detail we judges have adopted this technique of
awarding punitive damages or damages to reputation and good will. So this is one comment I wanted to
make.

The other was, if you remember, Professor Verma had said about ADR mediations, etc. Now we have, in
the Code of Civil Procedure, Section 89 which is introduced in a 2002 amendment and, from my experi-
ence in the Delhi High Court, I tell you and we have observed that most of these cases can be settled
through mediation. Those cases I told you as I look at them are in the following three categories. For those
cases which are cases of counterfeiting, piracy, etc., there is no problem at all. Even those cases where
there is a small trader trying to imitate the name or, etc., like Honda and other examples which I have
given. What happens when there is normally no problem in such cases also. If there is some imitation of
trade dress or name, they would agree to make certain changes. So, for this purpose, the case can be
settled. Normally the dispute is about damages. Ultimately, at the end of the day, okay, you are making
these changes. How many damages, how much damages will you pay? So, for that also, cases are referred
to mediation and they are getting settled.

My last comment is about the criminal process. Mr. Manoj said that it is slow, etc. I do not dispute that.
That is there. But, again, in the IPR still an attempt is made. Now again, speaking from the Delhi point of
view, we have taken the lead. Today, actually mostly civil actions are filed and civil actions are also filed in
the Delhi High Court but not in subordinate courts. There are very few cases which are filed in subordi-
nate courts, so in consideration of the quantum of cases, there is a special judge on civil cases. He deals
exclusively with IPR matters and was appointed a year and a half ago. Likewise, for criminal cases also,
criminal cases have to be filed only at the magistrate level in the subordinate court. We have, again, ap-
pointed a special judge dealing only with IPR cases. As of today because we don’t have many cases on the
criminal side as far as IPR violations are concerned, it is also because of the reason that many people think
that it is a very lengthy process and may not generate the desired results. So, therefore, this is done, and
if it is a successful experiment, maybe more and more people would like to file criminal cases and then we
can increase the number of judges there.

Unidentified Female: Microphone is not on.

Professor Takenaka: …want to comment from practitioner’s point of view?

Mr. Manoj: Thank you Judge Sikri. I think that is something which is a new development and it will help
the criminal cases being looked at by special judges on a fast track basis, so, I think this is the first initia-
tive of its kind in India and if it is followed in the rest of the country we should be at least able to handle
the criminal cases relating to intellectual property in India successfully and quickly. Thank you.

Ms. Varma: I think in my experience, the civil procedure has been very successful in the Delhi High Court.
In fact, we get expeditious remedy through injunctions. Yes, if you’re a defendant party it has also af-
fected business in some ways, but I think now the courts are looking at that and they are getting this process in place where they would either seek an injunction or a declaration or a bond from the other side. Also, in terms of criminal matters, it has been an issue and I think now companies are also not trying to enforce criminal enforcement in a very strict way because the penalties are much higher in terms of getting arrested. And that does not make much business sense always. Thank you.

Ms. Girija Varma: Yes, I have small observation on enforcement. Right now we have heard of the courts' jurisdiction and courts' point of view, I mean, from Justice Sikri and two other panelists. Now in the enforcement we need to have a holistic view. As a matter of fact I raised the issue that it is the police and the customs, also need to be involved to a great extent and, particularly in the criminal cases. Police involvement is very, very crucial they have to collect the evidence and make a prosecution case that is foolproof, which has to be subsequently presented before the judges.

Our police force in most places in India are not well versed. Most cities in India, have IPR cells in police department, which is under the economic offenses wing of the police. Beside other things they also look into IPR cases. The police and customs officers need to be trained and made aware of IP and the products being infringed. Border measures also require a lot of amendments but not everything can be solved at the border. The cases have to come before the court and based on the evidence the court, makes a decision, even though the goods are within the premises of the customs, it is under their authority. But, the moment it leaves it comes under the authority of the police. So, both these parties also have to be well informed and well educated in that matter.

Ms. Dass: I wanted to say that there is this lack of good IPR teachers in India especially on the patent side because the law – the case law is not so much developed and it is a recent area, a coming area in this IPR field. We are aware of trademarks. We are aware of copyright, but the other areas like plant varieties and patents are new for us. So we want some training for the teachers also along with the lawyers. They can come and train and the lawyers from other countries also can talk about what they are doing. So we want that kind of education too.

Professor Takenaka: I think education training is a good topic because we have all professors as well as the adjunct faculty members teaching intellectual property. I would say even in Japan or the United States, the police, the custom officers are not necessarily well educated on intellectual property. So, do you have any experience, Jim?

Mr. Patterson: You know, that strikes me too. When I heard about that, I kind of cringed because I would not trust American police to make any sort of decisions about what is infringement or what is not infringement. I know from experience that customs officials do it and I think that they do it a bit better because they deal with it day to day and that is one of the primary focuses of their jobs. But American police, while well meaning, are just not sophisticated enough.

Professor Verma, you spoke about it a little bit -- about the training of these cells, but, you know, do they
have access to legal scholars? Do they have access to lawyers? Maybe some on staff? Or some that show up a few times a week to help them make these decisions? Because these can be very economically damaging decisions, but at the same time could be extremely valuable. I think that having police be proactive like this would be great, but how are they trained?

Professor Verma: You see, as a matter of fact, we have to have special cells. Not as a part of the economic offenses wing. These persons should be well versed in what they are doing. Are we making a distinction between pirated goods and counterfeited goods on the one hand and genuine goods on the other hand? So, how to look into it and when the case comes, how to deal with it is important. If you are going as a complainant you have to provide some information on the basis of which police can go and raid and then can confiscate or seize those goods. That is also there, so these are the things. On a regular basis they cannot be trained, but once in a while they have to be trained and there could be an orientation program. There could be refresher courses as well.

Ms. Girija: I would like to add one thing here. As an in-house counsel to Microsoft, we face this as a big problem. It was the corporate initiative, generally it is the companies training the custom officers and police officers and that’s what is done. There is no training otherwise given to them either under the legal, by the law schools or any other institute. So, it is a corporate initiative.

Justice Sikri: I will add to what Girija Krishan Varma is saying. Actually what is happening, which I have been observing in the last two or three years, we have like a Chamber of Commerce and there are two or three bodies. One is FCCI, Federation of Chamber of Commerce Industry. They have taken the initiative and with the help of a few corporations, they are organizing on regular basis training for police officers, customs officers and it is not limited to that, even for judges. Now, we have in India – it was established a few years ago, many years ago, we call it Judicial Academy. There is one at a national level named as the National Judicial Academy and at each state level by every High Court which is called state Judicial Academy. Like, in Delhi it would be called Delhi Judicial Academy or Bombay Judicial Academy.

These academies are for regular continuing education for judges. I am to be in charge of Delhi Judicial Academy. Likewise, I am a regular visitor as a resource person to the National Judicial Academy which is situated in Bhopal, about a few hundred kilometers away from Delhi. But even in the National Judicial Academy, the judges come from all over. It is primarily for district judiciary. They have at least one or two programs every year on intellectual property where I go as a resource person. Not only that, there is one program every year for all High Court judges on IPR specifically. I have been going there also as a resource person. In Delhi, of course, and like every state, and along with Vicki I have been to Chennai, I have been to Hyderabad, I have been to Karnataka and judicial officers of those states where they have arranged programs for sensitization of the judges about IPR issues. Because I have been going there I know that.

Of course, there is no regular system as such, one which the police officers have to undergo for two months, three months, etc., but periodically now, there is awareness which is coming. I know at least in Kerala, the state of Kerala, which is down south almost at the other end touching Sri Lanka from that side,
and Karnataka and Delhi and Bombay also where the police now are given much better training than it used to be five, ten years ago.

Professor Takenaka: Training for police officers, law enforcement officials on IPR has been done in India, which is very encouraging and I know that on the job training has also been a part of training for police officers and customs officers in India, but perhaps in Japan, do we have a similar system in Japan training for officers and customs officers and police officers on IPR?

Professor Takabayashi: On trademark infringement design right, copyright I do not think there has been a discussion in Japan to introduce a systematic training for custom officers and police officers so we were focusing on trademark violations and copyright violations, but as a part of national policy for IPR protection patent infringement will also be a part because in order for us to implement effective border measures patent law enforcement will have to be obviously a part of it and patent infringement training for customs officers. I am not trying to advertise Waseda University, but we at Waseda University are now training for one year customs officers in Japan on patents, on the patent law of Japan. And in graduate school – at our graduate school, we do have three customs officers who are now studying. They are spending with us two years to study patent law and patent cases. It is not that we have a system to train hundreds of officials at the moment because there has so far been no need to do that in the field of patents at least. But we do have systems in Japan in place to train customs officers and police officers and Waseda University, if I may say so, has been playing a leading role in training customs officers and police officers in Japan.

Professor Takenaka: So, in Japan, Professor Takabayashi just said that at least customs officers have been well trained. In the United States, criminal sanction is not a part of their patent law, instead they have punitive damages or enhanced damages for patent violations. These are civil remedies that are made available in the United States to be effective as punitive measures. There are criminal sanctions for copyright and trademark violations, however, these have not been widely used in the United States as far as I know. I feel that in the United States, police officers have been trained. I know that Jim is more knowledgeable about this in that regard. India, I believe, is more advanced than the United States for example.

Speaking of customs, we have the ITC and we have experts in ITC patent trademark infringements. These are areas where experts have been rendering judgments and decisions. In a sense, there may be a need for us in the United States to train police officers. American police?

Mr. Patterson: I do not know if they are trainable. I think it is a good idea if you can make a high level position from somebody who has gone through law school. I know in my law school several graduates went off and joined the FBI which is a Federal police force in the United States. You could get some interest from people like this. It would help. It is a great idea. The implementation would be difficult with our police force, but it is a great idea.
Professor Takenaka: I know that we are pressed for time, so perhaps I should give opportunities for those of you who are in the audience to express yourselves. I know that India is a key market for those who work for corporations in Japan, so I encourage you to ask questions and raise issues. Anybody who has gone to India recently, any experience you would like to share? This is a good opportunity. Yes, please.

Professor Uehara, Professor, Kokushikan University: Please allow me to remain seated. These are not questions. I am Uehara, who is teaching IP in Kokushikan University. I am not really sure about patents in India, but two speakers today, I think, talked about fair dealing. Based upon fair dealing there are judgments or decisions made, in some cases. In the U.K., well, according to that fair dealing, of course, is a principle introduced from U.K. law, but according to the Patent Act of India there is no provision specifically on fair dealing at least I do not see it. So, with regards to fair dealing to decide about copyright, are there any specific provisions of the Copyright Act or in general principles of the law is there a specific principle that is used? That is the first question.

The second question is, Dr. Dass, you mentioned in your presentation a specific point. Regarding the Internet and the digital era and the Internet era -- WHP, India is not a member to that, and so, WIPO, in the WIPO forum from the India government when it comes to Internet related infringement there is a serious situation and there are numbers specifically cited by the Indian government representative by the WPTA or in those forums there is not much involvement. There have been official comments made in WIPO, however, so, are there any specific circumstances in India? Although you have such crimes in your offices widely, but you do not subscribe to any treaties. Why is that? Especially in the case of the Internet. You will need international collaboration for enforcement, so, why is India not actively involved or becoming a signatory of the treaty?

Professor Takenaka: Dr. Dass, do you want to answer fair dealing? What basis…

Ms. Dass: In the patent case, I think, I do not have the Patent Act. There is a provision in the Patent…

Professor Takenaka: No the Copyright Act -- fair dealing.

Professor Verma: No, all the copyrights are digital, I think. Fair dealing is Section 53 the very wide section we have and he has talked about it. On copyright, he is asking about the digital Internet and the P2P.

Justice Sikri: I think, you were right, the provision is in the Copyright Act, and it is 53. And there is no provision in the Patent Act.

Professor Verma: There is… I would like to understand. Yes, there is one provision that is very small that is for R&D.

Ms. Girija: Yes, it is allowed for R&D and educational…
Professor Verma: Yes, it is allowed, for educational purposes it has been fair dealing for this purpose. Yes it has been provided under the Patent Act. But, in the case of copyright, the longest provision in the whole act is Section 53 on fair dealing. These are the exceptions. 53, yes.

Professor Verma: Yes, which talks about R&D and about the teaching.

Professor Takenaka: So with respect to what the questioner has pointed to, I think his question was directed to Dr. Dass.

Ms. Dass: In fact, he was talking about Internet treaties. Yes, Internet treaties, WIPO treaties. We have proposed certain amendments to the Copyright Act and they are in accordance with the WIPO treaties. So we are following a policy of wait and watch to see what we should introduce. We have already placed these amendments in front of the public for their comments, and once they have come, then they will take over amending the act. So, we first will bring the amendments we are thinking and then ratify the treaty.

Professor Takenaka: I see. So, you are in the process of…

Ms. Dass: Process of doing that, yes.

Professor Verma: There is another aspect to this as well. We have the IT (Information Technology) Act of 2000 and it has – it does not have the IP law directly, but suppose there is a violation of copyright. So in cyberspace it has to percolate through the Copyright Act to bring action under the IT Act. It has to percolate through the Copyright Act. So that is how it is.

Moreover, serious thinking as she has said is going on because there are certain flaws in the Internet treaties as such. Because Internet treaties beside, even if we say that they talk about crimes that are a violation of copyright and the Internet, still the jurisdiction questions have not been sufficiently addressed. Because you have to go to the national courts, and in the Internet it is very difficult to show where the violation actually has taken place and from where it has started. So these are some of the issues in fact which need some serious thinking and that is why India has some sort of rethinking on the issue.

In 1999, they made a draft, also, for the amendment of the Copyright Act in the light of the Internet treaties because the Internet treaties say that first you make the law and then amend it and then become a party to the treaties. So by the time the draft was to be taken up for amending the copyright law, the intellectual property commissions report of England had come up and the report was not very encouraging that the developing countries should become parties to the Internet treaties. So we have second thoughts and maybe, I mean, it is not that it is not in direct consideration still it is in direct consideration.

Professor Takenaka: Did he answer your question? Any additional points that you would like to make or
any additional comments? According to the two speakers, it is being considered. It is being prepared right now. A response is being prepared but in the process there are domestic issues that need to be dealt with and therefore they need to be resolved and overcome. So, it is not that they are being negative. That was the comment. Any additional comments, perhaps? Thank you.

Professor Uehara: Perhaps I should not delve into details. You talked about jurisdiction in terms of WPPT, WCT, the right of making available is being set and it is a matter of interpretation by each country. The right of making available. So it is an uploading right. So, anyone who does uploading would be violating. Therefore the place of upload would be where the jurisdiction would exist. But in the case of the Internet, you can use any server in the world to upload. This may be difficult to identify, but theoretically, I think it is possible to pinpoint or identify the location. One thing I would like to ask. I understand that you are giving proactive thought to it, but earlier, you were not altogether positive about being part of these treaties. And perhaps there was some social background to this. Within India there are those who are opposed to being party to WPPT or WCT. Anyone who is opposed to this, any social background?

Professor Verma: I already said that we had been thinking very seriously, but after this report from the United Kingdom Commission on Intellectual Property Rights came up, India had some sort of second thoughts. It was found that it is not in the interest of the developing countries to become parties to the Internet treaties at this juncture, at least for us. Because after all, in the case of the Internet, fair dealing is one very important aspect which one has to look at. So, rather that we still – one convention, Berne Convention, also talks about the three steps test in fair dealing that all these and then they have to be taken care of. So these WIPO treaties, they do not address those issues very squarely. We have not said that we will not be parties, but we are also looking into our social context as well, the vast population of India must have access to information for knowledge and development. Nevertheless, serious thing is going on in the government to be party to these treaties.

Mr. Manoj: So, I can say something about copyright amendment. There are several groups in India who have given their recommendations and who have given their objections which include the publishing industry, the music industry, the movie industry and even we've seen representations from the visually impaired for amendment of the Copyright Act. So there are several groups which have given their suggestions and in India we follow a democratic process and all these are under consideration. So, one aspect of this does address the WIPO treaty. There is no real pressure to not sign it by any lobby. There is a huge software and Internet business which is also looking at this in India. And I think shortly within the moment we will have a new government or maybe within this government we might get it passed in Parliament. We hope it goes through soon.

Professor Takenaka: Again, we are already passed our scheduled time, so perhaps I could entertain one more question from the floor.

Mr. Suzuki: I am Suzuki a patent attorney in Japan. Thank you very much for this wonderful opportunity. In Girija's presentation, you shared with us two judgments on pharmaceuticals. Two questions I have. In
the Novartis case: that it had a significant improvement in efficacy was mentioned in the Novartis case. Do you have a discussion underway in India to come up with a clear guideline? Second case: The Roche case. One of the reasons given by the court was that Roche was not producing in India. It was just importing, merely importing into India. What if Roche was actually producing in India? Was there a possibility for a different judgment which may have been rendered by the court if hypothetically Roche was producing, manufacturing in India?

Ms. Girija: In respect to your first question regarding whether there are any guidelines for interpreting efficacy. That is definitely under consideration because this case has actually shaken up the patent amendments that happened in 2005. So the government is definitely looking at how to interpret this and how to set out any rules and procedures.

In respect to your second response, I think what was said about Roche importing into India and not being a manufacturer was one of the considerations in what went into the judgment whether an injunction should be granted or not granted. What would have happened if there were a manufacturing unit? Yes, it would mean that their company would have invested a lot of money and a lot of infrastructure to set up a manufacturing unit. Definitely the court would have looked at that before granting an injunction or not, as an injunction is an important aspect as well.

I think Justice Sikri if you have something to say on that you may do that because there, I think what goes on behind the judge's mind before deciding cases also depends on the facts and circumstances of every case.

Professor Verma: I will just add, and maybe Justice Sikri will take over from me later on, in the Novartis case we have this draft manual law which is under consideration and it is being discussed at different places now and the public comments have also been sought. And if you open up our website on the IPO India, you will find the whole manual on the website, and the Patent Office they have clear guidelines. Now, of course, the guidelines still are being debated, and what will be the final shape, we do not know because these are sort of the guidelines to the examiners and the Controller in that particular matter.

Coming to the second issue of the Roche case, I think, of course, that is true. That continued supply of the medicine has to be in the public interest was paramount in the minds of the judge who issued the injunction. I know the final hearing on merits in the suit is also complete and judgment may be rendered in the next month or so. That is what it is. But at the same time when the injunction was granted, the price difference between the Indian generic drug and Roche's drug was very substantial. It was 1:3, that is, it was 1,600 Rs. for the generic version and 4,800 Rs. per tablet for Roche's. That is how it is.

Justice Sikri: Actually, let me be frank and, although, one should not be discussing these things about what goes on in the back of the mind of the judge when these judgments are given, I must say, generally, and this is a common thread as far as both of the cases are concerned. Actually, there is a lot of debate after we become WTO compliant, and our laws, etc. and we signed those treaties. Particularly, in the
pharmaceutical industry, the drug industry, it is a debate which is generated in India -- Is this about human rights of those persons who are in need of these medicines because India, I mean, in spite of all of what we can see and claim that we are developing and all, but as was disclosed by Mr. Patterson also, that many are living at half a dollar per day and therefore there are many who are below the poverty line. For them, if any of them is suffering from any terminal disease or say HIV or cancer and all the medicines in these fields are very, very costly. It is very, very difficult for the government to subsidize. So, therefore, as of today, so long as there is a regulatory regime, and as far as price controls are concerned, we are able to say that, look here, keep the price at a lower level and so that a common man is able to buy.

When that thing does not take, therefore, after this and with the amendments in the Patent Act also, there has been a debate that if there is no control over pricing, would it not violate the human rights of those who are in need of drugs and are not able to purchase those drugs? The result, they may die. So therefore, and we have in our Constitution Article 21 which gives guarantee of the right to life and liberty. Normally the expression of the right that nobody would be deprived of his right to life or liberty except in due course of law. So it had the connotation that in criminal cases you cannot put a person behind prison bars or you cannot hang a person unless it should be as a due process of law. That means that he is convicted in a particular case and having committed some crime or maybe he is punished with death penalty which is still there. But the Supreme Court, over a period of time, if you see, some of the judgments are really landmark judgments where the scope of Article 21 has been expanded a lot. It is not related to this, I mean, microscopic view of right to life and liberty. You have a right to live a decent life. That is also treated as right to life and liberty.

Therefore, it will be a negation of a decent life or my right to live properly if I am not able to buy medicine. So, therefore, on the one hand we have these economic legislations, like IPR, on the other hand we have the issue of human rights or fundamental rights, Article 21. Therefore, I am seeing this debate is there and maybe, because I am not the author of both the judgments, but maybe at the back of the mind of the judges was an Article about which they cannot write. As I said, normally judges would not disclose what had gone into the decision making process. Generally we apply the law as it is and give judgment. But, at the back of the mind, it may be a governing factor that look here, the other repercussions as far as public interest is concerned would be very, very damaging if such injunction is given in the case of Novartis and the case of Roche if it is not given.

Unidentified Female: Thank you very much from Justice Sikri. That was an explanation about the right under the Constitution as well as the relationship with IPR. It may be in conflict, it may be in synergy with each other. It is not an issue that we see only in India. I think there will be other opportunities for us to discuss further this interesting topic. We would like to provide and arrange for such opportunities in the future, but for today, we have gone overboard with the time, so at this time we would like to close this conference.

Mr. Mimura: My final comment please. There is a microphone over there. My name is Mimura and if I may in the previous presentation with the border measures and police, if I may make a supplementary com-
ment before we close with regards to the environment surrounding the police, of course there is not much coordination in Japan. And we have police agency which is checking that but they have the infringement case in which the defendant was not convicted and so there is winning an infringement case as well. This has not been finally judged so I will not be giving my comments.

There are many questions surrounding that case as well with regards to injunction as was mentioned by Professor Takabayashi, the specialists are to be developed and the Ministry of Finance is trying to work for the budget and in the customs the opinions can be stated to the Patent Office at this point in time or referred to them for their opinion, but they have strong opinions about claims and the scope of claims, but when it comes to validity the Patent Office doesn’t give any official opinions. So, in the same case there have been trials on the merits and the customs opinion were in contradiction to the court and the court said that it is invalid although the customs said that their argument was valid and in some cases that happened.

As for the border measures by customs, ultimately there are administrative procedures to invalidate the measures. But probably they had not been working at that level, so, although, in terms of patent there is an exclusive jurisdiction when it comes to -- if it is Kobe customs it is the Kobe District Court that has to try that and there is still the issue of that jurisdiction.

Those were the supplementary comments and listening to the presentation of the Indian representatives today it was extremely informative for the judges including myself. Especially compared to Japan, punitive damages are allowed and also inspection, for example, extensive injunctions are given that will give effectiveness to the relief system and we can learn a lot from that system in India. Paying reference to that we hope that the proper legislation would take place in Japan as well. Thank you very much for today.

Professor Takenaka: Thank you very much to Justice Mimura for the closing remarks and supplementary information as well. Perhaps I should ask Professor Takabayashi to say a few words, but we are out of time. In this COE program, we communicate our experience to other countries and at the same time we learn lessons from the United States and other countries in Europe and Asia. I think we have been able to have a very fruitful session today. So, let me turn to Professor Takabayashi on second thought and if you could also talk about the reception as well.

Professor Takabayashi: Professor Takenaka, thank you very much for being the moderator. IP enforcement in India, we have invited lawyers, a judge and professors from India, as well as from the U.S. We have been able to have a very fruitful symposium. Please give another big round of applause to the panelists.

This is part of the global COE program which runs for the next five years that started in the summer and we would like to organize seminars like this that would stir up interest in IPR. In November, together with Hokkaido University, we are going to have a copyright seminar. On November 21st, it is going to be a very big seminar or symposium and so those of you who are interested, please jot down the date. Saturday, the 17th of January, we are going to invite European judges and IPR experts and have an international sympo-
sium. So that’s the 17th of January next year, so we have a series of seminars and symposium going forward. We will continue this effort and hope you will continue to participate to access our website, get the information and sign up please.

We are happy that we have been able to have a very fruitful program today. Following this we are going to have a small reception. The charge involved is 4,000 yen. Perhaps it is too expensive and we have not been able to have a lot of participants who are signing up. We are dumping the price to 1,500 yen. I think it is a very, very good price. You will get more out of this than you pay, so those of you who have not signed up, please do.

We are going to Waseda Tower, high building *Seihoku no Kaze* is at the venue. Those of you who do not know the venue, if you could just hang around we will take you to the venue. So those of you who have not signed up yet for the reception, please do so. The price is extremely competitive. So, let us continue the discussion with the panelists and ask the members of the faculty. Let us close the program on that note and another big round of applause to the panelists. Thank you very much all of you.