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# CHANAKYA NATIONAL LAW UNIVERSITY

CENTRE FOR INNOVATION RESEARCH AND FACILITATION IN INTELLECTUAL PROPERTY FOR  
HUMANITY AND DEVELOPMENT

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**Hon'ble Justice  
Mrs. Mridula Mishra  
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It is a matter of immense pleasure and pride that the CIRF in IPHD of Chanakya National Law University is going to release the E-Journal –

JARIPA (E-Journal of Academic Innovation and Research in Intellectual Property Assets) on 16th March 2021. It is also a subject of great pleasure that the journal is being released on the first anniversary of the Centre for Innovation Research and Facilitation in Intellectual Property for Humanity and Development (CIRF in IPHD).

The pandemic 2020 has been a period of unrest in all walks of life, especially in academics too. Thanks to Information Technology that supplemented the class room teaching and sitting in the Physical library to online teaching and access to Online learning material ,books ,journals, magazine, newsletters etc. The significance of online publication has been understood and the universities have been converting their hard copy into soft copy for the worldwide access and benefits. This e- journal (E-JAIRIPA) is an effort by CIRF to contribute to the academic world in the domain of Intellectual Property Research. Intellectual Property is a creation of human mind. The Patents Law deals with the invention and innovation. It is a tool for Industrial Development furthering industrialization, employment, and economic development. Patents Law has become the backbone of the Economy of any country. The Pharmaceutical Patents helps in health care along with continuous research for human development. Patents is granted to the inventors and protects the invention from infringement by any person. It is a guaranteed safeguard to the invention and economic gain. The patentee avails this right for twenty years (As per TRIPS), thereafter it enters public domain, which is open to use by anyone without payment of royalty or permission. The trademarks are an essential Intellectual property for safe business and safety to consumers. The information technology, semi-conductor integrated circuits lay out design (chips) are essential tools used in our daily life. The Community intellectual property (GI, Biodiversity, Biotechnology, Plant Variety, and farmer's rights) are the part and parcel of intellectual Assets. This online journal will encourage the researchers, academicians, students to do fundamental research and this journal will disseminate the ideas and understanding world- wide.

**HON'BLE JUSTICE (RETD.) MRS MRIDULA MISHRA**

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## **REGISTRAR'S MESSAGE**

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The Journal is a forum for the scrutiny, examination and discussion of academic research. It is an examination as to what is happening in academics. The journals carry scholarly research papers which are peer reviewed before publication. This is the examination by the unknown experts in that discipline. Hence the knowledge of authors are examined, analyzed, debated and disseminated. This helps in learning and further improves the knowledge of the trainer. It results in the refined understanding of the students and academicians.

The journal E-JAIRIPA has been published and released keeping its importance in academics. This will surely encourage the students, authors, teachers in the field IPR to write on certain issues and try to find solution. Since the papers has to be peer reviewed, it will be a guide line as to how to write scholarly papers. Most importantly, when the journal is online (E-Journal), it has easy access to all the people on this globe. Hence merits and demerits of articles cannot be concealed. In the paperless world, the e-journal is a need.

I appreciate the efforts of the CIRF team in bringing first issue of E-JAIRIPA to the public for learning and examining the quality of the writings. The reader's corner will be a feedback for the improvement in its quality. Since this is a first issue, the team will learn its strength and weakness which shall be certainly reflected in improvement with successive volumes and issues. Wishing the CIRF Team all the Best for all success of the Journal.

**SHRI M.P SRIVASTAVA**

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## PREFACE



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E-JAIRIPA (E-Journal of Academic Innovation and Research in Intellectual Property Assets) is a Peer Reviewed E-Journal of the Centre for Innovation Research and Facilitation in Intellectual Property for Humanity and Development (CIRF –in-IPHD) of Chanakya National Law University the JAIRIPA is a half yearly journal of Academic Innovation and Research on the issues related to copyright, Patents, Trade Marks, Geographical Indications, Plant Varieties and Farmer's Rights, Bio Diversity, Layout design and integrated circuits, Industrial Design, Traditional Knowledge, on current Academic issues. It is a half-yearly e- Journal, Vol.-II, Issue-2, 2021 (July-December 2021). Although this journal was scheduled to be released as January to June issue, but various constraints came underway. Hence the first issue (June-December 2021) of the journal is being released today on the 16th March 2021, the Anniversary Day of the Centre. This E-Journal shall have open access to all the concern world-wide for Common Good. The ISSN will be obtained later as per Rule.

Research is the backbone of academics. The journals are the conveyances on which the research papers are carried on from the authors to the readers, the reaction of reader's to authors' vice-versa. The journals expedite the process of thesis –antithesis and synthesis. The research scholars' survey the problems in the area of their disciplines and think over the gap. Hence the contribution made by the author-researcher helps to the teaching community, research scholars and policymakers. It helps the book authors, either it be student edition or reference. It is the journal that keeps the teachers updated and well informed. The class teaching is monotonous without current and relevant issues as it correlates the academics with real world. The Journals are Supplementary and complementary to academics, a bridge between society and academicians for the benefit of students and researchers. This cycle goes on with observation, scrutiny, comments, analysis, updating the existing knowledge and filling the gap. The regular readers of the journals are well informed, advanced and confident. They learn the style of writing and way of expression. The journal carries variety of opinion, ideas, information that help in the correction of concept and revealing the truth. This is the reason that research writing and publication is essential component for the Academic positions. The paper writing is a proof that the person has academic bent of mind. It is a proof that one is growing. This E-Journal has been launched and released for the benefit of all the stake holders without making any discrimination on the basis of caste, creed, race, color, class, gender and political boundary, etc. This journal has open access to all concern. This issue of JAIRIPA carries twenty research papers contributed by researchers from different parts of India. All the papers have been peer reviewed, and similarities checked. The editors and reviewers have tried their best to allow the best possible papers before the readers. The comments, criticism, and advice of the readers are most welcome for further improvement. Hence this half-yearly E-Journal (JAIRIPA) is hereby submitted with all humility before the readers in December, 2021.

**PROF DR. SUBHASH C. ROY**

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## **ANALYSIS OF MYRIAD GENETIC CASE**

*Pooja Kumari*

### **ABSTRACT**

*Recently, Due to outbreak of Coronavirus, research in genetic science has elevated to its next level. The evolving genetic science demands updated laws to meet its challenges. Research on genes is important for drug innovation and development. Isolating and modifying the sequence of genetic material is the common phenomenon in genetic engineering but this phenomenon raises various concerns. The Human gene is the common heritage of all and merely identifying the precise location of specific genes in the whole genome and its isolation by breaking the covalent bond does not qualify the test of patent law however if the gene is altered or modified in such a way that its expression can be changed then it would come under the purview of Patent Act. This paper will look into the question whether a gene can be patented or not and try to identify the conditions on which a patent can be granted to the gene. This paper will also focus on the different ethical or moral objections of gene patenting in the international arena and how it violated the principle of self-ownership.*

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## **INTRODUCTION**

Biotechnology is not a new term, from time immemorial farmers have been using this technique to obtain the desired crop but this term today is used in a very restricted sense including genetic engineering. For instance, the transformation of milk into curd by using lactic acid and the traditional method of cross-breeding which includes selectively breeding is not a new technique. It will also come under the ambit of biotechnology.

One of the branches of biotechnology is genetic engineering that has emerged in 1970 and involves interspecies genes transfer it means it can allow “genes to be transferred between distant species that would never interbreed in nature. There are various techniques for transferring genes; one of the first and still central techniques involves the use of bacteria and” viruses.<sup>1</sup> This new form of biotechnology raises new issues, questions and problems in both the national and transnational sphere. Now pertinent question raised here is whether a patent can be granted to the processes of extracting genes or creating any new recombinant DNA or identification of genes and their functions. To answer these questions, we have to look into the history of Patents.

The English term ‘Patent’ is based on the Latin patens which is present participle of patere, which means “to be open”. The term “letters Patent” comes from the practice in Great Britain of royal grants being sealed in closed condition or open condition. A royal grant sealed in open condition was generally termed as “litterae Patentis” which means open letters which could be read without breaking the royal seal. These “litterae patentis” were used for pardons, Title of Honor, official appointments and grants to inventors. Thus, Patents given to the inventors today in the United States and Great Britain are called Letters Patent<sup>2</sup>. Halsbury’s Laws of England<sup>3</sup> defines Patent as “the truth is that letters patent do not give any right to use the invention- they do not confer upon him a right to manufacture according to his invention. That is a right which he would have equally effectually if there were no letter patent at all only in that case, all the world equally have the right ‘what the letter patent confers is the right to exclude others from manufacturing a particular way and using a particular invention.” The whole purpose of “patent law is to encourage the development of new technology and industry in the state”.

“A patent is an exclusive right granted to a person who has invented a new and useful article or an improvement of an existing article or a new process of making” a thing or product and this right can be granted for a limited period. A patent is a manifestation of industrial property the

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<sup>1</sup> Sean D. Murphy, ‘ *Biotechnology and International Law*’, ( Vol.42 Harv. Int’l L. J. 47 2001), <<http://heinonline.org/HOL/License> > accessed 15 February 2019.

<sup>2</sup> William H Francis, Robert C. Collins, James D. Stevens, ‘*Cases and Materials on Patent Law*’ (sixth edition)

<sup>3</sup> Halsbury Laws of England

holder of that “right can sell the whole or part of this property or can also grant licenses to others to use or exploit it. Since patent is a creation of statute and is therefore territorial in extent thus a patent granted in one country cannot be enforced in another country”<sup>4</sup>.

In Great Britain, there was a practice of issuing royal grants prior to the first formal statute establishing patents. These were in the form of special grants and monopolies by the Royal to promote the public interest.

“Clause 8 of section 8 of Article 1 of the constitution of the United States”:

“The Congress shall have the power to promote the progress of science and useful arts by securing for limited time to authors and inventors the exclusive right to their respective writings and discoveries”.

“From the standpoint of scientific and intellectual attainments”, Thomas Jefferson was the best person in the United States who is suited to administer the patent law. He invented a number of useful and ingenious devices. Jefferson initially became an ally of the patent system but he was strongly opposed to monopolies of all kinds. His opposition to monopolies and about the full knowledge of their abuse lead to the belief that the government should not intervene in matters of the invention<sup>5</sup>. He explicitly expressed his dissatisfaction toward the monopolies and absence of the bill of rights<sup>6</sup>. The term of grants should be limited in time and not be perpetual. A perpetual monopoly would hamper the society “embarrass society with monopolies for every utensil existing and in all the details of life<sup>7</sup>.” He also did not approve the idea of “granting patents for small details, obvious improvements, or frivolous devices”. He totally believes in the standardisation of invention and it should be high for the application of patent law<sup>8</sup>. The “three tests of Patent Law” is ‘novelty’ test, the ‘genius’ test and the ‘non-obviousness’ test but after the decision given in the case of “*Graham v. John Dere Co.*” only the last test survives<sup>9</sup>.

“The non-obviousness test shares the economic framework of both the novelty and genius tests. With the novelty test, it shares the premise that innovation should be encouraged and by the genius test which shares the premise that patent monopolies represent a substantial cost to the consumer”.

## **Objective**

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<sup>4</sup> P. Narayanan, ‘*Patent Law*’ Eastern Law House (4<sup>th</sup> ed, 2006)

<sup>5</sup> Letters to M. Hommade, Washington Edition, vol. II, page 236 (1787), Joseph Scott Miller, ‘*Patents*’ Critical Concepts in Intellectual Property Law.

<sup>6</sup> Letters to Madison. Writings of Thomas Jefferson , Ed by P.L Ford, vol IV , page 476 (Dec. 1787)

<sup>7</sup> Letters to Oliver Evans. Washington Edition, vol V, page 75 (1807)

<sup>8</sup> Letters to Thomas Cooper, Washington Edition, Vol VI , page 180 (1814)

<sup>9</sup> Joseph Scott Miller, ‘*Patents*’ Critical Concepts in Intellectual Property Law.

- To determine whether a gene can be patented or not?
- To identify the conditions on which a patent can be granted to the gene.
- To analyze whether the gene is intellectual property or not.
- To point out the different ethical or moral objections of gene patenting in the international arena and how it violated the principle of self-ownership.

### **Research Methodology**

In order to understand how a gene is a unique and universal material that exists in every human being and granting patents to this common heritage, material will affect the community at large and international law and legal position towards each other, the methodology used here is doctrinal which is based on primary and secondary data collected from different sources such as books, statutes, and online databases.

### **Research Question**

1. Is the genetic material or “genome part of some common human heritage”?
2. Can the human beings “exert property rights over their individual genomes”?
3. Do patents on modified human genes and “other forms of intellectual property protection lead to economic efficiencies and innovation”?
4. Whether patents on Human genes violate the principle of self-ownership?
5. To what extent human gene can be altered or modified to come under the purview of Patent law?

## **CHAPTER I: WHAT IS GENE?**

Before delving into the question of whether a gene can be patented or not, the question triggered in our head is ‘what is a gene?’ As per the definition given in the U.S. National Library of Medicine, “a gene is the basic physical and functional unit of heredity.<sup>10</sup>” DNA is composed of genes and each gene performs a specific function particularly, encoding the instructions for the production of cells which is mainly “responsible for cell differentiation, development and reproduction”.

DNA is the most complex compound found in nature and to understand this complex compound first, we have to understand what is cell because without understanding the cell we would be unable to understand DNA. The cell is the most fundamental and functional unit of life. Every living thing is made up of billions/trillions of cells<sup>11</sup>. Cells provide structure to the body, take in nutrients from and transformed them into energy and perform specific functions. Cells are composed of different types of organelles and these organelles perform different functions within the cell. To understand the genes these two organelles are important for us namely, Mitochondria and Nucleus. Mitochondria play a very significant role in performing the major functions of the cell. It is considered to be the ‘Power House of the cell’ as it converts energy from food into a form the cell can use. It also contains genetic material but it is totally separate from the DNA in the Nucleus and has the ability to replicate (make copies of itself). Now coming to the most complex organelles of all, that is ‘Nucleus’.

In layman’s term we can call Nucleus the brain of the cell because its sole purpose is to command the cell and it sends signals to cells to grow, divide or die. The Nucleus is the home of DNA which is the hereditary material of cells. The full name of DNA is Deoxyribonucleic acid. This is a molecule which presents in every living being on the earth and it is a common heritage of all beings. It consists of four base pairs Adenine, Thymine, Cytosine, and Guanine. These base pairs basically “encode the data that directs in synchronization with the environment”<sup>12</sup>.

After George Mendel’s (Father of Genetics) experimentation on peas resulted in the discovery that there is something hereditary material that passes from parents to their offspring and his discovery proved to be a milestone for scientists across the world to find out that specific material. In the year 1953, two scientists namely, “James Watson and Francis Crick discovered the famous

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<sup>10</sup> Genetic Home Reference, ‘*What is a gene*’, U.S. National Library of Medicine, <http://ghr.nlm.nih.gov> accessed on 17 Feb 2019

<sup>11</sup> Genetic Home Reference. ‘*What is DNA*,’ U.S. National Library of Medicine, <http://ghr.nlm.nih.gov> accessed on 17 Feb 2019

<sup>12</sup> Regina Bailey, ‘*The Cell Nucleus: Definition, Structure, and Function*’, (Jan 23, 2013) <https://www.thoughtco.com> accessed on Feb 21, 2019



double helix structure of deoxyribonucleic acid. This discovery leads to the foundation of Modern Molecular Biology. Molecular Biology mainly deals with understanding how genes control the chemical processes within the cells. This knowledge of DNA yielded ground breaking insights into the genetic code and protein synthesis. During the 1970s and 1980s, it play an important part in producing new and powerful scientific techniques specifically recombinant DNA, Genetic engineering and gene sequencing and monoclonal antibodies these are the innovative techniques on which today's multi-billion dollar biotechnology industry is founded"<sup>13</sup>.

To understand the role of each gene many big corporations introduced a concept called the Human Genome Project. It mainly involves mapping the genome. This "project was started in the early 1990s as a publicly funded multinational project" to develop the essential map. The Human Genome has been mapped and more of its territory becomes known and understood. The human genome project expected to find out about "100,000 distinct human genes but at its conclusion, the number came was less than a third of that". A human contains nearly 25,000 distinct genes. There is another belief about the different ways that DNA stores and Uses information. The HGP was introduced to meet the certain object such as decoding the "relation of the string of the whole genome to the information it encodes, the environment and finally the phenotype or the physical instances of each and every individual human". Phenotype is the "structure of our body and all its parts such as organs, tissues, metabolism etc. and genotype is the string of base pairs of our DNA, its complete structure that contributes significantly to our phenotype". The main purpose of producing of all these is a "full understanding of all the means by which information is encoded in our genome and how that information is encoded in our genome and how that information directs and regulates development" and metabolism<sup>14</sup>. Full knowledge of the "genome and its relationship to the environment and the organism will give us finally powerful new means of treatment of a variety of diseases both inherited and environmental"<sup>15</sup>.

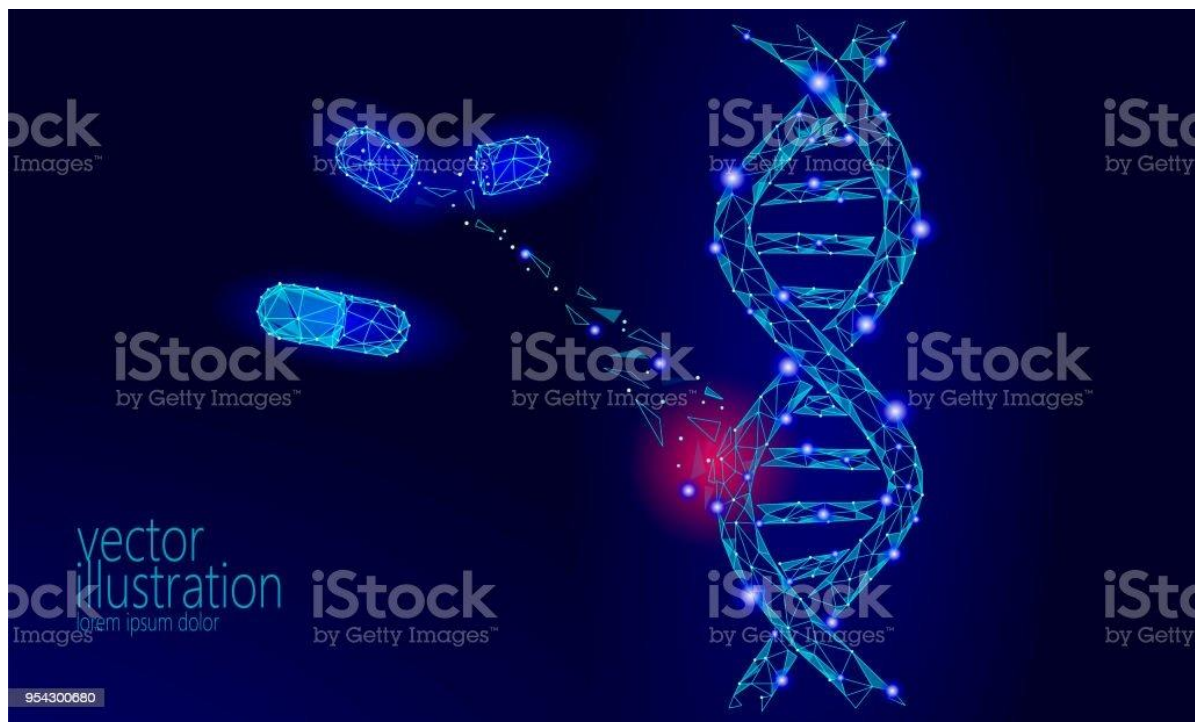
This image has been taken from istokphoto.com

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<sup>13</sup> The Francis Crick Papers, *'The Discovery of the Double Helix, 1951-1953*, U.S National Library of Medicine.

<sup>14</sup> David Koepsell, *'Who Owns You? The Corporate Gold Rush to Patent Your Genes'*, (Blackwell Public Philosophy)

<sup>15</sup> Koepsell, David R. (David Richard), *'who owns you? : the corporate gold rush to patent your genes'*,



This image has been taken from istockphoto.com



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## **CHAPTER II: LEGAL FACET OF GENE OWNERSHIP**

The question raises here is how can we define human gene patents. “Human gene patents are patents on human genes that have been extracted from the human bodies and scientifically isolated and modified in a laboratory”. Thousands of patents are granted by the U.S Patent and Trademark office<sup>16</sup>. Legal and moral justification is not the same thing. “It can be a situation where the legal decisions will be immoral yet consistent with the legal precedent and procedure. So it leads to the conclusion that legal justification of human gene patents can remove the most unavoidable moral objections to them<sup>17</sup>. Though, those who are well equipped with patent law often believe that confusion over fundamental legal and scientific facts accounts for moral objections to such patents specifically for the belief that they justify ownership of one person by another”<sup>18</sup>.

Human genes can only be patented if they can be isolated from the human body. To come under the purview of patent “an object or process must count as an invention not a discovery and has to meet further legal tests such as novelty, non-obviousness and usefulness. Therefore, legal facts about patents will not apply to naturally occurring objects unless and until they have been sufficiently modified by Human effort so as to count as “man-made” for legal purposes”. Hence, “human genes can only pass the threshold test to qualify them as legally patentable only if they have been altered sufficiently” so that they can be legally differentiated from naturally occurring genes<sup>19</sup>. As we know human genes in our body are not patentable but the degree of manipulation and alteration that is essential to distinguish and identify a human gene scientifically equivalent to those genes that are so altered or modified can merit a legal patent. For instance, there are different methods of sequencing DNA and this all involves some basic processes such as “isolating DNA, purifying DNA, removing a small segment of the DNA from its place in the genome and connecting it to the bacterial DNA, chemically unwinding DNA”, and radioactive florescent copies of the genomic DNA. Since the nature of DNA and genes to propagate its containment is entirely impossible. For instance air, water and radio frequencies cannot be exclusively controlled by one individual, country or corporation. This molecule would fit in the category of commons by necessity. However, genes can be regulated but they serve as a useful guiding factor for the determination of ethical and moral issues.<sup>20</sup>

### **A. Confusion of patenting with owning**

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<sup>16</sup> The Nuffield Council on Bioethics, 2002 ch. 2

<sup>17</sup> Meister, Mertens, Emmot and Alexander, ‘*Biotechnology, Patent and Morality*’ (1997) [pp. 185-201]

<sup>18</sup> Ossorio p 411, Crespi p 225

<sup>19</sup> Dr. Annabelle Lever, ‘*Is It Ethical To Patent Human Genes?*,’ Intellectual Property and Theories of Justice (Palgrave MacMilln, UK 2008)

<sup>20</sup> Zhang, ‘*Proposing resolutions to the insufficient gene Patent system,*’ Santa clara Computer and High Technology Law Journal & High Tech Law Institute Publications, (vol. 20, pp. 1139-50)

The main ethical objection to human gene patents is the confusion with legally patentable genes with naturally occurring genes and there is also confusion about patenting with owning. A patent does not confer legal ownership of anything. One can have the legal patent on a pen without owning any pen. “One can have the legal patent on an invention but is devoid of any legal right to use that invention let alone to license others to use or manufacture it”. The obvious reason is that the only legal right conferred by a patent is the right to prevent others from using or possessing one’s invention. Hence we can say that human gene patents confer no right over naturally occurring genes but patent rights confer none of the positive rights to possess and use in which ownership consists. Now question raise will human gene patents directly pose a threat to our self-ownership? The “right to exclude others from using certain things is a very powerful right in itself”<sup>21</sup>. It can be tantamount to absolute property rights. Patents are basically alienable rights which means it can be transferred to someone like tickets you can have a monopoly over it yet you can give it to someone else to use it and it is totally different from the unalienable right which cannot be transferred in any condition such as the right to life, liberty and to some extent property as argued by John Locke.

“The main problem of a patent system is to distinguish between which is patentable that which is not. The primary legal issue has been the standard of the invention. The principal test of the invention in the American system is that subject matter must be new”, suppose does a change in colour or shape something new enough to be patentable? The court answered negative and held that the invention must be substantially new to be patentable. The application of a substantial novelty test presents difficulties but it is always clear what question is being asked. To qualify the test it must be something more than the substantial novelty but it has not been explicitly mentioned what new question is being asked? The court stated invention must reveal a “flash of creative genius”<sup>22</sup> and standard should be “non –obviousness”.

In an American case, the Supreme Court granted a “patent on oil-eating bacteria” giving the reason “that such a patent was perfectly consistent with legal objections to patenting natural objects that have not been significantly” modified by Human effort. In the case of “Parke-Davis and Co. v. H.K. Mulford and Co.” the court gave patent on purified human adrenaline were patentable because by purification it became a new substance which can be used for a practical purposes like commercial and therapeutics and therefore if work involves “scientifically isolating and identifying a gene” which is resulted into changing of the properties of the gene then that would come under the umbrella of Patent law.

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<sup>21</sup> Dr. Annabelle Lever, *'Is It Ethical To Patent Human Genes?', (eds A. Gosseries, A Marciano and A. Strowel)*

<sup>22</sup> Edmund W. Kitch., *Graham v. John Decree Co, New Standard for Patents, (1996 Sup. Ct. Rev 293)*

## **B. Do genes fit any recent concept of Intellectual property?**

The law treated “genes as a form of intellectual property”. The Patent can be granted to the processes, methods, manufacturers, and composition of matter. Patents do not “protect ideas but rather exclude the use of those ideas by others”. Patent protection has been extended to genetic material as well as to the products and processes. Each segment of the “un-engineered human genome” is a naturally occurring object. “Its existence as” an intangible ideal that is inherent in every human being has no element of the type expressed above. The term “expression” we understand as applying legal terminology and its meaning in the field of biotechnology is totally different. The word “expression” in biotechnology means genotype is expressed through phenotype and hence unaltered genetic material that is the product of nature is not expressive but they can be made into expressions through some intentional modification. The genes are always expressed in some manner. It is expressed “in sequence with the letters that indicate its base pairs (CATTCGG....) and the string representing the gene sequence cannot be granted protection”. This limitation is acknowledged in “intellectual property law and precedent”. The obvious reason is that granting a monopoly over those things precludes their application by others for useful purposes and it is not just to reward someone with a monopoly for finding something rather than creating it but this constraints also necessarily excludes protection of certain expressions where those expressions are the standard means representing that law of nature or abstract ideas.

## **C. DNA as a common heritage of all mankind**

Different theories of intellectual property justify patent protection over such a thing which is novel and non-obvious in nature and created through human labour. Though possession of anything creates the presumption of ownership and this is acknowledged in society and legal norms from time immemorial. The brute facts of possession and of generally recognised determinants give rise to valid claims over property rights. On contrary to this “physical ability to exclude others from possession which is absent from the realm of ideas” and place intellectual property regimes in the realm of positive law. “Genes are not expressions of the sort that have been afforded intellectual property protection” and hence genes “are not the products of human intention and thus should not be given intellectual property protection”. Genes are “natural products, resulting from evolutionary forces but connected with our individuality”, uniqueness and “identity” like password or PIN of the ATM Card. Only 1 % of Human DNA exists differently in every human being which gives rise to variation in each organism and makes us uniquely who we are. And if the single base pair of SNP is changed or mutated then it will lead to disease. Genes are very much similar to expression except for one distinction that they are not product of human intention however expression is not the last

determining factor that decides something is copyrightable or patentable. The indices are generally “its usefulness and utilitarian or aesthetic”. “Machines are expressive” of ideas and so are books. “There are” kinds and “tokens for each”. “The blueprint of a machine is a representation of the type while the individual machine is a token”. Thus, we have to take a pragmatic approach to grant more latitude for potential overlap of aesthetic expression than for primarily utilitarian expression.

### **CHAPTER III: AFTERMATH OF MYRIAD GENETIC CASE**

Myriad genetic Inc. was the company engaged in scientific research and after conducting research “this company obtained patents for discovering the precise location and sequence of the BRCA1 AND BRCA2 Genes”. These “genes are responsible” for cancer in the breast. Slight mutation in “these genes can increase the risk of ovarian and breast cancer and this knowledge” of genes give rise to early detection of these diseases and hence led to the development of advanced medical tests. This right give Myriad Genetics the “exclusive right to isolate BRCA1 and BRCA2 genes and also the exclusive right to produce BRCA c DNA”. The District Court held that the patent was invalid because they covered the product of nature “under section 101 of U.S.C.”<sup>23</sup>. The “Federal circuit however reversed the decision of the District Court and held that isolated and” c DNA is patent-eligible<sup>24</sup>.

“Section 101 of the Patent Act” states:

“Whoever invents or discovers any new and useful composition of matter, or any new and useful improvement thereof, may obtain, therefore, subject to the conditions and requirements of this title.” “Law of nature, natural phenomena, and abstract ideas are not patentable.”

Since “Myriad did not create or alter any of the genetic information” encrypted in the “BRCA1 and BRCA2 genes”, these genes are already found in “nature before Myriad found them” however Myriad main contribution was to unravel “the precise location and genetic sequence of the BRCA1 and BRCA2 genes” inside chromosomes “17 and 13” but separating these two genes from “surrounding genetic material” is not an act of invention<sup>25</sup>. Even “ground breaking”, “innovative” or “excellent discovery” does not qualify the “test of section 101”<sup>26</sup>.

As per the “Biotechnology Guidelines 2013” of India, any gene that is in form of recombinant and it has developed through inventive step then in that case it would be eligible for patent.

Due to recurrent problem of “Bio piracy” and “Cultural piracy”, India has reformed its Patent laws. One important law that was passed by the parliament concerning this was Plant Variety and farmers Right (PPVR) Act, 2001, and Biological Diversity Act, 2002. The principle of “benefit sharing” is embodied in these Acts so that common people of the country shall be benefitted.

Indian courts are granting patents to cDNA as per the provisions of the patent law. In *Monsanto Technology LLC v. Nuvizeedu Seeds Ltd* case, patent was granted to “BT” crops for instance patent

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<sup>23</sup> MedImmune Inc. v. Genentech, Inc., 549 U.S. 118 (2007)

<sup>24</sup> Mayo Collaborative Services v. Prometheus Laboratories, Inc. 566 U.S.

<sup>25</sup> Association for Molecular Pathology v. Myriad Genetics

<sup>26</sup> Funk Brothers Seed Co. v. Kalo Inoculant Co., 333 U.S. 127 (1948)

was granted to “Genetically stable JEV cDNA which is related to “Japanese Encephalitis Virus” court considered it novel and non-obvious and hence eligible for patent.

## **CONCLUSION**

The whole Myriad Genetic case revolved around the question of whether “naturally occurring genes” can be patented or not. Genes can only be patented when it is altered or modified in such a way that they can be easily distinguished from the natural genes. Merely finding the precise location does not satisfy the requirements of section 101 however c DNA is not the product of nature. C DNA leads to the creation of Exons only molecule without interruption of Introns and hence it is new and meets the eligibility criteria of section 101.





## **ANALYZING THE IMPLICATION OF TRADEMARK AND COPYRIGHT IN CYBERSPACE**

Aditi Sahay

Gauri kanodia<sup>27</sup>

### **ABSTRACT**

*With the present concern over the implications of Intellectual Property Rights in the cyber world, it was relevant to have a detailed evaluation of the method and proposition of trademark and copyrights. It is also necessary to understand why India needs to have a law that deals with the issues of IPR in cyberspace by analysing abroad laws. The Information Technology Act of 2000 has been a result of the General Assembly of the United Nations (UNCITRAL) resolution of January 30, 1997, which enacted the Model Law on Electronic Commerce on International Trade Law. Cybercrime is one of the world's fastest increasing crimes. While the IT Act has been successful in establishing a framework of legislation in Cyber Space and addressing a few pressing concerns about technological exploitation, it has a few severe flaws that have not been addressed, such as difficulties in Intellectual Property Rights. As e-commerce and e-business have grown in prominence, it has become increasingly vital for businesses and organizations to safeguard their intellectual property rights online. Intellectual property rights may be characterized as a combination of ideas, innovations, and creations. Intellectual properties include copyright, patents, trademarks, and designs. However, The Information Technology Act of 2000 has no bulletproof formula for Intellectual Property protection, even though trademark and copyrights infringement are one of the most difficult areas in cyberspace. Although Copyright and domain name infringement does occur on the internet, the Copyright act of 1957 and the Trademark Act of 1999 are neutral on these issues. To have a broader view, an attempt has been made to analyze the disputes between Trademark and Domain issues by discussing important case*

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<sup>27</sup>Students at Symbiosis Law School, Nagpur

*laws under this factor. As a result, there is no enforcement mechanism in place to safeguard the safety of domain names on the internet. The time has come to adopt a proper amalgamation to safeguard intellectual property rights in cyberspace.*

## **HIGHLIGHTS OF IT ACT 2000**

The internet has changed our life drastically. People from different fields are using computers to produce, transfer, and save information in electronic form rather than conventional paper and document formats. Electronically stored information offers several advantages, including cost savings, ease of storage, retrieval, and connection speed. Though it offers numerous benefits, it has been abused by many individuals for personal gain, or to hurt others in some other way. The ability to link to the rest of the world from anywhere has resulted in a rise in crime, necessitating the creation of legislation to safeguard people.

In order to keep pace with the changing time Information Technology Act, 2000 was passed. This act is on the UN Model on Electronic Commerce 1996 which was suggested by the General Assembly of the United Nations on 30th January 1997. The IT Act has 13 chapters and 90 sections. The four sections starting from section 91- 94 are the revised form of the Indian Penal Code, 1860.

The act was introduced to carry lawful and trustworthy digital and online transactions. For Example: When any person gains unauthorized access to the computer and adds or deletes the files or changes the password to deny the access to the authorized person. This act is applied not only to protect the information but to protect the security of the computer resources from attack by any unauthorized person. Unfortunately, the IT Act does not define cybercrime officially. Cybercrime in a narrow sense means the illegal activity aiming towards the security of computer systems and the data handled by them through electronic operations.

The objective of this act is to ascertain legal recognition for transactions involving electronic data interchange and alternative forms of electronic communication, unremarkably noted as "electronic commerce," which involve the use of non-paper-based methods of communication and information storage, and to make electronic filing of documents with government agencies easier.

## **CONCEPTUALIZATION OF INTELLECTUAL PROPERTY RIGHTS**

When we go home or shop for something, we are surrounded by human creativity and inventions, which can range from your furniture to designer carpets and refrigerators, microwaves to your favorite books and music. These items are referred to as intellectual property because they are the result of the human mind. The internet is currently utilized for a variety of purposes other than education; it is now used for commerce. Industrial activities, scientific acts, and artistic creations all give rise to intellectual property rights, which are a broader concept of legal property. Inventions and industrial designs are both considered industrial property<sup>28</sup>.

India has been recognizing the activity of Intellectual Property Rights since Ancient times. During the Harappa civilization, distinctive signs on pottery were recognised as trademarks. When we talk to the respect of global scenario, in 1409, a specific license was granted in the construction of a model mill to store wheat in Germany. Other than this, an exclusive right for stained glass were established in England in order to encourage creators. Even the Europe's Alp Mountains are recognised in the historical background of Intellectual Property Rights when in 1300s, the individuals who discovered the mines for the first time used to impose terms on the available resources in the area, such as water, wood, and so on. As a result, from being utterly alien to the nomadic society, an era emerged in which every new concept was granted protection under the category of Intellectual Property Rights.

As a distinctive identification of a firm or a product, the trademark plays a vital role. It is a symbol of a brand's or company's position among consumers, as well as a guarantee of a specific standard and quality. Trademarks require intellectual property protection since companies spend a lot of effort and money developing their brands. They don't want some imposter selling items or services under their trademarks, fooling customers and causing financial and reputational harm. Names, logos, and designs used in packaging or on the items themselves are examples of trademarks<sup>29</sup>.

While watching a movie, buying a book, or renting a DVD, you may come across the words "*All Rights Reserved or the sign ©.*" This is simply a manner of expressing that the copyright for the movie, book, or DVD is controlled by the publisher, and that no one can reproduce or use the material in any form without their permission. Copyright protection can be divided into two types:

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<sup>28</sup> Khushboo Garg, *Nature, Concept and Theories of Intellectual Property Rights*, LEGAL READINGS (Feb. 18, 2022, 6:31PM), <https://legalreadings.com/intellectual-property-right/>.

<sup>29</sup> IPTSE, <https://iptse.com/types-of-intellectual-property-rights/>, (last visited Feb. 18, 2022).

- **Moral Rights:** These rights are non-transferable rights, and the owner has the right to be identified as the work's original or true owner. The owner of the work also has the exclusive right to any deformity or misrepresentation of the work.
- **Economic Rights:** Economic Rights allow the owner to govern or regulate how his or her innovation or creation is used in any way that is beneficial to the owner. Making copies, performing their work in public, broadcasting, and issuing public copies of work are all options available to the original owner. Economic Rights can also assist in obtaining a financial recompense for the owner's efforts<sup>30</sup>.

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<sup>30</sup> Karan Singh, *What are the Types of Intellectual Property Rights?*, SWARIT ADVISORS (Feb. 15, 2022, 9:05 PM), <https://swaritadvisors.com/blog/types-of-intellectual-property-rights/>.

## **COPYRIGHT ISSUES IN CYBERSPACES**

Today, copyright is used in a wide range of businesses, including the publishing and distribution of books, journals, and newspapers, the production and distribution of dramatic and musical works for performances, the publication of musical works and cinema, broadcasting, and so on. Copyrights, as Intellectual Property, migrate more readily and quickly from country to country than other types of property. Copying copyright content has become easier because of technological advancements. As a result, copyright infringement has been difficult, if not impossible, to control. Books, recorded tapes, video cassettes of films, and computer programs may all be easily transported from one country to another, and thousands of copies can be generated and distributed. Unauthorized home recordings of radio and television shows have become commonplace around the world.

The copyright's goal is to encourage authors, composers, and directors to create original works by giving them the exclusive right to duplicate and publish them for the public good. When the restricted right, i.e., the copyright period, expires, the works become public domain, and anybody can duplicate them without permission. The original literary, dramatic, musical, artistic, cinematographic film, sound recording, and computer program are all protected by copyright.

## **COPYRIGHT INFRINGEMENT SEEN IN CYBERSPACE**

With the merging of the internet and increased use of the worldwide web, the possibilities of copyright infringement have grown exponentially. Free and simple access to the internet, as well as the ability to download, has generated new issues in copyright infringement. Digital technology has made it easy to take content from one site, edit it, or simply reproduce it on another site, posing significant problems for traditional interpretations of individual rights and protection. A publisher can be anyone with a computer and a modem. Because it incorporates text, pictures, and even audio and video, a web page is similar to a book, a magazine, or a multimedia CD-ROM and will be eligible for copyright protection<sup>31</sup>.

The owner of a copyrighted work has the sole right to authorize reproduction, development of derivative works, distribution, and other activities under copyright law. This principle, however, cannot be strictly applied to copyright on the internet. Even simply surfing material on a computer terminal which is similar to reading a book or magazine in a bookstore can result in the creation of an unauthorized copy since a temporary copy of the work is produced in the RAM of the user's computer for access. It was held in *Feist Publishing vs. Rural Telephone Service Co. Inc. (1991)*, that there must be at least some degree of innovation, and that what should be protected by copyright were the fruits of intellectual labor, not just the sweat of the brow<sup>32</sup>.

Although, properly speaking, it may be a copyright infringement. However, there is an implied public access policy for linking to other web pages. The Internet was founded on the ability to build hypertext links to any other location, and it is assumed that once a page is published on the internet, an implied agreement is granted unless the website owner expressly states otherwise.

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<sup>31</sup> Tabrez Ahmad, Copyright Infringement in Cyberspace and Network Security - A Threat to E-Commerce LEGALSERVICEINDI (Feb. 18, 2022, 7:17 PM).

<sup>32</sup> Feist Publications v Rural Telephone Service Company, [1991] 499 U.S. 340.

## **COMPUTER SOFTWARE AND CYBER INFRINGEMENT**

Software is specifically defined as a set of instructions capable of influencing a computer to do a specific task when incorporated in a machine-readable form. To put it another way, it's a set of directives that the machine can understand.

There are three types of software that are required for a computer to function:

1. MICROCODE – which is a program that controls the details of execution,
2. OPERATING SYSTEM SOFTWARE – which controls the sources of a computer and manages routine tasks and is a required requirement for a computer to function, and
3. APPLICATION SOFTWARE – which is designed to perform a specific task<sup>33</sup>.

Piracy happens when copyrighted software is made accessible for download to users without the copyright owner's express authorization. Illegal software can be found in places like online classified ads, newsgroups, bulletin board services, and auction sites. Piracy stifles innovation, slows the creation of new software and the local software sector, and harms e-commerce. Consumers are harmed by piracy, and the local and national economies suffer as a result. Viruses, as well as corrupted and malfunctioning applications, pose a threat to consumers<sup>34</sup>.

In *Sega Enterprises v Maphia (1994)*, the plaintiff produced video games that could only be played on the plaintiff's gaming systems. The defendant ran a bulletin board system that allowed users to upload Sega games for others to download. The court determined that defendant infringed the plaintiff's copyright because it caused or contributed materially to the infringement<sup>35</sup>.

In *Michael v/s Internet - Group Inc. (1998)*, the court found that making videotapes available over the internet without authorization and displaying unauthorized copies of electronic clipart on web pages are both violations of copyright owners' exclusive statutory right of the display<sup>36</sup>.

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<sup>33</sup> Linda Rosencrance, 'Definition – Software', TECHTARGET (Feb. 18, 2022, 7:36 PM), <https://www.techtargget.com/searchapparchitecture/definition/software>.

<sup>34</sup> Antariksh Anant, 'Copyright Issues in Cyberspace', LEGALBITES (Feb. 21, 2022, 10:30 AM)

<sup>35</sup> *Sega Enterprises Ltd. v. Maphia*, [1994] **857 F. Supp. 679**.

<sup>36</sup> *MICHAELS v. INTERNET ENTERTAINMENT GROUP, INC.*, [1998] **5 F. Supp. 2d 823**.



If a web designer builds a website by merging the best aspects of several different websites. This could be considered illegal adaption of plaintiff software as well as infringement of plaintiff's copyright. In digital media, an almost unlimited number of copies can be made without sacrificing quality. As a result, transferring data from one computer to another infringes on authors' reproduction rights. Copyright infringement occurs when an unauthorized person copies or "scans" a copyrighted printed document into a digital file, then uploads or downloads the infringing file to a bulletin board system<sup>37</sup>.

It was held in *MAI System Corp. v. Is Peak Computers Inc (1993)* that temporary copies made into a computer RAM constitute copies. However, in the case of *Religious Technology v/a Netcom*, a US District court ruled in 1995 that momentary copying while browsing is the functional equivalent of reading and hence does not violate copyright rules. So, in terms of browsing, one must conclude that it does not constitute a violation and can be misconstrued as a fair transaction<sup>38</sup>.

However, The Indian Copyright Act is unable to protect works from being distributed and used without permission via the internet. Infringement and piracy on the internet are posing a threat to creative works around the world, as well as the internet's, e-commerce, and digital economy's growth. E-mail attachments and forwarded e-mails are subject to the copyright owner's exclusive right of distribution.

Databases are protected as literary works in India. In the United States, an author's creativity in picking and arranging material, rather than simply presenting the data as facts, will be recognized. In the United Kingdom, a database with no original contribution and only moderate skill and labour requirements is granted the right to unfair extraction for only 15 years. While data developed via complete creativity is protected by copyright for the duration of the author's life plus 70 years. When the requisite selection coordination and organization is combined with the abstraction, filtering, and comparison test, data compilations that are not

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<sup>37</sup> Deepika Gupta, 'India: Copyright and Cyberspace: Software and Digital Piracy', MONDAQ (Feb. 19, 2022, 12:07 PM).

<sup>38</sup> *Religious Technology Center v. Netcom*, [1995] **923 F. Supp. 1231**.

protectable can be the topic of protection<sup>39</sup>.

The work of authors can be displayed in several countries over the internet, which is difficult to detect. As a result, display rights can be easily infringed upon over the Internet. Without authorization, the software can be easily disseminated to the public by downloading it from a computer, and unauthorized copies can be sold or rented out.

Amended to clearly identify the adjudicatory authority which should decide what would constitute anti-competitive practice. Similarly, the provisions of the Competition Act, 2002 such as S.3(5) is required to be amended, as there exists an inherent defect in understanding what would be labelled as reasonable and what would be labelled as unreasonable.

Thus, a balanced approach which would allow a balance between the contracts concerning patents and their impact on Competition. It has been well identified that the Patent rights and Competition policies complement each other. Therefore, a balance in implementation of Competition Policies and patent rights is required to be made. This balance would prevent the abuse of patent rights without annulling the reward provided by the Patent system.

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<sup>39</sup> Dr. Nehaluddin Ahamd, *Copyright Protection in Cyberspace: A critical study with reference to Electronic Copyright Management Systems (ECMS)*, 7 J. IBIMA. 1943-7765 (2009), <https://ibimapublishing.com/articles/CIBIMA/2009/873738/873738.pdf>.

## **COMPUTER SOFTWARE & COPYRIGHT LAW**

Programming code run on a computer processor is known as computer software. Machine-level code or code developed for an operating system can both be used. An operating system is a software that is designed to offer a predictable and stable foundation for other programmers to create applications on top of.<sup>40</sup>

A computer program is defined as a "collection of instructions expressed in words, codes, schemes, or any other form, including a machine-readable medium, capable of enabling a computer to do a certain task or accomplish a particular result," according to section 2(ffc) of the Copyright Act<sup>41</sup>. Within the meaning of the Copyright Act, computer software is a "computer program.

The Copyright Act definition of literary work was expanded in 1994 to cover "computer programs, tables, and compilations, including computer databases." Copyright laws protect computer program owners. The first 25 and last 25 lines of source code of a computer program can be registered with the Registrar of Copyrights. Again, supplying logbooks recording development activity, etc. is preferred to establish the date of development.

It is permissible to make copies of legally obtained computer programs to produce backup copies as a temporary safeguard against damage or destruction. It is illegal to use an infringing copy of a computer program with the intent to infringe.<sup>42</sup>

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<sup>40</sup> Ben Lutkevich, 'Definition – Software License', TECHTARGET (Feb. 20, 2022, 01:21 PM), <https://www.techtarget.com/searchcio/definition/software-license#:~:text=A%20software%20license%20is%20a%20document%20that%20states,how%20many%20times%20the%20software%20can%20be%20downloaded%3B>.

<sup>41</sup> The Copyright Act, 2 (ffc) §§ (1957).

<sup>42</sup> SOFTWARE COPYRIGHT – BASICS EXPLAINED [GUIDE 2021], <https://www.10duke.com/resources/glossary/software-copyright/>, (last visited Feb. 20, 2022).

## **SOFTWARE LICENCES**

End users are usually granted the right to make one or more copies of software without infringing on copyrights. The license also spells out the duties of the parties involved in the agreement, as well as any limitations on how the program can be used. Fair use of the software, limitations of responsibility, warranties, and disclaimers, and protections if the software or its use infringes on the intellectual property rights of others are all common features of software licensing terms and conditions.

Software licenses are typically proprietary, free, or open-source, with the rules under which users may redistribute or copy the software for future development or usage being the distinguishing feature. There are four kinds of licenses, they are:

### **A. Freeware Licenses**

Freeware is copyrighted computer software that is available for free and for an indefinite time. Freeware licenses are typically generated and provided for free by software creators who want to give back to the community. There are, however, some limitations. As an example, A freeware license is nonexclusive, non-transferable, and has a limited scope of application. Many freeware licenses stipulate that the software cannot be used for commercial reasons. The license is non-exclusive since it does not grant any user exclusive rights. Furthermore, the license is non-transferable, and the licensee is not permitted to transfer any rights to a third party<sup>43</sup>.

### **B. Shareware**

This type of software is often known as "trial before you buy." For a limited time, this program normally comes with full capability<sup>44</sup>. Users must either purchase the software or uninstall it from their PCs at the end of the trial period. The trial period could be specified in terms of days.

### **C. Open-Source Licenses:**

As the name implies, this license is open to anyone and has no restrictions. To be considered "open source," software must meet several requirements. Once a person has created an open-source license, the software must be freely distributed and redistributed. The owner

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<sup>43</sup> FREWARE DEFINITION, <http://www.linfo.org/freeware.html>, (last visited Feb. 20, 2022, 03:57PM).

<sup>44</sup> WHAT IS SHAREWARE? – HOW IT WORKS AND HOW TO PROTECT YOURSELF, <https://www.kaspersky.com/resource-center/definitions/shareware>, (last visited Feb. 20, 2022, 4:43 PM).

of an open-source license cannot prevent others from selling, altering, distributing, or using the license for purposes such as genetic research<sup>45</sup>.

#### **D. Demo Ware**

Demo ware is only intended for use in demonstrations. The demo software has no practical functions, and its sole purpose is to demonstrate the features to potential users.

The owner of software copyright has the right to reproduce and make as many copies of his work as he wants. Second, he may put his software on the internet, which would be considered a public display. He also has the right to sell, rent, transfer, update, and alter his copyrighted software. Without the owner's consent, no one can use a copyrighted work for personal gain. However, copyright infringement occurs when someone uses a copyrighted work for a commercial purpose or to deprive the owner of the money.<sup>46</sup>

Even though the software copyright owner has many exclusive rights, they are not absolute and are subject to certain limitations and exceptions to preserve and safeguard the public interest, notably that of software users. In some socially acceptable conditions, the use of a copyrighted work is permitted even without the author's permission. Fair dealing with a literary, dramatic, musical, or artistic work for private use, including research, criticism, or review, to use the computer program for the purpose for which it was supplied or to make backup copies purely as temporary protection against loss, theft or destruction or damage to the computer program to only use it for the purpose for which it was provided are some of the acts that do not constitute copyright infringement in India.

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<sup>45</sup> Mahak Bandi, 'All About Open-Source Licenses', FOSSA, (Feb. 20, 2022, 02:21 PM), <https://fossa.com/blog/what-do-open-source-licenses-even-mean/>.

<sup>46</sup> Terry Hancock, 'what if copyright didn't apply to binary execution?', FSM, (Feb. 20, 2022, 02:40 PM), <http://freesoftwaremagazine.com/articles/what-if-copyright-didnt-apply-binary-executables/>.

## **TRADEMARK LAW AND DOMAIN NAME ISSUES IN CYBERSPACE**

There was no trademark legislation in India before 1940. Infringement of registered or unregistered trademarks previously dealt with under Section 54 of the Specific Relief Act of 1954, while trademark registration was dealt with under the Indian Registration Act of 1908<sup>47</sup>. The original statute, designated as the Trademarks Act of 1940 and later superseded by the Trademark and Merchandise Act of 1958. This statute got abolished, and the new Trademark Act of 1999 got enacted.

Domain name is a website address which gives you an online identity on the internet. The address to the internet web servers is assigned and managed through the Domain Name system. The common categories of domain systems are .com, .org, .net, .in. A domain name increases the access value of the business from any place of the world.

A domain name fulfils the same role in online business interactions and transactions like a trademark does in offline business dealings and transactions. While a trademark is an eye-catching graphic representation of your product or organisation, a domain name is a guide to your company on the internet and the virtual image of your brand. The registered domain name can provide protection against the unauthorised use by any person or organisation.

There have been number of cases related to trademark domain name issues. It is also believed in fact that domain names clashes are very frequent which makes its registration complicated. One popular case was of *People Interactive (India) Pvt. Ltd. Vs Vivek Pahwa and Ors. (2016)*, *Shaadi.com* and *secondshaadi.com* were embroiled in a passing off case before the Bombay High Court. The court ruled in favour of the defendants, finding that "Shaadi" is a generic and generally descriptive term. Bombay High Court held that Domain name is the address on the internet, where it directs all the users to the particular web where the registrant of the domain name stores displays all the necessary information about the business.

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<sup>47</sup> Anshal Dhiman, 'The Doctrine of Prior use under the Indian Trademark Act', IPLEADERS, (Feb. 19, 03:08 PM), <https://blog.ipleaders.in/doctrine-prior-use-indian-trademark-act/>.

## **DISPUTES BETWEEN TRADEMARK AND DOMAIN NAME**

The trademark act, 1999 was enacted to reform and consolidate the legislation governing trademarks for goods and services as well as to prevent the use of illegitimate trademarks. Yet, trademark owners who wish to use their trademarks as their domain names have discovered that such domain names have been acknowledged by unauthorized users, frequently as an attempt to infringe the rights of the original trademark owner. Indeed, Domain Names are registered as “first come, first serve” basis which frequently results in what are known as “abusive registration” and this has created many disputes with the Trademark Owners.

There are various forms of infringement in Trademark through Cyberspace:

### **Cybersquatting:**

Cybersquatting is a practice of registering the well-known trademark as the domain name by the third parties who do not possess any rights in such names. In *Manish Vij v Indra Chugh AIR 2002 Del 243*, Delhi High Court defined Cybersquatting “an act of fraudulent registration of a domain name with an intention to sell it to the lawful owner of the name at a premium.”

The practice of cybersquatting is abusive as one person registers a domain name that includes the trade name or domain name of another person. This practice is usually followed either to block the legitimate owner from registering the domain name or to sell the name to the owner in order to earn high profit. In order to file a complaint to prevent cybersquatting the complainant has to show dishonest intention and lack of legitimate rights<sup>48</sup>.

### **Meta tags:**

Meta tags are snippets of text that provide information about the web page. These tags are not visible on the web page but they can be found in the page’s source code. There are different types of meta tags with different kinds of functions such as ‘Title tag’ which forms the title of the web page and ‘Description Attribute’ which provides the brief description of the contents of the web page<sup>49</sup>.

In *People Interactive (I) Pvt Ltd. v. Gaurav Jerry & ors., (2014)* Bombay High Court while

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<sup>48</sup> Vernita Jain, ‘What is Cybersquatting and its position in India?’ IPLEADERS, (Feb. 20, 05:00 PM), <https://blog.ipleaders.in/cybersquatting-position-india/>.

<sup>49</sup> TECHNOPEdia, META TAG, <https://www.techopedia.com/definition/2338/meta-tag#:~:text=What%20Does%20Meta%20Tag%20Mean%3F%20A%20meta%20tag,not%20visible%20or%20displayed%20in%20the%20concerned%20page>, (last visited Feb. 25, 2022).

addressing a domain name infringement of the plaintiff's domain name "Shadi.com" by the defendants' "ShadiHiShadi.com," utilized meta-tags to identify malaise intent. The Hon'ble Court discovered that the defendant was utilizing the Plaintiff's domain name, "Shadi.com," in their meta-tags to redirect traffic and, for the first time, defined Meta Tags as follows: "Meta Tags are special lines embedded in web pages. All HTML uses tags in coding web pages. Meta tags are special types of tags. They do not affect page display instead they provide additional information about the web page<sup>50</sup>."

### **Reverse Domain Name Hijacking:**

It is referred to as reverse cybersquatting. It occurs when a trademark owner attempts to secure a domain name by filing fraudulent cybersquatting allegations against the genuine owner of a domain name through legal action. In order to avoid legal action and hefty expenditures, domain name owners may have to surrender ownership of the domain name to trademark owners at times, particularly when the domain names belong to smaller organizations or individuals who are not financially sound to defend the case<sup>51</sup>.

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<sup>50</sup> Krishna & Saurastri Associates, '*India: Bombay High Court Pronounces on Personal Jurisdiction in Cyberspace and Use of Trade Mark in Meta-Tags - From Our Corner*', MONDAQ, (Feb. 25, 2022, 1:21 PM), <https://www.mondaq.com/india/trademark/364796/bombay-high-court-pronounces-on-personal-jurisdiction-in-cyberspace-and-use-of-trade-mark-in-meta-tags--from-our-corner>.

<sup>51</sup> Ananyaa Banerjee & Sanjana Kala, '*India: Reverse Domain Hijacking – Care full who you pick!*', MONDAQ, (Feb. 25, 2022, 11:11 AM), <https://www.mondaq.com/india/trademark/934040/reverse-domain-hijacking-care-full-who-you-pick>.



## **LOOPHOLES IN IT, TRADEMARK & COPYRIGHT ACT**

In 2008, the Act was revised to add new provisions about corporate accountability for sensitive personal data, cyber terrorism, and child pornography, in response to the growing number of cybercrimes. To deal with new offenses, some additional sections were added: Section 66A of the Communications Act of 1934 imposed various limits on internet expression, Section 66B deals with receiving and keeping a stolen computer resource dishonestly; section 66C deals with misusing a digital signature, and section 66D deal with other types of cheating using a computer resource . It should be mentioned that the Supreme Court deemed Section 66A of the Information Technology Act, 2000 illegal in 2015, citing a violation of Article 19(1)(a) of the Indian Constitution's protection of freedom of speech.

However, in India's present or prospective Information Technology Act, there is no provision to prosecute cyber-squatters at best, the domain can be taken back. Even though the IT Act does not provide for legal compensation, to dissuade squatters from taking more domains, the IN registration has taken proactive steps to compensate victims. The majority of squatters, on the other hand, go by aliases. The IN Registry is an autonomous entity under NIEI (National Internet Exchange of India), with primary responsibility for maintaining the. IN CC-TLD (Country Code Top Level Domain), as well as guaranteeing its operational stability, reliability, and security. It will carry out the many aspects of the new policy outlined by the Indian government's Ministry of Communications and Information Technology's Department of Information Technology.

The Information Technology Act is deficient in various areas, such as jurisdiction, cybercrimes involving IPR, cyberstalking, cyber defamation, and so on. Similarly, the Indian Trademark Act of 1999 and the Copyright Act of 1957 are quiet on concerns concerning online trademark and copyright infringement. However, there are no remedies for online software infringement under the Copyright Act. Though the Copyright Act protects computer programs, it does not establish remedies for online software piracy.

## **LANDMARK JUDGEMENTS ON TRADEMARK AND DOMAIN ISSUES**

- ***Yahoo! Inc v Akash Arora & Anr. (1999)***

The first case of Cybersquatting in India. Yahoo Inc owns the well-known brand yahoo as well as the domain name yahoo.com. *Akash Arora & Anr.* created and offered the same service as yahoo.com under the name yahooIndia.com. So, Yahoo Inc filed the case against *Akash Arora & Anr.* for trademark infringement. The court noticed, "The domain name registrant has no legal rights to use the specified domain name. Just because they have registered the domain name, they may still be liable for trademark infringement." Therefore, the court pronounced the verdict against *Akash Arora & Anr.* who had registered themselves as *YahooIndia.com*<sup>52</sup>.

- ***Rediff Communication Limited v. Cyberbooth & Anr (1999)***

In this case, the defendant registered the domain name radiiff.com which is identical to the plaintiff domain name *rediiff.com*. The court pronounced the verdict in favour of the plaintiff. The court also stated that the domain name should get equal protection like a registered trademark as it is a valuable asset for the company<sup>53</sup>.

- ***Dr. Reddy's Laboratories Ltd v. Manu Kosuri (2001)***

In this case, *Manu Kosuri (defendants)* barred from using *drreddyslab.com* as a domain name because it was similar to *Dr. Reddy's Laboratories Ltd (plaintiff)* trade name. The court held the defendant liable for passing off. The court also restricted them from using the domain name *drreddyslab.com* or any other trademark/domain name identical to the plaintiff trademark<sup>54</sup>.

- ***Tata Sons Ltd v. Manu Kosuri & Ors (2001)***

The defendant, in this case, obtained registration for several domain names including the well-known trademark **TATA**. The plaintiffs filed suit against the defendants, seeking a permanent injunction prohibiting them from using the trademark/domain name "**WWW.TATAINFOTECH.IN**" or any other mark/domain name that is identical to or deceptively similar to the plaintiffs' trademarks "**TATA**" and "**TATA INFOTECH**". The

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<sup>52</sup> , *Yahoo! Inc. v Akash Arora and another*, [1999] ARB. L. R. 620.

<sup>53</sup> *Rediff Communication Limited v. Cyberbooth & Anr.*, [2000] AIR Bombay 27.

<sup>54</sup> *Dr. Reddy's Laboratories Limited v Manu Kosuri and Anr.*, [2001] (58) DRJ 241.

court referred to the Rediff Communication case and restricted the use of TATA as a domain name by the defendant<sup>55</sup>.

- ***Acqua Mineral Ltd v Parmod Borse and Another (2001)***

In this case, *Parmod Bose (defendant)* registered the domain name [www. bisleri.com](http://www.bisleri.com) which was similar to the *Acqua Mineral (plaintiff)* domain name. The High Court held the defendant liable for trademark infringement and transferred the domain name to the plaintiff<sup>56</sup>.

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<sup>55</sup> Tata Sons Limited and Anr. vs Fashion Id, [2001] PTC 432 (Del).

<sup>56</sup> Mayank Garg, '*Laws against Cyber Squatting*', IPLEADERS BLOG, (Feb. 26, 2022, 1:29 PM), <https://blog.ipleaders.in/cyber-squatting/>.

## **CONCLUSION**

There is a pressing need for strong legislation in this area, so that IPR-related crimes can be avoided in the future. Intellectual property is one of a person's most precious possessions, and it should be preserved at all costs because a person invests his or her skills and effort in its creation. The new domain name dispute law could provide trademark and service mark owners legal recourse against defendants who acquire domain names that are deceptively similar to a trademark "in bad faith." It should be a powerful tool for trademark owners who want to safeguard their intellectual property online. Most of the other countries already have a better cyber security law like the "U.S. Anti-Cybersquatting Consumer Protection Act, 1999" which protects the interests of owners of both registered and unregistered trademarks against use of their marks within domain names in the United States. In fact, it also protects living people from having their personal name used in certain situations. As a result, it makes India to believe that it is a high time to protect the right of trademark and copyright owners.



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### **BIODIVERSITY**

Aditya Garkoti\*

#### **ABSTRACT**

*Biodiversity refers to the variety of different forms of life on Earth, including crops, animals, microorganisms, the genes they contain, and the ecosystems they form. Biodiversity is important in many ways, including enhancing the aesthetic importance of the natural surroundings and making a contribution to our material well-being through utilitarian values such as nutrition, fodder, and gasoline.*

*Despite the benefits, today's threats to species and ecosystems are increasing at an alarming rate, owing largely to human resource mismanagement. As a result, some biodiversity conservation measures, such as reforestation and zoological gardens, have been implemented.*

*Biodiversity is the variation in life in this planet. Present paper describes various dimensions of biological diversity including patterns of biodiversity, types of diversity, its importance for the survival of humanity, losses and the measures for conservation.*

## **DEFINING THE TERM “BIODIVERSITY”**

The simplest definition of the term biodiversity is “all the variations of the life on the Earth is biodiversity or it is the diversity of all life forms and levels of organizations, which would include ecological structures, functions, and the processes that occur at these levels.

In other words, the occurrence of various types of ecosystems, distinct species of life forms, and their variants such as biotypes, ecotypes, and genes adapted to different climate and surroundings of different regions, is referred to as biodiversity or biological diversity.<sup>57</sup> As per Edward Wilson the term. Biodiversity refers to the vast cluster of species of microorganisms, algae, fungi, flora, and fauna found on the planet, either in land-based or aquatic habitats, as well as the ecological complexes of which they are a part. The diversity ranges from the terrestrial biomes and various aquatic ecosystems.

## **HISTORICAL BACKGROUND**

Looking back in time, researchers have all at the same time reserved the natural environment, tried to discover a natural order in that globe or implement rational order on the planet, and wanted to know humans' place in the cosmos relying on what they read in the natural world.<sup>58</sup>

Biodiversity is critical for keeping the ecological balance of the ecosystem because each species in a specific region performs a crucial role in the environment. Biodiversity is a significant source of energy and raw materials such as crude oil, lubricants, air fresheners, colouring agents, paper, waxes, jute, and so on.

Each species also contributes to our understanding of how species evolved on the planet. Loss of diversity refers to the extinction of specific species in diversity, which could be permanent or temporary. The natural environment plays a critical role in sustaining ecological equilibrium. Every year, thousands of trees are chopped down to make way for industry

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<sup>57</sup>myCBSEguide. (2019, March 1). Biodiversity and conservation class 12 notes biology. myCBSEguide. Retrieved February 27, 2022, from <https://mycbseguide.com/blog/biodiversity-conservation-class-12-notes-biology/>

<sup>58</sup> David Takacs, Historical Awareness of Biodiversity, Editor(s): Simon Asher Levin, EncyclopediaofBiodiversity,Elsevier,2001,Pages363-369,ISBN 9780122268656 , <https://doi.org/10.1016/B0-12-226865-2/00149->

sectors, roadways, and settlements, among other things, in order to meet human needs.<sup>59</sup> The species becomes the predicate's focus & ultimately dies. The killing of wild animals for the commercial production of their products has always been a major cause of environmental degradation.

Biodiversity underpins the functioning of ecosystems on which we rely for crucial supporting and regulating services (food, liquid, gasoline, fibers, etc.).

The exploitation of medicinal herbs for a variety of uses has led to the extinction of these life-forms. Several life forms are also hecatomb for scientific and medical research.

Hurricanes, tsunamis, and waves, contribute to biodiversity loss. Air pollution contributes significantly to biodiversity loss. Rapid deforestation has led to an increase in carbon dioxide in the atmosphere, affecting the climate.

The direct consequence of this is that there has been an increase in atmospheric and oceanic temperature, which has had a negative impact on life-forms. The most beautiful aspect of biodiversity is its adaptability.

Scientists were dissatisfied that their actions to protect biodiversity were failing to keep up with the ferocious rate of destruction. Walter G. Rosen, a biologist, and senior programme officer at the National Research Council [USA], assembled scientists from the National Academy of Sciences [NAS] in 1986.

Rosen proposed the word "bio-diversity- diversity" for the event as a suitable abbreviation, a buzzword which would simultaneously encapsulate biologists' understanding of a chaotic, weakening natural world and increase awareness about the challenges to the natural environment.<sup>60</sup>

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<sup>59</sup> Admin. (2021). Biodiversity- types of biodiversity, importance and causes of loss of biodiversity. read more on biodiversity for UPSC exam. BYJUS. Retrieved February 27, 2022, from <https://byjus.com/free-ias-prep/ncert-notes-biodiversity/>

<sup>60</sup> David Takacs, Historical Awareness of Biodiversity, Editor(s): Simon A Levin, Encyclopedia of Biodiversity (Second Edition), Academic Press, 2013, Pages 121-126, ISBN 9780123847201, <https://doi.org/10.1016/B978-0-12-384719-5.00071-X>, (<https://www.sciencedirect.com/science/article/pii/B978012384719500071X>)

Since then "Biodiversity" has become a popular conservation buzzword as biologists promote the term and the complex world view it represents.

## **LEVELS OF BIODIVERSITY**

The majority of people think of 'biodiversity' as the variety of species inside a system [i.e. species richness]; scientists and researchers usually mean 'biodiversity' in this sense.<sup>61</sup>

Technically, it is a lot more. It is frequently described as having three levels of diversity: genetic, species, and ecosystem.

- Genetic biodiversity refers to the genetic differences that exists among individuals of any particular species of flora and fauna.
- Species biodiversity refers to the total of species found in a given area or ecosystem.
- Ecosystem diversity consists of a large number of distinct ecosystems with different organisms.

### **1. Genetic Diversity**

Genetic diversity of a species is related to the genetic differences that exists within the species. A specie is a group of individuals who share common physical characteristics. Species are the basic unit of biological classification and, as such, the standard unit of biological diversification measurement. Genes are the fundamental building blocks of all living things.

### **2. Species Diversity**

Species diversity refers to the variability found within a single species.

It is basically the count of species available in a certain habitat. For example, amphibians are more in number in Western Ghats in comparison to those in the Eastern Ghats. Or number of plant species in the Eastern Himalayas is greater than the Western Himalayas.

The abundance, kinds and richness of species can all be used to determine their diversity.

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<sup>61</sup> Simberloff, D. (1999). The role of science in the preservation of forest biodiversity. Forest Ecology and Management. Retrieved February 27, 2022, from <<https://www.sciencedirect.com/science/article/abs/pii/S0378112798003910?via%3Dihub>>



Hotspots of diversity are places with a high density of species that is endemic to that area and are on the verge of extinction. Four out of the thirty-six hotspots in the world are in India itself.

Species richness is the count of variety of species available in a particular location. Although the global sum is estimated to be somewhere around 30 million species, as of now nearly 1.7 million of these have been named scientifically.

Coral reefs and rainforests are the habitats to a diverse range of species.

Example, In tropical north and South America there are approximately eighty five thousand flowering plant species , and the tropical and sub-tropical Asia have over fifty thousand specie of plant species and the tropical and subtropical Africa have nearly thirty five thousand .In comparison , there are 11,300 vascular plants in Europe as a whole.

### **3. Ecosystem Diversity**

Ecosystem diversity refers to variability of species at ecosystem level.

What basically is an Ecosystem?

As we know biological community of interacting organisms and their biological and physical environment is referred to as an ecosystem.

## **SCALES OF DIVERSITY**

Whittaker was the first to tell that species diversity can be measured in several ways and at various scales. Species diversity is generally perceived at three scales.<sup>62</sup>

1. Alpha Diversity
2. Beta Diversity
3. Gamma Diversity

### **What is Alpha Diversity?**

Alpha diversity is a measure of the diversity of species in a given location or ecosphere. The

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<sup>62</sup> Samanthi. (2021). What is the difference between alpha beta and gamma diversity. Compare the Difference Between Similar Terms. Retrieved February 27, 2022, from <https://www.differencebetween.com/what-is-the-difference-between-alpha-beta-and-gamma-diversity/>

variety of species existing in the area of concern is expressed as alpha diversity. It is also known as the diversity within the community or ecosystem. As a result, alpha diversity contributes to species richness in that ecosystem. When compared to beta and gamma diversity, it is a small-scale measure. When compared to species diversity within different ecosystems, species richness is a valuable measure. A transect drawn within the ecosystem or several random quadrats or requisite size can be used to measure species richness. The species seen are counted, and the total number of species present is recorded.

### **What is Beta Diversity?**

The term "beta diversity" indicates a change in species diversity between ecosystems. As a result, beta diversity enables the comparative evaluation of biodiversity across ecosystems. The number of species that are distinct to each system is recorded to estimate the beta diversity.

When there is little interaction among adjacent communities, beta diversity increases. Human land use change is one of the primary factors causing environment fragmentation and preventing species movement between two ecosystems. The free movement of species between communities can be used to control beta diversity.

### **What is Gamma Diversity?**

Gamma diversity is a measure of overall biodiversity of a large geographic region. As a result, it assesses the total diversity of each ecosystem in that area. Cumulative diversity is determined by two factors: mean species diversity in an ecosystem and species diversity differentiation among habitats. Gamma diversity is a type of species diversity at a geographic spectrum.

Gamma diversity is a very large scale measure when compared to alpha and beta diversity. Today, we can see a worldwide decline in gamma diversity. One of the primary causes of decreased gamma diversity is the loss of habitat extinction of species in various parts of the globe mainly due to anthropogenic activities.

In summary, Alpha diversity attempts to measure the diversity of species within an ecosystem, whereas beta diversity measures the difference in species diversity between two communities or ecosystems. Gamma diversity, on the other hand, assesses the overall biodiversity of a large

geographic region. This is the primary distinction between alpha beta and gamma diversity.

## **CONCERNS ABOUT BIODIVERSITY PRESERVATION**

Maintaining biodiversity means safeguarding our opportunity to discover and develop better medicine, foods, and manufactured goods. It also includes ensuring the stability of our ecosystems and, as a result, the long-term viability of the facilities they provide to our health and well-being.<sup>63</sup> As a result, many nations have made measures to protect their plants and animals while also maintaining the stability of the biosphere.

A large number of scientists throughout the world are working to figure out what causes species extinction, while others are finding, explaining, and retaining new species.

Biodiversity – the diverse range of living things that support and sustain life on Earth – is under threat. One million species are now on the verge of extinction, and species are disappearing at a rate that hasn't been seen in years.

Ecological functions are critical for human survival and well-being. The more diverse an ecosystem, the more likely a species is to survive in the face of adversity and attack, and thus the more productive it is, in general. A high biodiversity-ecosystem, similar to a species with high genetic diversity, may have a better chance of adapting to changes in the environment. In other words, the higher the diversity of species in an area, the more stable it is.

The current level of biodiversity is the result of 2.5-3.5 billion years of evolution. Our planet had more biodiversity before humans than at any other time in history.<sup>64</sup>

However, ever since the appearance of living beings, biodiversity has begun to decrease rapidly, with one species after another facing extinction as a result of overuse.

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<sup>63</sup> Admin.[2019] Gist of XI Class Geography NCERT (Fundamentals of Physical Geography) Web Notes @ abhipedia Powered by ABHIMANU IAS. (n.d.). Retrieved February 27, 2022, from <https://abhipedia.abhimanu.com/Article/IAS/MTA2NjQ3/Gist-of-XI-Class-Geography-NCERT--Fundamentals-of-Physical-Geography--Geography-IAS>

<sup>64</sup> Admin. (2020). Processes and different types of biodiversity pattern in species. BYJUS. Retrieved February 27, 2022, from <https://byjus.com/biology/biodiversity-pattern-species/>

Biodiversity is a valuable resource that all humans rely on in their everyday lives. Crop diversity, or agro-biodiversity, is an essential element of biodiversity. Biodiversity is regarded as a reservoir of resources from which fruit and veg, medicinal, and beauty products can be obtained.<sup>65</sup>

Human population growth has increased the rate of consumption of natural resources over the last few decades. It has speeded up the extinction of species and the loss of habitat world-wide.

Tropical areas, which protect only around one-fourth of the earth's natural landmass, are roughly three-fourths of the world's population. In order to meet the requirements of a large population, resource over-exploitation and forest degradation have become common. Since these tropical rain forests are habitat to nearly 50 percent of all species on the planet, the degradation of habitats has had far-reaching consequences for the entire biosphere.

Natural disasters such as earthquakes, tsunamis, earthquakes, forest fires, droughts, and so on harm the earth's flora and fauna, causing changes in the biodiversity of the affected areas.

In 1992, 155 countries, including India, signed the Convention on Biological Diversity in Rio de Janeiro, Brazil.

In 1972, the Indian government passed the Wild Life (Protection) Act, which allows the central and state governments to declare any area a wildlife sanctuary, national park, or closed area.

Biodiversity refers to the variation among different species of plants, animals and microorganisms present on the earth. Three-quarters of the terrestrial environment and nearly 66% of the world's oceans have been significantly changed. Crop or Livestock production now occupies more than 1/3 of the world's landmass and nearly 75 percent of freshwater

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<sup>65</sup> U.S, Rawat & Agarwal, N.. (2015). Biodiversity: Concept, Threats and Conservation. Environment Conservation Journal. 16. 19-28. 10.36953/ECJ.2015.16303

resources. Climate change exacerbates the negative effects of other stressors on hence our surroundings and our well-being. Humans have overexploited the oceans, deforested forests, contaminated our water supplies, and exacerbated the climate crisis. These actions are having an effect on biodiversity all over the planet, from the most remote locations to our own backyards.

## **BIODIVERSITY BENEFITS**

Biodiversity is critical to the functioning of ecosystems and the service provided by it. Some of such services offered by biodiversity are:

Clean water on which the very survival of humanity depends, Food, timber, and genetic resources and pollination of our crops.

## **ECOLOGICAL DIVERSIFICATION**

The complex network of different species present in an ecological system and their interaction is considered as ecosystem diversity. An ecological system is formed when individuals from different species that share specific habitat are connected through the need of nutrients, energy and also water. The interactions take place when organisms of various distinguished species interact with each other.

Sun is the greatest energy source in every kind of ecological system. Energy is circulated across the system when fauna eats plants and they are eaten by other fauna specie. As a result, the combination of both living organisms and non- living things forms an ecosystem. Example - Fungi is able to get the energy from decomposing organisms which releases the essential nutrients into the soil.

## **BIODIVERSITY PATTERN**

Biodiversity is not uniformly distributed over the world. Two variables that have an impact on biodiversity are:

- a. Latitudinal gradient

## b. Relationship between species and area

From the perspective of both species and individual organisms, biodiversity is not equally spread across the globe. As we move towards the tropics, biodiversity constantly gets richer. As we move closer to the poles, we notice higher number of fewer species.

Ecologists and evolutionary biologists have presented numerous hypotheses for higher diversity in the tropics, which includes:

1. Promoting niche variety results to the increase in species diversification. This is seen in the case of tropical environments as they are less seasonal.
2. In the past, temperate regions experienced frequent glaciations.

It wiped off most of the species. However, millions of years, tropical latitudes have remained virtually unaltered.

## **PATTERNS OF BIODIVERSITY [8]**

### **Latitudinal Gradients**

The diversity of species reduces towards the poles. There are more species in the tropics than in the temperate and polar regions. This is because of the following factors:

- The tropical regions have remained undisturbed for several years. This resulted in the diversification of species in the tropics.
- The environment in the tropics is more predictable and constant. This is yet another reason for increased species diversity.
- The solar energy adds to higher productivity and helps in increasing biodiversity in the tropics.

### **Species-Area Relationship**

This relationship was given by Alexander Von Humboldt.

A rectangular hyperbola represents the relationship between species richness and area for a variety of taxa. The relationship is a straight line on a logarithmic scale, as described by the equation.

$$\log S = \log C + Z \log A$$

Where,

S= Richness of a species

A=location

Z = slope [value of z ranges in between 0.1 to 0.2]

C = Y-intercept

## **IMPORTANCE OF BIODIVERSITY**

Biodiversity has immensely contributed towards the betterment of the society as a whole and also towards the upgradation of human culture and in return humans have a crucial role in moulding and the diversification of nature at various different levels<sup>66</sup>:

Following huge roles are played by biodiversity:

- a. Ecological;
- b. Economic; and
- c. Scientific

Feasible utilization of biodiversity and ecosystem services entails much more than conserving particular species or habitats that portray ecosystems, however, these decisions are crucial. Environmental conservation and restoration are essential to the protection and long-term use of biodiversity and must be integrated through all aspects of the economy. Using provisioning services, as an example, we can clearly recognize the significance of biodiversity when we consider the role of therapeutic products directly extracted from shrubs or obtained from natural materials in medical science.

## **BIODIVERSITY IN INDIA**

- In the globe there are twelve mega biodiversity countries. One of which is India.
- After having around 8.1 percent of the global species India only has 2.4 percent of the land area in the planet.
- There are many species which are yet to be named and to be discovered

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<sup>66</sup> NCERT. (2018). BIODIVERSITY AND CONSERVATION. In Fundamentals of physical geography: Textbook for class xi. essay, National Council of Educational Research and Training.

## **BIODIVERSITY PRESERVATION**

Each and every form of life is inextricably linked, so an imbalance in one causes disturbance in the others too because of the life cycle, as all life forms are inter-related.<sup>67</sup> Biodiversity is critical to human survival. All forms of life are so inextricably linked that a disturbance in one causes an imbalance in the others. When plant and animal species become endangered, they degrade the environment, potentially jeopardising human survival.

When plant and animal species become endangered, they degrade the environment, potentially endangering human survival. It is very crucial to guide people about practises which are environment friendly and reorient their day-in day-out jobs so that our evolution is both harmonious and sustainable with other life forms.

There is an increasing awareness about the goals [environmental goal] .People are being told that the goals would only be met if we actively participate and encourage others to make move towards the betterment of our environment.

The aggregate half-life of a species is approximated to be somewhere between ten to forty lakh years, and ninety nine per cent of the species which have ever survived on the planet are as of now extinct.

The distribution of Biodiversity on the planet is seen to be uneven. It consistently gets richer in the tropics. As one approaches the poles, one notices that larger population of fewer species is available.

The diversity in gene in a species is called genetic biodiversity.

Humans are genetically related to the homosapiens group but are significantly different in terms of their features .Due to genetic diversity, this is the case. This genetic diversity is essential for a healthy breeding of population of species.

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<sup>67</sup> Cardinale, Bradley & Duffy, J. & Gonzalez, Andrew & Hooper, David & Perrings, Charles & Venail, Patrick & Narwani, Anita & Tilman, David & Wardle, David & Kinzig, Ann & Daily, Gretchen & Loreau, Michel & Grace, James & Larigauderie, Anne & Srivastava, Diane & Naeem, Shahid. (2012). Biodiversity loss and its impact on humanity. Nature. 486. 59-67. 10.1038/nature11148.



Genetic diversity has made a significant contribution in the evolution of human culture. In a similar way human species has also contributed in maintaining natural diversity at genetic, species and ecosystem level.

Different species of ecosystem are busy in one activity or the other. Without activities they can neither survive nor develop.

The ecosystem evolves and sustains itself for no apparent reason. That is, in addition to extracting its own needs, each organism provides something helpful to other creatures.

Biodiversity is an important resource for all humans in their daily lives. Crop diversity, also known as agro-biodiversity, is an important component of biodiversity. Biodiversity is viewed as a resource reservoir from which food, pharmaceutical, and cosmetic products can be derived.

Biodiversity – the various variety of residing species that help and preserve existence on Earth – is under threat. One million species at the moment are on the verge of extinction.

Each species additionally presents proof approximately how existence advanced on earth. Loss variety refers back to the lack of positive species in a variety that ends in extinction which may be everlasting or temporary. The principal position in keeping the ecological stability is performed via way of means of the herbal habitat. Several bushes are reduced down every 12 months for the development of industries, highways, settlements, and so forth to meet human demands.

The species end up with the goal of predicate and in the end dies. Hunting wild animals for the commercialization of their merchandise has been a chief purpose for the lack of biodiversity.

## **THE IMPORTANCE OF BIODIVERSITY**

The living world provides many direct and indirect benefits to humans. Food, medicines, pharmaceutical drugs, fibres, rubber, and timber are all derived from biodiversity. The biological resources may also contain potentially useful resources. The diversity of organisms also provides many free ecological services that are essential to the health of the ecosystem.

The significance of biodiversity is summarised below: -

1. Biodiversity's Ecological Value
2. Biodiversity's medicinal value
3. Biodiversity's Existence Value
4. Biodiversity's economic value

### **Biodiversity's Advantages**

Administratively completely manage the environment, floods, sickness, water quality, and fertilization. Sportive, tasteful, and profound advantages are given by social administrations. Soil development and supplement cycling are instances of supporting administrations.

Just 1.75 million species have been found and named by researchers, representing under 20% of those assessed to exist. Just a few of those found have been examined for potential therapeutic, agrarian, or modern worth. A large part of the world's rich biodiversity is quickly disappearing, even before we realize what is absent. Most researchers concur that life on Earth is presently confronting the most extreme eradication occasion since the dinosaurs' elimination 65 million years prior. Plants, creatures, parasites, and infinitesimal life forms, for example, microorganisms, are vanishing at disturbing rates. Therefore, researchers all around the world are zeroing in on their endeavors on indexing and concentrating on worldwide biodiversity to all the more likely get it and slow its decrease.

### **Conservation of Biodiversity**

Biodiversity can be defined as the sum of all the inhabitants of the "entire planet." It is the combination of all species on the planet, to be more specific. The term "biodiversity" refers to the wide range of biological species found on Earth.

The species richness of an area represents its biodiversity, and thus its biodiversity can be efficiently analyzed and compared to any other area. Despite accounting only for 10% of

the total world area, the tropics have the richest biodiversity, accounting for more than 90% of all species.

The primary goals of biodiversity conservation are as follows:

- (a) To preserve vital ecological processes and life-sustaining systems.
- (b) To retain species diversity.
- (c) To make long-term use of species and habitats.

### **Loss of Biodiversity**

The loss of biodiversity in an area can result in: • Degradation in plant production, • Reduced resistance to environmental issues such as drought, global warming, and so on, and • High variability in certain ecosystem processes such as plant productivity, water utilization, and pest and disease cycles.

Biodiversity conservation is the preservation, enhancement, and strategic planning regarding the use of biodiversity in order to provide long-term benefits to upcoming generations.

Biodiversity can be conserved by the following two methods:

- **In situ conservation** – It involves the protection and conservation of a variety of animals and plant species in its natural habitat. It includes biosphere reserves, hot spots, national parks and sanctuaries, wild forests etc.
- **Ex-situ conservation** – It involves protection and conservation of rare species of animals and plants outside their natural habitats. These include zoos, aquariums, botanical gardens, gene banks, etc.<sup>68</sup>

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<sup>68</sup> Zegeye, Haileab. (2016). In situ and ex situ conservation: complementary approaches for maintaining biodiversity. *International Journal of Research in Environmental Studies*. 4. 1-12.

## **REASONS FOR BIODIVERSITY CONSERVATION**

Biodiversity should be conserved for the following reasons:<sup>69</sup>

1. Humans derive a number of economic benefits from nature such as firewood, food, construction material, fibre, and medicines.
2. The Amazon forests provide 20% of the total atmospheric oxygen on earth.
3. These are our biological legacies and should be passed on to future generations.
4. The birds, bees and birds are some of the pollinating agents in the ecosystem.

## **CONVENTION OF BIOLOGICAL DIVERSITY**

The goal of the convention is to save species from extinction and to safeguard their natural habitat from harm.

The developed world wants a consistent supply of biological resources from emerging nations, as well as easy access to them. Growing countries that lack the technological capability to manipulate their reserves invite developed countries to do so. As a result, the developed world has diverted the benefits of these natural resources elsewhere. Nowadays, emerging economies are demanding a larger share of the economic benefits that have accrued. The developed countries are also worried about the uncontrolled extraction of natural resources, especially forests.

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<sup>69</sup> Sood Monika and Chauhan Sakshi [ 2015]Biodiversity conservation in Himalayan regions, International Journal of Applied Research 610-615



## **COPYRIGHT IN REGISTERED DESIGN**

*Bipul Kumar\**

### **INTRODUCTION**

This assignment will focus on what constitutes registered copyright in design, while keeping in mind the provisions of the Designs Act of 2000. In addition, this assignment will investigate the infringement or remedies available against the person who has infringed the design owner's rights, as well as cite some landmark case laws to support and analyse the purpose of this project.

The Designs Act of 2000 has an extremely tight and narrow definition that includes only the following: *“features of shape, configuration, pattern, ornament or composition of lines or colors applied to any article whether in two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye”*.<sup>70</sup>

The Designs Act, 2000 ("the Act"), is a complete code in itself, and protection under it is statutory. It protects the visual design of objects that are not purely utilitarian. **Section 2(d)** of

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<sup>70</sup> §2(d), Design Act, 2000.

the Act, defines a Design as:

*"Design" means only the features of shape, configuration, pattern, ornament, or composition of lines or colours applied to any article whether in two dimensional or three dimensional or both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye; but does not include any mode or principle of construction or anything which is in substance a mere mechanical device, and does not include any trademark as defined in clause (v) of sub-section (1) of section 2 of the Trade and Merchandise Marks Act, 1958 (43 of 1958) or property mark as defined in section 479 of the Indian Penal Code (45 of 1860) or any artistic work as defined in clause (c) of section 2 of the Copyright Act, 1957 (14 of 1957).<sup>71</sup>*

According to the Locarno Agreement, designs are classified into distinct classes. It is used to categorise things in order to register industrial designs, which aids in design searches. The majority of these classes are function-oriented. A registered design's copyright lasts for a total of 15 years. The Copyright in Design is initially registered for ten years, but it can be extended for another five years by filing a renewal application.

## **HARMONIOUS CORELATION BETWEEN COPYRIGHT AND DESIGN LAW**

Due to the inherent nature of intellectual property, there will always be overlap between the sets of rights available to a single owner. Therefore, enforcement organizations are finding it challenging to maintain a healthy cohabitation between these rights while also creating a precedent that applies to everyone.

One such unclear boundary arises between copyright and design law, particularly with regards to artistic works. In India, however, the legislation governing copyright and designs distinguishes between the two types of intellectual property in a quite clear and straight forward manner. A cursory reading of the Copyright Act of 1957 (the "Copyright Act") demonstrates that every original work that confers exclusive rights on its creator is protected

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<sup>71</sup> Id.

by copyright. The Designs Act of 2000 ("Designs Act") defines a design as an outside aspect applied to a product and evaluated solely visually. In India, copyright protection is awarded upon the creation of an original work. The Designs Act, on the other hand, only affords protection to the proprietor of a registered design. Copyright is therefore commonly referred to as an inherent right, whereas design is commonly referred to as a statutory right.<sup>72</sup>

Therefore, some essential criteria for design registration, as per Section 4 of the Act,<sup>73</sup> mandates a design to be:

- New or novel;
- Has not been anticipated by publication or use anywhere in the world, including in India or prior claimed in application elsewhere i.e., does not form a part of public domain or state of the art;
- Significantly distinguishable from known designs or combination of known designs; and
- Should not contain any scandalous or obscene matter
- The design should not include any Trademark or Copyright.

***Examine the advantages and disadvantages of the Indian Design System.***

**Pros:** For the protection of industrial designs, India has an established government and organization. Essential protection standards have been established, and they conform to international norms. The filing requirements for design applications are simple and time-sensitive. The applicants must thoroughly review the necessary procedures, as the majority of Indian design proposals are denied owing to procedural difficulties, with only a few rejections due to failure to meet substantive criteria. Therefore, it is essential that both the application form and the representation sheet adhere to the guidelines in order for design applications to be completed swiftly and effectively.

**Cons:** One of the reasons why designs are rarely protected is that many enterprises, such as jewellers and shoemakers, alter their patterns frequently to accommodate market changes. Most of these sectors are unable to meet the criteria that a design cannot be in the public domain prior to registration. Another issue with the design protection system is the duration

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<sup>72</sup> Sanjana Kala, Interface between Copyright and Design Rights in India, Sujata Chaudhri Ip Attorneys (20<sup>th</sup> Feb. 2022, 4:05 pm), <https://sc-ip.in/2019/03/01/interface-between-copyright-and-design-rights-in-india/>.

<sup>73</sup> § 4, Design Act, 2000.

of the protection. 15 years is far too short. To secure a longer period of protection, Depending on the object in question, a company or an individual would prefer to employ trademark or copyright protection.<sup>74</sup>

***Design registration versus Copyright:*** Design and copyright constraints are both concerned with the aesthetic elements of the item. Section 15(1) of the Copyright Act of 1957 states explicitly:

1. Copyright is an automatic right that protects original literary, dramatic, musical, and creative works. A design right protects an objects or part of an object's aesthetic appearance.
2. According to the Copyright Act of 1957, a copyright exists in any original work that grants the creator an exclusive ownership over that work. A design, according to the Designs Act of 2000, is an exterior element applied to an article and judged only by the sight.
3. Copyright protection begins when the work takes on a tangible form, but it is only when the design is registered that it is protected.
4. The design is a statutory right, whereas the copyright is an inherent right.
5. Once a design has been awarded registration, the owner of the design will have to relinquish copyright protection.<sup>75</sup>

## **CASE LAWS**

*Ritika Private Limited v Biba Apparels Private Limited*<sup>76</sup> - In a 2016 Delhi High Court ruling, the defendant successfully demonstrated that no copyright exists in a sketch of a dress because the sketch was used to create more than fifty gowns. In addition, because the plaintiff had not registered the dress's design, the court denied the plaintiff's claim of design infringement. Consequently, the plaintiff was unable to assert copyright and design protection for its original clothing design.

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<sup>74</sup> Manoj K. Singh and Suchi Rai, India: An Overview Of Design Protection In India, Mondaq (20<sup>th</sup> Feb. 2022, 5:10 pm), <https://www.mondaq.com/india/trademark/766748/an-overview-of-design-protection-in-india>

<sup>75</sup> S. Subhashini, Difference between Copyright and Design Protection, Law Times Journal (21<sup>st</sup> Feb 2022, 6:03pm), <https://lawtimesjournal.in/difference-between-copyright-and-design-protection/>.

<sup>76</sup> *Ritika Private Limited v Biba Apparels Private Limited*, MANU/DE/0784/2016.



Even though the above ruling appears straightforward in its application to the facts of the case, it is troubling that an original artistic work can be denied copyright protection simply because it is depicted in three-dimensional or two-dimensional form and reproduced or distributed to the public (which is covered by the meaning of copyright under Section 14(c) of the Copyright Act).

*Microfibres Inc v Girdhar & Co & Anr*<sup>77</sup> - The Delhi High Court pointed to a 2009 decision that said the copyright to an original work of art, like a painting, would still exist even if a design made from that painting was used more than fifty times on different products. Only the copyright to the designs would end. But because the Copyright Act doesn't recognize a separate copyright for a product's "design," this interpretation isn't the best one.

Nonetheless, in the aforementioned 2016 Delhi High Judge case, the court refused to allow the plaintiff to assert copyright infringement in its original artistic work, arguing that there was no copyright infringement because the defendant was producing gowns using an industrial technique.

*Holland Company LP v S.P. Industries*<sup>78</sup> – The plaintiff was denied the opportunity to enforce a copyright claim on its industrial designs for automatic twisting locks because, according to the Delhi High Court, they were registrable under the Designs Act. Moreover, this judgement brought to the forefront the extremely contentious question of "intention of the creator," in which the artists' intent at the time of production of the artistic work is deciphered to determine the type of protection provided to the artistic work.

Copyright in a topic will exist until it is put to industrial use, at which point it will fall under the jurisdiction of the Designs Act. This appears to be one of the recurring trends that has developed from these judgements. The necessity of keeping the Designs Act's exclusive protection distinct from the Copyright Act has been repeatedly emphasized by the courts. Foreign investors may not view India as a viable market for commercializing copyrightable subjects if an interpretation that erodes copyright owners' perpetual rights in their original

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<sup>77</sup> *Microfibres Inc v Girdhar & Co & Anr*, MANU/DE/0647/2009.

<sup>78</sup> *Holland Company LP v S.P. Industries*, MANU/DE/2126/2017.

works is established as a precedent for India's intellectual property policy. The time has come to create a comprehensive law that addresses the problems, so that the courts are not forced to navigate the statute's vague and conflicting provisions.

## **INFRINGEMENT AND REMEDIES COPYRIGHT IN A DESIGN**

Before we go into the remedies for Design Infringement, let's first define what Design Infringement is:

The registrant of design rights may only work with the registered design or a similar design. A design right infringement occurs when a third party manufactures or sells a registered design or a similar design for commercial purposes (i.e., private or home use is excluded) and the owner is unable to stop it.

After analyzing the two designs and discovering resemblances, it is typical for both designs to be regarded comparable when making an effective judgement of similarity:

- The feature (distinctive creation, exceptional part for the use of the article, etc.) of both designs;
- A common dominant in both designs;
- In both designs, the difference is not significant and simply a little different dominance; (i.e., the difference is a well-known constitution).

According to the Design Act 2000, The piracy of registered design, is subject to a design invasion. *Section 22 of the Design Act 2000<sup>79</sup> states that any fraudulent or evident copying, without the consent of registered owner or owner, of a design that was already registered, is illicit. The section also prohibits the import of any material or substance that is similar to a previously registered design.*

An infringement occurs when a person attempts to import or publish a design that has previously been registered for a fraudulent or imitation purpose without the express permission of the design's absolute owner.

The court works on the basis of a system in which the articles are not monitored but the

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<sup>79</sup> § 22, Design Act, 2000.

decision is upheld by a layperson. The court believes it is necessary to separate the article so that consumers are not confused.

## Remedies

The infringer's liabilities are mentioned in *Section 22(2) of the Design Act of 2000*<sup>80</sup>. This is the same area where the Design's registered owner can seek remedies.

Accordingly, in accordance with *Section 22(2)*, the infringing party's liability is as follows:

- In accordance with *Section 22(2)(a)* of the Design Act, the violator must pay Rs. 25,000/ (Rupees 25,000/) for each violation. The total cost is no more than Rs. 50,000. (Rupees Fifty thousand only). The amount listed above is a penalty for the infraction.
- In accordance with *Section 22(2)(b)*, a design owner has certain rights, in which he can appeal for damages and hold the offender liable.

Let's Illustrate with an example, In *Videocon Industries v. Whirlpool of India Limited*, the Bombay High Court upheld *Section 22* of the Act, which permits lawsuits against "any individual." Depending on the circumstances, a registered design may be abolished, its registration may be set aside, or a registered owner may be prohibited from using the design by an injunction granted by the High Court under *Section 22* of the Design Act or by the Controller under *Section 19* of the Design Act. Let's say a certified owner doesn't apply for their design to be used on a product for sale or affiliated with a sale. Another registered owner will not be able to use *Section 22* of the Act in that case.

The scope of civil remedies available for the registered work of the proprietor is provided in *Section 55 of the Copyright Act of 1957*. It helps to seek remedies, claim damages or sue anyone who violates the registered article of the Act for an injunction. The applicant is also entitled to receive incomplete design together with the profits gained by the infringer. Any of the following may be remedies under design infringement by registered design owners, legal heirs, or joint owners.<sup>81</sup>

The registered owner is also entitled to obtain any profits made by the infringer during the

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<sup>80</sup> Id.

<sup>81</sup> § 55, Copyright act 1957.

time they used the registered owner's infringed design.

*Section 63* criminalizes the infringement of copyright and other associated rights granted by the Copyright Act, with the exception of *section 53 A's* right to resale share in original copies. It stipulates imprisonment for a minimum of six months and a maximum of three years, as well as a minimum fine of fifty thousand rupees and a maximum fine of two lakh rupees.<sup>82</sup>

The intent of *Section 63A* is to discourage repeat offenses by convicted offenders. It prescribes a harsher punishment of imprisonment for a minimum of one year, which may extend up to three years, and a fine of one lakh rupees, which may extend up to two lakhs, for those who have previously been convicted under *section 63* and are subsequently convicted under *section 63* for a second or subsequent time.<sup>83</sup>

*Section 63B* criminalizes the use of an unauthorized copy of a computer program by anybody who is aware that the copy is infringing. For anyone who uses an infringing copy of a computer program on a computer with the knowledge that it is an infringing copy, the law imposes a minimum of seven days of imprisonment, which can be extended up to three years, and a minimum fine of fifty thousand rupees, which can be extended up to two lakh rupees.<sup>84</sup>

*Section 64* authorizes police officers with the rank of inspector or higher to seize infringing copies of works or all plates used to make such copies without a warrant. This ability to seize has frequently been used as an evidence in favor of cognizability.<sup>85</sup>

*Section 65* stipulates imprisonment of up to two years and a fine for anybody who intentionally creates or possesses a plate for making copies of a copy-protected work. The term "plates" refers to the plates used in offset printing to print books.<sup>86</sup>

The *Copyright (Amendment) Act of 2012* added *Section 65A*, which criminalizes anybody who, with the intent to infringe, circumvents an effective technological measure implemented for the purpose of preserving copyright and any other right given by the

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<sup>82</sup> § 63, Copyright act 1957.

<sup>83</sup> § 63A, Copyright act 1957.

<sup>84</sup> § 63B, Copyright act 1957.

<sup>85</sup> § 64, Copyright act 1957.

<sup>86</sup> § 65, Copyright act 1957.

Copyright Act. This person will be sentenced to a prison term of up to two years and a fine.<sup>87</sup>

Regardless of whether the alleged offender is found guilty or not, *Section 66* of the Copyright Act, 1957 allows the court trying the case to order that all infringing copies of the copyrighted work or all plates used for the purpose of making the infringing copies be delivered to the owner of the copyright, or to make any other order it deems appropriate regarding the disposal of such infringing copies or plates.<sup>88</sup>

In accordance to *section 70*, offenses under the act are not to be tried by any court other than the metropolitan magistrate or a magistrate of the first class.<sup>89</sup>

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<sup>87</sup> § 65A, Copyright act 1957.

<sup>88</sup> § 66, Copyright act 1957.

<sup>89</sup> § 70, Copyright act 1957.

## **CONCLUSION AND SUGGESTION**

Although there have been effective regulations and precedents that have addressed the occasional loopholes and problems that have developed in this area, India still requires more specific, cohesive, and clear-cut copyright and registered design legislation. The reason for this demand is because an increasing number of people are entering the field of business, and the trend of start-ups has increased the demand for and importance of intellectual property rights. Such a requirement will certainly lead to more complex difficulties that may or may not be foreseen at this time, but a well-structured and explicated regulation will assist people comprehend what rights and duties are associated with obtaining such rights on a more logical level.

The design sought to be protected must be fresh or original, that is, it must not have been previously published, used, or otherwise disclosed to the public in India or anywhere in the globe. The design must be distinct from other registered, pre-existing, or publicly available designs or combinations of designs. Furthermore, no scandalous or filthy matter, nor any merely functional feature, shall be included in the design.

As with any other intellectual property right, design registration gives the owner a monopoly right that makes it illegal for others to copy, make, sell, or trade the registered design without the owner's permission.



## **FLUID TRADEMARK: RETAINING FRESHNESS OF CONVENTIONAL MARK**

*Baishali Jain<sup>90</sup>*

### **ABSTRACT**

*The swooping lines of the Coca-Cola logo, Nike's iconic tick, and Audi's interlocking hoops are some of the most powerful and recognizable trademarks which surround us in both physical and virtual space. These marks depict more than what our eyes see; creating an association with the brand in the consumers mind and assuring the authenticity, source and quality of the goods/services bearing that particular mark.*

*However, the role of trademark has evolved with the advent of media and technology and the manner in which they interact with consumers has also changed. Thus, to keep the brand image alive among the consumers, to show support and engagement with social- issues, the proprietors seek to enhance and modify their marks retaining the parent trademark. This practice of ornamenting an underlying mark leads to creation of 'Fluid trademark'.*

*Fluid trademark being an evolving concept lacks legislation in India hence it may prove either a brilliant move or a brand risk if not used tactically. The article discusses how the concept gained popularity post covid times. Under the shadow of advantages, the accompanied challenges have also been discussed along with the suggestions as best practices that can be undertaken by the proprietor.*

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<sup>90</sup> PhD Scholar, CNLU, Patna

## **INTRODUCTION**

*“Progress is impossible without change, and those who cannot change their minds cannot change anything”<sup>91</sup>*

As rightly said by George Bernard Shaw, adoption of the concept of volatility or re-invention is important to maintain the interest of the consumers in the brand especially when there are innumerable brands battling amongst each other to gain the market stand and consumers attention.<sup>92</sup> It becomes crucial for the brands to improve and bring creativity and innovation in their marks so as to retain the consumers. In the world of marketing, branding, advertising and packaging, creativity in the form of products packaging, quality, quantity and pricing becomes vital for the progress of the brand.

Traditional trademark is a two-dimensional static term/design that helps identify the source of goods and services and distinguish between two similar categories of goods/services. It includes any word, name, symbol, configuration, device, and shape of goods, packaging, combination of colours or any combination. The function of trademark has developed from static signage to immersive communication tool in the modern age.<sup>93</sup> This paradigm shift in the purpose of trademark has lead to the development of new concept termed as- ‘Fluid Trademarks’. As the name suggests, fluid trademarks are those marks that change with the time. They are transient in nature and designed in a manner that they correspond to the primary mark keeping the parent design static but with some variations in the colour combinations, background or font designs.

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<sup>91</sup> George Bernard Shaw

<sup>92</sup> Manisha Singh, The Changing Dynamics of Fluid Trademarks, LEXORBIS (March 20, 2022) [https://www.lexorbis.com/wp-content/uploads/2021/05/LexOrbis\\_TML0221\\_v2.pdf](https://www.lexorbis.com/wp-content/uploads/2021/05/LexOrbis_TML0221_v2.pdf)

<sup>93</sup> Lisa Pearson, Fluid Trademarks and Dynamic Brand Identities, 104 TM REP. 1411 (2014)



## **FLUID TRADEMARKS**

In today's fast-paced lifestyle, consumers prefer product description in a faster and smaller bits and bytes. Therefore, companies are seeking to make their marks flashier to catch mass attention so as to engage and delight consumers.

Half a century ago, trademarks used to be a source identifier and product distinguisher in the market. But now, the mark acts as a living organism that need to constantly adapt to the fast changing environment in order to survive.

Fluid trademarks are a natural outgrowth of new media and information technology.<sup>94</sup> They involve the creation and use of a variety of different, frequently changing variations of a particular trademark, which coexist alongside the original mark. The common ways adopted by the owners of the trademark to create fluid mark are as follows:

- Ornamenting the trademark,<sup>95</sup>
- Changing the background,<sup>96</sup>
- Filling the frame,<sup>96</sup>
- Employing moving designs,<sup>97</sup> and
- Adopting multiple ever-changing designs.<sup>98</sup>

It is an expansion of an original underlying mark.<sup>99</sup> They reflect a new, modern approach to branding that has found great success in the Internet age. Since fluid trademarks are nonconventional marks they involve creation and use of a variety of different, frequently changing variations of a particular trademark, where the variations co-exist alongside the original mark.<sup>100</sup> These variations typically retain certain features of the underlying mark but include new design elements. Although the changes are quite subtle, they are easily distinguishable and recognized by an average consumer because of their worldwide reach, reputation, and goodwill, thereby maintaining a fresh and innovative brand identity and association among public.

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<sup>94</sup> *Id.*

<sup>95</sup> Google doodles

<sup>96</sup> MTV Logo: TV Channel

<sup>97</sup> Nordkyn, a tourist site for two Norwegian municipalities

<sup>98</sup> LV Toile monogram in Louis Vuitton

<sup>99</sup> Ekta Sharma, *Fluid Trademarks: Creating a Living Brand*, Mason & Associates (March 16, 2022) <https://mason.co.in/fluid-trademarks-creating-a-living-brand>

<sup>100</sup> Shailesh Kumar Singh, *Trademark in Digital Era: Issues in Protection of Fluid Mark Analysis*, 1 IJLMH (2018)

It is a decade-old concept which has become quite trending in this global pandemic. Google doodles are the most appropriate example to support the above statement. Another could be the Amul trademark; wherein the ‘amul girl’ could be seen depicting the current events every now and then. The global pandemic appeared as an opportunity for the brands to move from the conventional static mark to dynamic mark; wherein brands revamped their logos and slogans to spread awareness among the public at large regarding social distance, wearing of mask and staying at home. In this way, the trademark owners achieved twofold purpose:

- Spread the awareness about the Covid-19 guidelines;
- Leave an ever-lasting impression upon the customers by designing eye catchy logos.

## **POSITION IN DIFFERENT REGIONS**

Fluid marks tap into the millennial psyche, appealing to the desire for personal connection, individuality and authenticity. The longstanding credo of trademark law that is the strength of a trademark depends on consistent use. Use of the same mark, repeatedly depicted in the same way until it is seared into the consuming public’s mind as the source of a given good or service, has long been the gospel of trademark practice. Fluid marks defy this fundamental principle.<sup>101</sup> The use of fluid trademarks in commerce is a relatively novel concept and is a brainchild of creative artist, therefore, there are grey areas regarding the legal protection of fluid marks. Protection concern being the major one, fluid trademark is surrounded with some other concerns also such as, whether inconsistent use will undermine trademark rights or compromise the integrity of the brand; will the fluid trademark confuse consumers with its shifting appearance; will it weaken the distinctiveness acquired by a mark; could the underlying core mark be deemed abandoned; what havoc could third parties wreak when inspired by fluid trademarks to make their own unauthorized variations of a mark?<sup>102</sup>

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101 Alexander Nicholson, *United States: Keeping it fluid in the US*, WTR (May 9, 2022) <https://www.worldtrademarkreview.com/united-states-keeping-it-fluid-united-states>

102 *Id.*

## US

There being no straightforward provision for protection of fluid mark with all the possible variations. The concept of unregistered trademark is discussed under section 43(a) of the Lanham Act and a fluid trademark can enjoy the protection under same head.

## UK

UK trademark law provides an applicant to file fluid marks under ‘series of marks’. Series means a number of marks which resemble each other as to their material particulars and differ only as a matter of non-distinctive character which would not affect the identity of the trademark.<sup>103</sup> An applicant can include maximum six marks as a ‘series of marks’. However, the above discussed remedy is not available where the fluid variants diverge considerably from the parent trademark.

Another option to protect fluid mark is under UK Copyright law. The Copyright Designs and Patents Act 1988 provides protection for works in which copyright subsists in the UK. Though the requirements of distinctiveness under trademark law and originality under copyright law is different, yet the protection afforded to artistic works would apply to fluid trademarks.

A fluid logo, pattern or device can also be protected under UK registered design. It allows for the possibility of regularly protecting numerous fluid variations and thus be a worthwhile alternative to trademark registration.

## China

Like other jurisdictions, Chinese trademark law also has no legal standing for fluid trademarks. Incidentally, the Chinese trademark law provides right holder to use variations of their mark.<sup>104</sup> Under Chinese trademark law, in the absence of registration of every variation of a registered trademark, the different variations might be granted protection based on their connection with

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103 Birgit Clark, *United Kingdom: Dos and Don'ts of fluid marketing*, WTR (May 9, 2022) <https://www.worldtrademarkreview.com/united-kingdom-dos-and-donts-fluid-marketing>

104 Art. 9, 44 and 52 of the Trademark Law (2001); Art. 39 of the Implementing Regulations of the Trademark Law (2002); Art. 20 of the Opinions of the Supreme People's Court on Certain Issues Concerning the Trial of Administrative Cases of Trademark Authorisation Confirmation (2010); Art. 9 of the Interpretation of the Supreme

People's Court on Issues Concerning the Application of Law in the trial of Civil Cases Involving Trademark Disputes (2002); Art. 2 of the Copyright Law (2012) and Art. 6 of the Implementing Regulations of the Copyright Law (2013)

the parent registered mark, provided that the distinctive character of the mark is not altered from its registered form.<sup>105</sup>

## **Russia**

According to Russia Civil Code, trademark includes word, graphic, three dimensional designations or a combination of these.<sup>106</sup> The term ‘fluid trademark’ is not discussed or defined in the abovementioned act. Nevertheless, the current Trademark Prosecution Rules introduced

‘illuminated’ and ‘dynamic’ designation as one among the already discussed characteristics of applied-for designation.<sup>107</sup>

In such case, the applicant along with the original proposed trademark, also provide a video file which gives an exhaustive and clear image regarding the intensity, nature and succession of the changes.<sup>19</sup>

## **India**

The concept of fluid trademark is nowhere specifically discussed under any intellectual property laws. However, the Indian Trademark Act, 1999 and the Copyright Act, 1957 incidentally accommodate the same, till we include them under one specific law.

Under Trademark Act, one can register fluid marks as a ‘series of marks’ provided the variations can bring ornamental changes, retaining the core concept throughout.<sup>108</sup>

In *Proctor and Gamble v. Joy Creators*,<sup>109</sup> the Delhi Court held that, “it will be sufficient if the plaintiff is able to show that the trademark adopted by the defendant resembles trademark in a

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105 Celia Y. Li, *The Protection of Fluid Trademark and Slogans in China*, Ahuja’s World Patent & Trademark news 18 (INTA MAY, 2014)

106 Ilya Goryachev, *Perpetual revolution: Protecting Fluid Trademarks in Russia*, Mondaq (May 8, 2022) <https://www.mondaq.com/russianfederation/trademark/742004/perpetual-revolution-protecting-fluid-trademarks-inrussia>

107 Trademark Prosecution Rules approved by the Ministry of Economic Development by Decree 482 (July 20, 2015) <sup>19</sup> Ilya Goryachev, *supra* note 16 at 5

108 The Trademark Act, No. 47 of 1999 § 15

109 *Proctor and Gamble v. Joy Creators*, CS(OS) No. 2085/2008

substantial degree, on account of extensive use of the main features found in a trademark.”<sup>110</sup> This interpreted that the fluid trademark of a company, even though not registered, can avail common law protection by proving similarity of a substantial degree.

Additionally, fluid trademarks, comprising artistic works, can also be accommodated under the copyright law by warding off the third party imitation and parodies.

## **CASE LAWS**

1. *Louis Vuitton Malletier v. Dooney & Burke, Inc.*<sup>111</sup>: Louis Vuitton (LV) company created and trademarked the ‘toile monogram’ in 1896. In 2012, LV launched a series of handbags featuring ‘new signature toile designs’. The multicolour mark was a modified version of the ‘toile marks’ printed in 33 bright colours on a white or black background.



Dooney & Bourke Company (defendant) introduced the bag collection under ‘It Bag’ in 2003. The features of the bag included: intertwined initials (BD), multicoloured zipper, pink heart hanging from the handle and coloured backgrounds.

The LV (plaintiff) filed an infringing suit against the defendant on the ground that their mark was leading to likelihood of confusion among the consumers with similar trademark (design being the same, only letters are different). The court ruled in favour of LV because they trademarked first and the design used by the defendant was infringing the rights of the plaintiff.

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110 Avanee Tewari, *Identity Crisis: Understanding the Concept of Fluid Trademarks*, Lexology (May 9, 2022) <https://www.lexology.com/library/detail.aspx?g=f5951404-fa12-4e7f-b239-e5610541c77d>

111 *Louis Vuitton Malletier v. Dooney & Burke, Inc.*, 454 F.3d 108 (2d Cir. 2006)


2. *Monster Energy v. Maple Leaf Sports & Ent. Ltd. and NBA Prop., Inc.*<sup>112</sup>: In 2014, the Toronto Raptors came up with a slight different logo. Since the inception, raptors have been using a logo that had independent claws beside a basketball. However it modified the logo which now had claws within the basketball. To this, Monster Energy (sports Drink Company) filed a trademark opposition suit in 2015, with the primary contention that the new logo of Raptors will give rise to likelihood of confusion between the two giants.<sup>113</sup>



The board decided in favour of the Raptors, although the trademark was retained by Monster energy.<sup>26</sup> The judgment involved modification in the prior claw's mark, and has the Raptors proved continuing commercial identity, they would have claimed broader protection under fluid mark.

















## EXAMPLES

The list below illustrates few examples of fluid trademark undertaken by numerous brands. The list is not exhaustive. It illustrates handful of brands like Audi, Volkswagen, MacDonald's, Subway, and Starbucks and so on. The fluid trademark got its recognition during the Covid-19 period wherein some urged for maintaining social distancing like Audi, Coca-Cola, Volkswagen, and Mercedes Benz; some asked to wear mask like Starbucks coffee and Subway.

Trademark	Primary Trademark	Fluid Trademark
GOOGLE		

<sup>112</sup> *Monster Energy Co. v. Maple Leaf Sports & Ent. Ltd. and NBA Properties, Inc.* Opposition No. 91222422 (Parent) 91222445, 91226092 and 91228458

<sup>113</sup> Unnat, *Raptors v. Monster Energy: Bringing back the limelight on Fluid Marks*, metacept (May 10, 2022) <https://metacept.com/raptors-v-monster-energy-bringing-back-the-limelight-on-fluid-marks> <sup>26</sup> *Id.*

AMUL		
AUDI		
VOLKSWAGEN		
MacDonald's		
SUBWAY		
Coca-Cola		
Master Card		
Mercedes-Benz		

<b>Mercado Libre</b>	 <b>mercado libre</b>	
<b>Starbucks Coffee</b>		

*Source: Google images*

## **ROAD AHEAD: ALL FUN OR SOME RISK**

Not denying the fact that this new trend is an opportunity for the brands to generate goodwill and cherish consumer attention, but one cannot ignore the accompanied challenges that have come up with this trend. Firstly, they are shape shifting in nature i.e. variations made to an existing mark. Frequent modifications in the mark create confusion among the consumers thereby tampering the distinctive nature of the mark.

Secondly, the fluid trademarks are transient in nature; therefore its registration is not the first priority of the trademark owner. The life span of such marks is situation or object oriented. Once the situation is over, the proprietor reverts back to the original underlying trademark. As and when the market demands, the proprietor manipulates and ornament their mark accordingly. Moreover, there is no specific provision in the Trademarks Act, 1999 that deals with the fluid trademark except Section 15 that remotely talks about ‘registration of series of trademarks’. But this too doesn’t serve the purpose. The non-registration of fluid trademark invites challenges like infringement and passing off.



Thirdly, too much use of fluid mark and rare use of underlying mark leads to the cancellation/abandonment of the underlying marks due to non use of the mark.

Having said that, the fluid trademark can be a success story if used with best practices which can shelter the proprietors from instances of infringement such as:

- a. Register the underlying trademark: registering the primary trademark is the first and the most crucial step before adopting the new trend. The registration protects the underlying mark and provides remedy to the proprietor against the infringer.
- b. Continue to use underlying trademark: Along with the fluid marks, the owner should continue to use the underlying mark so as to keep the mark alive among the consumers and to depict the connection between the two marks.
- c. Keep brand pillars constant: While opting for the fluid marks, the proprietor should keep the basic characteristics of the underlying marks constant. Complete makeover of the mark i.e. creating altogether a new mark will not be able to draw the attention of the people. Hence, the fluid mark should be the improvised version of the underlying mark retaining the parent mark.
- d. Adopt signature style: The improvisation in the marks should follow a definite pattern so that consumers can relate it with the parent mark. Random changes might invite likelihood of confusion among the consumers.

## **CONCLUSION**

Primary trademark is a genus and fluid trademark is its species. It has become a new marketing tool for the rejuvenating a brand. It popularizes the mark in the market and helps build a connection with the consumers.

Even though the advantages of fluid trademark outweigh the challenges, the author draws the attention that the practice should be undertaken by the well-know trademark owners only who have a goodwill and strong consumer relation in the market. For start-ups and smaller business or new trademark owner undertaking this trend could be a risky adventure. It may lead to confusion among the consumers and eventually the dilution of the mark.

Having said that, Legislation follows innovation, there are no direct cases of infringement/passing off of fluid trademark before the Indian courts. Hence, no judicial interpretation regarding the same. Till the time lawmakers define and lay out the provisions for the protection and regulation of fluid trademark in letters and spirits, reliance can be laid down to the best practices discussed in the earlier part of this article to face the upcoming challenges.



## **HOW WILL THEY SURVIVE IN THE NEW MARKETPLACE OF SOCIAL MEDIA?**

*Sejal Gupta\**

### **ABSTRACT**

*This paper talks about how trademarks support the protection of using the trademark logo correctly on social media. It demonstrates how protection is often implemented within the walled gardens of social media, through the reconciliation of unauthorised use of the trademark logo on social media alongside maintaining the proper to exercise freedom of expression. Legal conflicts between trademark holders, social media providers and internet users became manifest within the light of wide-scale unauthorised use of the trademark logo on social media in recent decades. This paper also talks about the increasing misuse of trademarks on social Media and the importance of polices, rules and monitoring in context of protecting the brand on each platform. It also discusses the relation between fake accounts and trademarks and how it has led to spamming with the help of a case study on fake twitter accounts. The paper tries to decipher what constitutes infringement in the case of trademarks. It explores the dimensions of brands and parody. It also discusses consumer complaints and 'Cyber Gripping' with the help of the landmark case of Mayflower Transit, LLC v. Prince. It further elaborates the topic of domain names and cybersquatting with relation to the eUDRP and the INDRP. Platform-Specific (Twitter / LinkedIn / Facebook) Trademark Enforcement Mechanisms are also explained in the paper. Asserting the protection of the trademark logo against unauthorised use during a commercial environment, this paper explores why protection enforcement should be made automatic. Varieties of issues are discussed including the scalability of litigation on a case-by-case basis, and whether safe harbour provisions for*

*online service providers should be substituted for strict liability. This paper offers an unparalleled insight into the utilization of the trademark logo. The paper also gives sensible solutions to guard the trademark logo on social media.*

**Keywords:** *social media, trademarks, fake accounts, spamming, and cybersquatting*

## **INTRODUCTION**

Trademark law serves both commerce and consumers. Its primary purpose is to guard consumers from confusion as to the source of products and services. Trademark law serves to guard businesses by ensuring exclusivity within the brands they curate. Once a business has chosen a reputation and cultivated a brand, that branding becomes identifiable to consumers because the source of the business' goods or services.<sup>114</sup>

With the upsurge in social media, there are more vast and accessible marketing outlets available to businesses and their branding than ever within the history of yank commerce. It's become essential for businesses to determine brand visibility across social media platforms. While there are countless benefits to social media marketing, there are certain drawbacks and certain pitfalls also. This text explores the problem in controlling brand identity in light of just about unrestricted third-party participation in social media and therefore the particular trademark problems posed by the prevalence of hashtags in social media marketing.

Social media turned the once simple octothorpe, symbolizing the words "pounds" and "number," into a really powerful marketing tool. "A 'hashtag' may be a sort of metadata comprised of a word or phrase prefixed with the symbol '#.'" <sup>115</sup>

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<sup>114</sup> U.S. Trademark Law, § 1(2), 15 U.S.C. § 1051, 2012 ("The application shall include . . . the goods in connection with which the mark is used, and a drawing of the mark.").

<sup>115</sup> TMEP, § 1202.18, 8th ed., 2015 (entitled "Hashtag Marks").

By applying a hashtag to the start of a word or phrase on social media outlets, like Instagram and Twitter, users turn that word or phrase into a searchable expression.<sup>116</sup> Business owners and marketing professionals alike tout the facility of hash tagging a trademark or service mark into a searchable, trend-able expression.

The scope and necessity of social media marketing is observable within the use of business' allocated marketing budgets. Adweek.com reported the subsequent from a poll of 5,000 marketers conducted in early 2015 by Salesforce: 70% planned to extend social media ad spending; 70% planned to extend spending on non-paid social media marketing; 66% responded that "social media was core to their business;" and 38% planned to shift some of their marketing budgets previously allocated to traditional marketing to digital marketing.<sup>117</sup>

While it's liberal to use and have interaction in social media outlets, marketers spend these dollars on sponsored advertisement buys and social media expertise. Social media marketing experts strategically maximize a brand's social media prevalence with sponsored advertisements, posting content, and, yes, strategic use of hashtags. Twitter and Instagram are the two primary social media outlets to revolutionize the hashtag. Twitter may be a service on which any user may share a thought, an experience, or an idea in 180 characters of text or less, a photo, or a video, each called a "tweet."<sup>118</sup>

Hashtags with accompanying words or phrases appropriate the corresponding tweet to a topic embodied by such word or phrase.<sup>119</sup> Each Twitter user features a timeline on his or her profile displaying tweets in reverse chronological order.<sup>120</sup> The timeline and profile of a business become the Twitter face of the brand. Instagram is "a fun and quirky thanks to share your life with friends through a series of images."<sup>121</sup>

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<sup>116</sup> *Id.*

<sup>117</sup> Shea Bennett, *70% of Marketers Will Increase Social Media Spend in 2015*, SOCIAL TIMES (Jan. 30, 2022, 6:00 PM), <http://www.adweek.com/socialtimes/socialmarketing-2015/504357>.

<sup>118</sup> *The Story of a Tweet*, TWITTER, (Jan. 30, 2022, 6:10 PM), <https://about.twitter.com/what-is-twitter/story-of-a-tweet> ("TWEET").

<sup>119</sup> *Id.* ("Hashtags assign a topic to a Tweet.").

<sup>120</sup> *Id.*

<sup>121</sup> *FAQ*, INSTAGRAM, (Jan. 30, 2022, 6:15 PM), <https://www.instagram.com/about/faq/>.

Similarly, each user features a profile and timeline of photos or videos displayed in reverse chronological order. Users can provide comments, including hashtags, to photo or video posts. Placing a hashtag at the start of a word or phrase on both Twitter and Instagram turns the word or phrase into a hyperlink that results in topically related posts.<sup>122</sup> Perhaps the best advantage social media outlets like Twitter and Instagram pose to marketers is that the ability to interact with their audience.<sup>123</sup>

When a user tweets or posts on Instagram, other users may then comment, repost, share directly, and basically participate in the conversation surrounding the tweet or post. This audience interaction provides valuable insight to marketers and inflames the reach of an easy marketing effort, sometimes virally. Including a hashtag word or phrase makes such conversations sortable by topic.<sup>124</sup>

If the hashtag goes viral, the social media marketplace considers it to be a trending topic, a pinnacle for any social media marketing effort. It is this audience interaction that creates the hashtag such a strong marketing and branding implement. But, “with world power comes great responsibility.”

Successful registration of a mark with the US Patent and Trademark Office provides the owner of that mark the “exclusive right to use the registered mark in commerce on or in reference to the goods or services laid out in the registration.” The worth in trademark ownership lies within the right to exclusive use of the mark. Thus, it's within the trademark owner's best interest to police third-party use of his or her mark so as to guard it from dilution and/or consumer confusion with an identical mark.

So, there's a drag. Trademark owners are encouraged to limit third-party use of their marks.

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<sup>122</sup> TWEET, *supra* note 5; *How Do I Use Hashtags?*, INSTAGRAM, (Jan. 30, 2022, 6:20 PM), <https://help.instagram.com/351460621611097> (“HASHTAGS”).

<sup>123</sup> Stephanie Chandler, *The Hidden Benefits of Social Media Marketing: Why Your Strategy May Be Working Better Than You Think*, FORBES / FORBES WOMEN, (Jan. 30, 2022, 6:30 PM), <http://www.forbes.com/sites/work-in-progress/2013/03/12/the-hiddenbenefits-of-social-media-marketing-why-your-strategy-may-be-working-better-than-youthink/>.

<sup>124</sup> TWEET, *supra* note 5; HASHTAGS, *supra* note 9.

However, they're simultaneously well served by encouraging audience participation in their social media marketing, especially to exacerbate the utilization of their marks as hash tagged trending topics.

### **Aim of the paper**

The basic aims for writing this research paper were to study:

- ✚ The misuse of trademarks on social media
- ✚ The importance of policies, rules and monitoring brands
- ✚ The case of fake accounts and spamming
- ✚ The approach of consumer complaints
- ✚ The way forward for trademark enforcement mechanisms

### **Research methodology**

In accordance with the objectives of the present study, quantitative and qualitative methods of research have been adopted. This has been done primarily with the help of case laws and leading judgments of various courts. The reports of committees and commissions have been scanned to sifting the issues relating to the research problem. A thorough analysis of content from sites like JSTOR, SCC and Westlaw were done to generate a better perspective.

## **MISUSE OF TRADEMARKS ON SOCIAL MEDIA**

Activity in social media not only provides information on a product or service identified with a trademark, but also contributes to the overall image and reputation of an individual or company. Various **kinds of misuse of trademarks**<sup>125</sup> on social media are there, for example,

1. Suggesting a Relationship When There Isn't One: Using another person or entity's trademark in social media that means an affiliation or sponsorship when there really isn't one is trademark misuse. For instance , you can't use a trademarked name during a URL or social media profile name when the owner of that URL or social media profile has no affiliation with the brand of any kind.

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<sup>125</sup> Bibiana Agudelo & Daniel Trujillo, *Addressing trademark infringement and misuses in Social Media*, OLARTEMOURE, (Jan. 30, 2022, 6:40 PM), <https://www.olartemoure.com/en/addressing-trademark-infringement-and-misuses-in-social-media/>.

2. Using False or Misleading Advertising: Comparing your product to others on the market in your advertisements is ok as long as all of the knowledge provided is true. If your ads are fair and tell the complete, true story, then it's a sort of comparative advertising that's legal. If your ads are deceptive or false in any way or mislead consumers in any way, then you're misusing a trademark in social media.
3. Diluting Another Person or Entity's Trademark: Using another person or entity's trademark during a way that creates ownership of that trademark confusing to consumers is taken into account to be trademark misuse and is mentioned as "blurring" the trademark. As a result, the worth of the trademark is diluted because consumers might be confused and believe that the trademark owner is behind the non-related product or service. Using another person or entity's trademark during a way that tarnishes the reputation of the first mark and brand also results in value dilution.

### **Hashtags and trademarks:**

In Eksouzian v. Albanese<sup>126</sup>, parties who manufactured and sold an equivalent sort of product (compact vaporizer pens) agreed to settle trademark infringement claims. The parties agreed that, whilst the plaintiffs had exclusive use of the word 'CLOUD' as a unitary mark, it couldn't use the word 'CLOUD' in close association with the words 'PEN', 'PENS', 'PAD', etc. (a conduct allowed to the defendant). The defendants used the subsequent image to market their product: The plaintiff used the hashtag '#cloudpen' in social media. The defendant claimed that this was a violation of the agreement.

The court concluded that *"hashtags are merely descriptive devices, not trademarks, unitary or otherwise, in and of themselves, their use "is merely a functional tool to direct the situation of the plaintiffs' promotion in order that it's viewed by a gaggle of consumers, not an actual trademark."*

While the utilization of the # symbol seems to not be a transparent breach of trademark rights their use isn't completely clear for free of charge use. During the Olympic games of July 2016, held in Rio de Janeiro, an issue arose involving the utilization of '#Rio2016'. The USOC (US Olympic Committee) sent cease and desist also as warning letters to non-Olympic sponsor

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<sup>126</sup> Eksouzian v. Albanese, No. CV 13-00728-PSG-MAN, 2015 WL 4720478 (C.D. Cal. Aug. 7, 2015).



companies that used USOC's trademarks in hashtags and social media, like #Rio2016 and #TeamUSA.

Oiselle, a women's apparel company, posted "She's getting to Rio!" and "#RoadtoRio" in an Instagram post when one among their sponsored athletes qualified for an occasion. Soon after, the USOC contacted Oiselle requesting cease of use. Eric Goldman, a Professor of Law at Santa Clara University, interviewed by the BBC, considered the approach as "overly aggressive and ridiculous": *"I think that trying to inform companies that they can't use the hashtag #Rio2016 or #TeamUSA in their tweets, most of the time they're going far afield of what the law permits and when companies use the ambiguities of trademark law to undertake and squelch socially beneficial conversation, I call that bullying."*

The German Olympics Sports Confederation and Team Gb (the mark name used since 1999 by British Olympic Association (BOA) for his or her Great Britain and Northern Ireland Olympic team), as did the IOC on the subject, published guidelines that emphasized the strict restrictions on the utilization of IOC registered marks by non-sponsors. Such guidelines covered the utilization of hashtags like #Rio2016. They explained that such use verged on trademark infringement territory and intrinsically, non-Olympic partners and non-sponsors should refrain from their use.

IP rights policies like Twitter's, with strict management of infringement of copyright, received requests to get rid of trademarks in hashtags. No action was taken although it's clear that the utilization of wording associated with the Olympics by non-sponsors shouldn't be pursued. The argument that use of a mark during a hashtag as merely descriptive will likely be unsuccessful in such cases. There are some cases within the U.S. during which third parties have attempted to use hashtags as evidence of the distinctiveness of a mark.

The USPTO however, has declared that hashtags aren't considered a big source of distinctiveness *"because a hashtag will usually be perceived as a part of a web social media search term, a hashtag generally serves no source-indicating function and adding such symbol or term to an otherwise unregistrable mark typically doesn't render the mark registrable."*

In light of the foregoing despite the recognition and effectiveness that a hashtag may wear

social media, this may not necessarily have an equivalent positive outcome within the registration process of a trademark. An example of the utilization of social media as a way to advertise a mark, without incurring in trademark infringement, is that the advertisement of Oreo cookies during a twitter post during an influence outage at the Super Bowl a few years ago. They tweeted an image of an oreo with the caption: “You Can Still Dunk within the Dark.” While the ad could connect the sentence with the Super Bowl, there was no use of hashtags or names to the competition or the sports teams /companies.

While companies and individuals should take care and refrain from using third party trademarks in their ads and promotional materials also as social media, it's important to acknowledge that some uses by third parties in hashtags and articles are simply informative and thought of newsworthy material. In light of this, a careful assessment of the utilization should be conducted before the discharge of the remark on social media so as to avoid uncomfortable situations that involve cease and desist requests and claims from trademark owners.

#### **The approach to avoid such misuse of trademarks:**

- When handling trademark infringement, counsel should obtain evidence of the infringement by either screen capturing or printing of the page, ensuring there's a transparent display of the date and site of the posting.
- The language utilized in the cease and desist letter should be carefully chosen because it might be utilized in eventual litigation and whilst a source to settle on venue.
- Counsel should review the IP policy of the web site where the illegal or misuse was found so as to issue a takedown notification. A report of copyright or trademark infringement to the location can have use or domain names disabled or references removed. It's important to become conversant in a site's policy towards infringement or misuse allegations and if there's a bent to help the legitimate trademark owner. Some social media sites are against counterfeiting and false information on account holders however, there are websites that don't have a transparent policy against them.
- Counsel should research the background of the infringer so as to stop harm on the company's reputation. In some cases, the infringer requires special care. A softer or friendly initial approach could also be advisable. Engaging during a friendly conversation with the infringer could prevent a negative social campaign against a

company's name and its trademarks. Some infringers prefer to disseminate cease and desist letters creating a picture of being threatened or bullied by an outsized company, and even prevented from exercising their freedom of speech right. They create noise and need to draw in publicity to their actions. A friendly communication to the infringer might be an efficient strategy against such this sort of unauthorized trademark users will likely not publish a friendly communication from the trademark owner requesting cease of the utilization.

- Counsel should take care when the misuse or infringement of the trademark is formed by a supporter of the company's brand (e.g. someone labels its product with wording that would be confused with a company's trademark or could misrelate it to it). The approach should be tailored to not offend the customer while explaining the importance of protecting the adequate use of the trademark. In some cases, the unauthorized user might be invited to hitch the trademark owner's adequate promotion of the brand within the media where there was initial misuse or could also be offered incentives so as to not pursue the erroneous conduct. The approach should be inviting and not forceful in these cases.

## **PROTECTING THE BRAND ON EACH PLATFORM – THE IMPORTANCE OF POLICES, RULES AND MONITORING**

### **What is brand protection?**

Brand protection is that the process of protecting the property (IP) of companies and their associated brands against counterfeiters, copyright pirates, and infringers of other sorts of IP, like patents, design rights, color mark and trade dress. This is done not only to guard the loss of revenue from a corporation but also to guard a company's image, reputation and overall value. Fundamentally, brand protection prevents brand abuse.

### **Brand abuse**

Brand abuse is an umbrella term which refers generally to an outdoor party infringing on a brand's property so as to require advantage of its well-respected reputation.

Brand abuse can be available in many forms, including, but not limited to:<sup>127</sup>

- **Counterfeiting:** A counterfeit product imitates the merchandise from an authentic brand, but is formed unofficially, by external sources. The fake product will use the logos and trademarks of the authentic brand without permission, so as to deceive customers. For some perspective, by 2022 the worldwide counterfeiting industry is predicted to be worth \$4.2 trillion. To place this in real terms, if counterfeiting were an independent nation, its economy would be around the 4th biggest within the world. Counterfeiting is simply one sort of property infringement, because it specifically targets the trademarks of an authentic brand. So, working against counterfeiting is that the primary goal of brand name protection agencies. Companies got to remain vigilant against any sort of brand abuse of which they'll become a target. However, the foremost pervasive and troublesome for brands is counterfeiting.
- **Rogue websites:** Rogue websites are sites created for malicious intent, either against a legitimate company or by infringing its IP. They are available in a number of variations: Cyber squatters; sites that claim domain names so as to require advantage of other brands' trademarks. Typo squatters; these believe internet users making mistakes while typing within the address of other websites. Imitation sites; websites that plan to completely pass themselves off because the website of an existing authentic brand.
- **Copyright piracy:** A copyright is that the legal protection granted to creators of artistic, literary and scientific works. Brands got to be protective of their copyright, albeit they're not creating art, books or scientific reports. Counterfeiters will copy a product's authentic photographs and use them to market and legitimize their own illegal product listings online.
- **Trademark squatting:** Trademark squatters register trademarks in bad faith. This will be available in a variety of forms, including foreign registration of marks belonging to brands yet to register abroad, and transliteration issues, just like the Jordan/Qiaodan case.
- **Patent theft:** Patents are legal protections given to inventive products which give an innovative solution to a problem. Inventors who have created a replacement product are

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<sup>127</sup> Ryan Williams, *The Ultimate Guide to Brand Protection Red Points*, RED POINTS (Jan. 30, 2022, 6:15 PM), <https://www.redpoints.com/blog/the-ultimate-guide-to-brand-protection/>.

entitled to patent protection, because it forbids outside parties from using their designs, and out of doors parties infringing on patents will take advantage of the time and money invested into designing the invention.

- Social media impersonation: Counterfeiting, and sorts of IP theft generally, are growing quickly on social media, and are having an outsized negative effect. Unofficial third parties create social media accounts imitating authentic brands, then use their fake profiles to sell counterfeits, send users to phishing pages, and sometimes to distribute harmful malware.

### **What does brand protection do?**

- Detection: Finding infringements online, wherever they'll be. This will include a counterfeit listing on ecommerce, a rogue website or an impersonating social media profile, alongside variety of other sorts of infringement.
- Validation: Ensuring that the products labeled as infringements truly are infringements is a crucial step. Validation is used in order that authentic companies aren't penalized by mistake while trying to enforce IP rights.
- Enforcement: Enforcement is that the step of truly removing IP infringements online. This includes removing the infringing product listed on a web marketplace, taking down a rogue website, or closing the imitation account from social media.
- Reporting: The final stage of a brand protection service. Reporting refers to presenting information to brands that's useful and actionable, so as to remain conscious of the status of property online, then to enhance the method of brand name protection within the future.

### **Brand protection software**

With counterfeiters now ready to fully cash in of the capabilities of the web, the sole way the services above can truly be implemented is by taking advantage of recent brand protection technology. There are four key aspects to brand protection software:

- Keyword monitoring
- Image recognition
- Machine learning
- Smart user

## **How to protect one's brand?**

Knowing the way to keep property protected is important knowledge for several brands. Counterfeiters are persistent when targeting companies they think they will take advantage of, and can use any and each tactic at their disposal to remain in business. There are varieties of strategies that brands can implement to assist them within the fight against infringers, both offline and within the online world.

- Register your IP – Without formally registering property, there's little or no real legal recourse for brands that suffer from brand abusers. In fact, without trademarks formally registered, counterfeiters would be liberal to cheat logos and brand names. Getting property registered must be the primary step for creating a brand protection solution.
- NDAs with partners – this is often especially important for brands with patent-protected designs and processes. Agreeing to figure with other companies without protections for tip can put a brand at an enormous risk.
- Fight rogue websites – Rogue websites are sites found out for malicious or criminal purposes. They are available during a number of variations, all of which are potentially damaging to brands. You'll fight this by registering relevant domain names to your brand, and removing harmful sites.
- Have a robust social media presence – As social media grows as a crucial platform for counterfeiters, brands got to maintain a robust presence to determine them as authentic. Using on-site reporting tools and using undercover accounts are vital to removing bad actors on social media.
- Educate your customers – Customer education is often wont to great effect in brand education in two ways. Helping customers to acknowledge the differences between legitimate products and fakes will better equip them to avoid getting tricked. Educating people on the general harms of counterfeiting also will make them less likely to hunt out knockoff products.

### **Privacy Policy:<sup>128</sup>**

Under privacy law, a privacy policy may be a statement or legal instrument that discloses some or all of the ways a celebration gathers, uses, discloses, and manages a customer's or client's data. Typically, companies share this customer/client data with their third-party business partners. By annually informing customers/clients via mailed notices of company privacy practices concerning the gathering and therefore the distribution of customer/client data that's under company management, companies fulfill a legal requirement to guard a customer's or client's privacy.

## **TRADEMARKS AND SPAM**

### **What is Trademark spam?**

Trademark spam is an unavoidable and unfortunate result of the knowledge an applicant provides the USPTO (United States Patent and Trademark Office) in an application, which is publically available. This includes, among other information, the name, address, and email of the party applying for the mark. As a result, spammers have all of the knowledge they have to send fake trademark solicitations that appear to be legitimate. The USPTO is fully conscious of trademark spam, but despite its efforts, applicants and registrants still be victimized by spammers.<sup>129</sup>

### **What does trademark spam look like?**

Trademark spam generally comes within the sort of official-looking correspondence—letters or email—that either “requires” the recipient to pay certain fees, or strongly “recommends” that the recipient use a specific company to facilitate the trademark registration process. Within the first instance, some fees are completely fabricated, while other fees purport to be real fees, but are grossly inflated by the spammer. Here may be a list of the particular USPTO

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<sup>128</sup> Mary Shacklett, *How to create a privacy policy that protects your company and your customers*, TECH REPUBLIC (Jan. 30, 2022, 6:45 PM), <https://www.techrepublic.com/article/how-to-create-a-privacy-policy-that-protects-your-company-and-your-customers/>.

<sup>129</sup> Tim Lince, *Scams and spam: USPTO users face epidemic of spurious communications*, WORLD TRADEMARK REVIEW (Jan. 30, 2022, 6:55 PM), <https://www.worldtrademarkreview.com/brand-management/scams-and-spam-uspto-users-face-epidemic-of-spurious-communications>.

trademark fees and their correct amounts. Within the second instance, spammers offer their services to facilitate the registration process, something only licensed attorneys are allowed to try to.

## **FAKE ACCOUNTS AND SPAM**

Spammers create fake profiles for variety of nefarious purposes. Sometimes they're just how to succeed in users internally on a social networking site. This is often somewhat almost like the way email spam works - the purpose is to send your users messages or friend invites and trick them into following a link, making a sale, or downloading malware by sending a fake or low-quality proposition.<sup>130</sup>

Spammers also are using spam profiles so far another avenue to get web spam on otherwise good domains. They scour the online for opportunities to urge their links, redirects, and malware to users. They use your site because it's no cost to them and that they hope to piggyback off your good reputation.

### **Case Study: Fake Twitter Accounts – BP Global / Netflix / Coventry First**

"Catastrophe may be a strong word," Twitter user @BPGlobalPR said during a May 23 post. "Let's all comply with call it a whoopsie daisy." The tweet, of course, mentioned British Petroleum's massive oil spill within the Gulf of Mexico.<sup>131</sup>

Since May 19 a veritable endless supply of similarly sardonic tweets has been streaming from the fake Twitter account holder, whose parody of a lackadaisical BP PR rep has garnered a cult Internet following. Within the 100-plus days since BP's Deepwater Horizon oil rig explosion, the as-yet-to-be-revealed tweeter has created almost the maximum amount buzz as ex-CEO Tony Hayward's loose lips.

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<sup>130</sup> Google Search Central Blog, *Spam2.0: Fake user accounts and spam profiles*, GOOGLE DEVELOPERS (Jan. 30, 2022, 6:58 PM), <https://developers.google.com/search/blog/2009/06/spam20-fake-user-accounts-and-spam>.

<sup>131</sup> Mike Isaac, *The Most Notorious Fake Twitter Accounts*, FORBES (2010), (Jan. 30, 2022, 7:05 PM), <https://www.forbes.com/2010/08/02/bp-angelina-jolie-technology-twitter.html?sh=1190fd32da12>.



@BPGlobalPR has quite 180,000 followers--almost 10 times the amount for BP's real Twitter PR account, @BP\_America. BP didn't answer an invitation for comment. @BPGlobalPR is far and away the foremost visible fake Twitter account, but by no means is it alone. There is a plethora of online social commentators masked as tongue-in-cheek versions of powerful CEOs and public figures on Twitter.

The foremost Notorious Fake Twitter Accounts BP, however, did attempt to stifle the fake Twitterer's momentum. In June the oil giant asked Twitter to remind the satirist about Twitter's policy, which needs users to incorporate a press release on their bio page that distinguishes them from the person or entity they're parodying. @BPGlobalPR's response was in step with its usual tenor: "We aren't related to Beyond Petroleum, the corporate that has been destroying the Gulf of Mexico for 52 days," the bio stated at the time it had been posted.

"Satire and parody are a part of literature as long as there's been literature," said Twitter spokesman Sean Garrett.

The fake follower economy remains flourishing and remains the scourge of social media. The study showed that not only is that the fake follower economy flourishing, but it's actually growing.<sup>132</sup>

### **INFRINGEMENT: What Constitutes Infringement?**

Trademark Infringement is that the issue of the instant and has attracted with it the laws related not only to property but also Tech Laws, Media Laws, Sports Laws, Marketing Laws etc. The Trademark Legal framework has got to be a mixture of National and International Laws and shall add consonance with Trans-border Laws where the Judgments from various countries getting used as citations shall act as a guide.

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<sup>132</sup> Greg Finn, *Study: Fake Twitter Follower Market Is Still Thriving Thanks To New Spam Tactics*, MARTECH (Jan. 30, 2022, 7:15 PM), <https://martech.org/study-fake-twitter-follower-market-is-still-thriving-thanks-to-new-spam-tactics/>.

## **PATEL FIELD MARSHAL AGENCIES LTD. V P.M. DIESELS LTD<sup>133</sup>– The Field Marshal Case**

The case where the SC was to adjudicate upon the Sections 46, 56, 107 and 111 of the Trade and Merchandise Marks Act of 1958 for infringement of the Registered Trademark “FIELD MARSHAL” owned by P.M. Diesels Ltd governed by the said Act where Section 46 says that if a trademark is registered without good intentions of using it or and therefore the same has not been used continuously for five years, it are often far away from the register and Section 56 empowers the Tribunal to cancel the Registration of the Trademark if it's proved that any provisions are contravened or any condition left unfulfilled on the idea of which the Registration was granted.

Section 107 says that the appliance to challenge the Registered Trademark lays to supreme court and to not the Registrar and Section 111 mandates the stay of suit if the appliance for rectification is pending before the Registrar or supreme court for 3 months before commencement or if commenced, then for 3 months before the Facts are framed by the Court. On basis of the above mentioned sections, the Court had to make a decision whether the Rectification proceedings instituted by the Appellant on the Respondents were acceptable or not when the Appellants contended that the rectification rights lies with the aggrieved person and such rights are granted by the court.

The Supreme Court here favored the Respondents and held that the questions of validity of registration are to be decided by the Tribunal and not the Civil Court also because the decision of the Tribunal are going to be binding on the Civil Court. it had been also held that if the parties don't approach the Tribunal for rectification after the order of the Civil Court then the parties relinquish the plea to rectification and therefore the intent of Section 111 was clarified by the Apex Court saying that by enacting such section 111 legislature seeks to deal with the question of invalidity within the first instance and once the plea of rectification has been raised and settled with, the suit shall proceed with other issues.

### **Monitor marketplace for infringers:**

Trademark owners should diligently monitor the marketplace for uses of comparable

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<sup>133</sup> Patel Field Marshal Agencies Ltd. vs. P.M. Diesels Ltd., **AIR 2017 SCC 1388.**

trademarks and new applications for confusingly similar trademarks. Several legal cases have held that you simply may lose your trademark rights unless you're taking reasonable efforts to guard your trademark and enforce your rights.<sup>134</sup>

Remember that it's the responsibility of the trademark owner, not the govt, to prevent third party infringers. A monitor program should include periodic reviews of trademark databases, journals and other relevant publications. Regular reviews are important because there's a narrow window of opportunity to oppose confusingly similar applications. It's also prudent to watch non-registered trademarks by examining business journals, business registries, publications and newspapers. Such reviews should consider not only exact matches, but also "sound-alikes" and variants. Legal counsel can assist you in developing an efficient monitor program. Trademark owners who become conscious of an infringing mark should take action or risk losing their trademark rights.

The **doctrine of estoppel** may operate to stop a trademark owner from claiming infringement where the owner delays for an unreasonably long period before initiating enforcement procedures. The infringer could argue that the owner's actions, or lack thereof, indicated tacit approval of the infringer's use of the trademark.

If you think that someone could also be infringing your trademark, you ought to consult your legal advisor regarding the simplest course of action. Often, a cease and desist letter may suffice. However, you ought to not approach potential infringers with cease and desist letters until you or your legal counsel has ascertained that your rights to the mark take precedence over theirs. It's going to even be necessary to follow up with a action which can be supported trademark infringement, depreciation of the worth of the goodwill within the mark, and/or passing off.

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<sup>134</sup> *Online Brand Protection*, KLEMCHUK LLP (Jan. 30, 2022, 7:25 PM), <https://www.klemchuk.com/online-brand-protection>.

## **BRANDS AND PARODY**

With the increase of YouTube, Instagram, Amazon Prime, Netflix etc., content creators now have a wider platform to urge discovered and showcase their talents. One particular concept doing the rounds and amusing audiences, is PARODY.

Parody may be a deliberate exaggeration of a specific situation, concept, person etc., finished comic effect. Parodies target anyone and anything; from popular celebrities to movies to politicians to brands etc. most of the people would have encountered sardonic adaptations of varied well-known brands. But from **a legal perspective – can an equivalent be causing trademark infringement?** In today's commercial scenario, trademarks became a crucial marketing tool and occupy a big place within the minds of consumers. Likewise, parodies of popular brands also are being increasingly used for humor.<sup>135</sup>

A major factor behind parody/spoof/satire/lampoon/meme etc. is that the general public is so conversant in the brand that it understands the reference being made. Hence, a mark must be well-known to the audience so as for it to be utilized in a parody. In fact, it can even be argued that a parody is propagating a specific brand. The same, however, can concern owners when their name is portrayed negatively. Therefore, the question is – **when does a parody constitute infringement and when does it not?**

In India, the “defence of parody” was first taken in Tata Sons Limited vs. Greenpeace International and Ors.,<sup>136</sup> and till date remains the sole case which deeply analyses the Trademark law for such a defence. However, the courts abroad have vastly considered the mutilation of brand name names during a number of pronouncements. Intent, purpose and effect: Parodies of brand name names are very on the brink of the particular brand names, but the creative tweaking also makes sufficiently distinctive from the first. Something meant to tickle the crazy bone shouldn't, in essence, be taken to offend the legal rights of another. Therefore, the intention of use, its purpose and therefore the effect of such use within the minds of the general public plays a pivotal role in determining infringement in such cases. A

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<sup>135</sup> Chadha and Chadha Intellectual Property Law Firm, *Brand Name Parody: Does it mean infringement?*, LEXOLOGY (Jan. 30, 2022, 7:35 PM), <https://www.lexology.com/library/detail.aspx?g=fd17ce8d-577a-496c-8099-23abc38d9c98>.

<sup>136</sup> Tata Sons Limited vs. Greenpeace International and Ors., 178 (2011) DLT 705 (“GREENPEACE”).

lucid explanation of an equivalent was provided in *Tata Sons Limited vs. Greenpeace International and Ors.*, as *“The relationship between the trademark and therefore the parody is that if the parody doesn't take enough from the first trademark, the audience won't be ready to recognize the trademark and thus not be ready to understand the humour. Conversely, if the parody takes an excessive amount of it might be considered infringing, based upon the very fact that there's an excessive amount of theft and insufficient originality, no matter how funny the parody is.”*

Section 29(4) and (5) of the Trademarks Act, 1999 mandates that the utilization of the infringing mark must be within the course of the trade and in reference to business. The Indian Courts have relied on variety of foreign precedents in their rulings and held that so as to constitute infringement, the impugned mark must be used for a billboard purpose. Even within the case cited above (*supra*), the court has held that a breach of Section 29(4) would happen when another commercial/entrepreneurial body is exploiting an equivalent trademark.

Even in *Blackwood & sons v A.N. Parasuraman*<sup>137</sup>, the Court held that the motive to compete must be necessary so as to constitute the “dealing unfair.” The purpose of Trademark Law is to safeguard the interests of trademark owners against unauthorized use by entities attempting to free-ride on their reputation and goodwill also on protect the consumers from confusion and deception on the origin of the brand.

The aim of parody would be ineffective if consumers didn't make an association with the brand. However, it might be similarly ineffective if consumers considered the brand to be a politician product of the first brand owner. In cases where the parody is recognized as a parody, it's unlikely that buyers are going to be misled about the origin of the goods/services being provided. Elucidated through the discussions of varied judicial precedents in *Tata Sons Limited vs. Greenpeace International and Ors.*<sup>138</sup>, the difficulty herein isn't the limitation of 1 right, but analyzing them in their specific context.

The balancing of interest must be supported the text concerned, (whether visual, verbal or

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<sup>137</sup> *Blackwood and Sons Ltd. and Ors. vs. A.N. Parasuraman and Ors.*, AIR 1959 Mad410.

<sup>138</sup> *GREENPEACE*, *supra* note 23.

both), should be analysed in terms of its significance and therefore the impact it had (or was likely to have) and the actual setting during which it had been communicated. Therefore, the impact of the harm done by the parody to the property interests of the trademark owner shouldn't overshadow the free speech interests involved. Hence, the question is **whether or not the character of the parody is primarily, communicative or commercial?**  
**Enforcement – when to act?**

It is to be borne in mind that every case is different supported its facts and circumstances. Humour has its own place in society, but a parody has got to confirm that it doesn't take more from the first than necessary. Therefore, choose whether a parody constitutes trademark infringement or not, the courts have also considered the particular commercial nature of the parody. If the parody doesn't shall ride upon the name of another for commercial gain or within the course of trade, no infringement has occurred.

Whereas, if the character of the parody is such it's likely to misrepresent, deceive and cause confusion among the general public or is employed for a billboard purpose, the parody is susceptible to termed an infringement of trademark. The courts have time and again adopted a really lenient view towards protecting parody of brands for the aim of creativity and artistic expression. But when parodies end in actual confusion among the general public and free-riding on the trademark owner's reputation, such protection isn't afforded to the Defendants.

## **CONSUMER COMPLAINTS AND 'CYBER GRIPING'**

Cyber griping involves one party establishing an internet site for the aim of publishing complaints about or criticism of another party (the "target"). The website's name often incorporates the target's name or trademark, and a pejorative suffix, like "sucks" or "ripoff."

### **Case Study: Mayflower Transit, LLC v. Prince**

In *Mayflower Transit, L.L.C. v. Prince*<sup>139</sup>, 314 F. Supp. 2d 362 (D.N.J 2004), LLC ("Mayflower") was an interstate mover. With few exceptions, Mayflower wasn't licensed to provide intrastate moving services. Mayflower's various agents, however, could and did

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<sup>139</sup> *Mayflower Transit, L.L.C. v. Prince*, 314 F. Supp. 2d 362 (D.N.J 2004).

provide intrastate moving services using the MAYFLOWER service mark with Mayflower's permission.

Brett Prince ("Prince"), allegedly by referral from a Mayflower sales manager, engaged one among Mayflower's agents, Lincoln Storage Services ("Lincoln"), to supply moving and storage services for a move wholly within the State of latest Jersey. The truck and boxes for, and a few of the paperwork related to, the move bore the MAYFLOWER trademark. While Prince's possessions were stored in one among Lincoln's trucks overnight, many of them were stolen. Prince sued Lincoln and its insurance carrier in state court, which matter ultimately was settled. After the unfortunate moving incident, Prince registered the name and posted an internet site under this name containing content critical of Mayflower, Lincoln, and their businesses.

Later, Prince registered the domain names and containing identical critical content. At some point thereafter, Prince discontinued using the domain name, but continued using the latter two domain names for his disparaging internet site content. In ensuing communications between Mayflower and Prince, Mayflower claimed it had no responsibility for the move conducted by Lincoln. Prince responded that he wouldn't change his internet site content until he received a satisfactory settlement from Mayflower.

Mayflower sued Prince, alleging violations of the ACPA, trademark dilution, and state law claims for libel and trade libel. The parties both moved for partial summary judgment on Mayflower's ACPA and libel claims. The court granted Prince's motion on Mayflower's ACPA claim, but denied his motion regarding Mayflower's state law libel claims due to unresolved problems with material fact. The court denied Mayflower's motion in its entirety.

The court found that the primary two prongs of Mayflower's ACPA claim were easily met because:

1. Their registered trademark was distinctive and
2. Defendant's "mayflowervanline.com" was confusingly almost like Plaintiff's Mayflower trademark.

However, when the court was examining the third prong of Plaintiff's ACPA claim, whether Defendant registered its name with the bad faith intent to take advantage of Plaintiff, the court found Defendant had a real noncommercial use of the mark, therefore, the ACPA claim failed.

"Defendant's motive for registering the disputed names was to precise his customer dissatisfaction through the medium of the web."

The court found in favor of Mayflower on the primary two of the three prongs of its ACPA claim. Central to the court's decision in Prince's favor was that his use of the name was non-commercial and for the aim of critical commentary that Prince had reasonable grounds to believe was lawful. Moreover, nothing contained on Prince's internet site nor any of his other accused actions (including his refusal to vary his internet site content until he obtained a satisfactory settlement) showed that he registered the name for the aim of selling it to Mayflower or anyone else. Additionally, none of Prince's internet sites contained advertising or commercial offers to sell anything for a profit.

This is clearly a matter of cyber griping, i.e., one party establishing an internet site for the aim of publishing complaints about or criticism of another party

## **DOMAIN NAMES AND CYBERSQUATTING: THE EUDRP AND THE INDRP**

### **What is a website name and what purpose does it serve?**

The Hon'ble court of Bombay, within the recent case of Hindustan Unilever Limited v Endurance Domains Technology LLP & Ors.<sup>140</sup> observed that: *"A name is just an easy-to-remember or mnemonic for an online protocol address. The IP address may be a string of numbers in four sets separated by a period."* Being the address for internet communication that identifies a selected website, a website name may be a kind of 'business identifier', especially within the context of larger chunk of economic activity happening online instead of in brick and mortar stores. Domain names are regulated by name registrars, from whom one can buy a specific name and acquire an address to their website.

### **Inter-Relationship Between Domain Names & Trademarks**

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<sup>140</sup> Hindustan Unilever Limited vs. Endurance Domains Technology LLP & Ors., (2020) SCC OnLine Bom 809.



Domain names came into existence as users needed an address while communicating within the virtual world of internet. As businesses started augmenting their online presence, domain names began to be reckoned as unique, easy to recollect and a differentiating factor on worldwide web. Since domain names are the primary impression for any business in a web environment, they render recognition to businesses and makes and function a web trademark.

In the landmark case of *Satyam Infoway Ltd v. Sifynet Solutions Pvt. Ltd.*<sup>141</sup>, the Hon'ble Supreme Court laid down that, *"A name is straightforward to recollect and use, and is chosen as an instrument of economic enterprise not only because it facilitates the power of consumers to navigate the web to seek out websites they're trying to find, but also at an equivalent time, serves to spot and distinguish the business itself, or its goods or services, and to specify its corresponding online Internet location. Consequently a website name as an address must, necessarily, be peculiar and unique and where a website name is employed in reference to a business, the worth of maintaining an exclusive identity becomes critical."*

Therefore, it won't be an exaggeration to mention that the aim a trademark serves during a physical environment; name serve during a virtual commercial environment – identification, differentiation and creation of a brand identity. Thus the Hon'ble Supreme Court recognized that a website name is of critical importance to a commercial enterprise because it is that the means of navigating the web by potential consumers/customers.

The *Satyam Infoway* case (supra) recognised how the web developed from a mere means of communication to a mode of carrying on business activity, and also addressed a crucial question that arose - **whether internet domain names are recognisable as other intellectual properties like trademark?**

The Hon'ble Supreme Court drew a contrast between trademarks and domain names, observing that an outsized number of trademarks containing an equivalent name can comfortably co-exist, as they're related to different products and should belong to businesses in several jurisdictions etc. However, with reference to domain names, their distinctive nature provides global exclusivity, and hence is far more valuable. Consumers looking up for a specific site on the web are likely to first guess the name, which has further enhanced the

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<sup>141</sup> *Satyam Infoway Ltd vs. Sifynet Solutions Pvt. Ltd.*, (2004) 6 SCC 145.

worth of domain names.

The inter-relationship between trademark and domain names was also outlined by the Hon'ble Supreme Court within the matter Arun Jaitley v. Network Solutions Private Limited and Ors.<sup>142</sup>.

*"The name is typically an address given to the web site in order that the person meaning to visit an equivalent may visit the web site of the identified person. This function of giving names to the addresses of the web site has undergone magnificent change whereby the businesses, firms, eminent individuals are ready to name the online addresses after their own names and/or trade mark. This performs dual functions, firstly, the name doesn't merely remain as an address but rather performs the function of a trade mark because the prospective customers or other known persons visit the webpage and are ready to immediately connect with the source and identify an equivalent with the actual company or the individual."*

### **What Is Cybersquatting?**

While trademarks granted protection against unfair use by another party, once a proprietor/owner registered them, domain names could simply be purchased (without the need of the registration). This was a kind of 'first come, first served' concept, which also resulted in several disputes concerning the wrongful or fraudulent use of trademarks as domain names. However, not all name disputes are cybersquatting.

Cybersquatting may be a one among the precise sorts of name disputes that arises when a celebration registers domain names without the intention of using them. Propelled by malafide intentions, cybersquatting is that the most rampant quite name dispute whereby a celebration, usually completely unrelated to a trademark, business name or brand name, obtains registration of a website name identical or almost like such trademark, business name or brand name.

Domain names are often obtained by anyone with none prior approval from any authority with reference to pre-existing property or proprietary rights over trademark, business name or brand name. Obtaining a website name doesn't require any proof of ownership of the

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<sup>142</sup> Arun Jaitley vs. Network Solutions Private Limited and Ors., 2011 SCC OnLine Del 2660.

trademark or brand name.

This non-alignment between operational aspects of obtaining a website name and registration procedure for trademarks becomes the idea of exploitation and cybersquatting. Persons resorting to cybersquatting obtain domain names identical/similar to trademarks, business names, trade names and sometime names of famous celebrities or personalities and thereafter either deal in sale of said names for exorbitant amounts or resort to unfair online activity to divert the web traffic from genuine websites to their websites.

In the Arun Jaitley case (supra) mentioned above, the Hon'ble SC held the following: *"Cybersquatting may be a crime against the laws and regulations of cyber law. The registering, or employing a name with mala fide intent to form profit belonging to somebody else . The cyber squatter then offers to sell the domain to the person or company who owns a trademark contained within the name at an inflated price. Cyber squatters invite prices much more than that at which they purchased it. Some cyber squatters put up derogatory remarks about the person to shop for the domain from them to compel the innocent person with none fault."*

Recognising the necessity to ring-fence honest users from those that are slightly better versed with technology, but plan to profiteer from goodwill of others, the Hon'ble Court realised its responsibility to accord protection against cybersquatting. Accordingly, the Hon'ble Court observed: *"Therefore, it becomes incumbent to guard the domain names in order that the identified names of companies and individuals which are distinct at the market place might not go at the hands of people who are nowhere concerned with those names and have obtained them simply because they're better conversant with the pc techniques and usage of the web. To simplify, so as to stop the cybersquatting or trafficking or trading in domain names or the marks, the trade mark law has been stretched to the extent that it's going to cover the sector of internet and domain names could also be protected a bit like the trademarks."*

### **Nature of Reliefs Available In Cybersquatting Disputes**

As the world shrinks to a worldwide village, where businesses transcend boundaries and transact overseas from computers screens and handheld devises, the menace of cybersquatting could definitely put a period to the dreams of these who fall prey to cyber squatters. On several

occasions, e-commerce companies are ransomed into paying hefty amounts of cash to guard their trademark (and goodwill riding on it!).

Domain names aren't 'owned', they're registered for a fee and for a specified time. The method of registration is fairly simple and one has got to merely search for availability of a mixture of words, which is then matched to a desired top-level or other domain (.in, .com, .net, etc). The method is automated and requires no manual intervention. There's no human element involved in overseeing or assessing the legitimacy of any chosen name, which is probably the rationale for several name disputes and cybersquatting.

Therefore, there's no preventive mechanism that stops or blocks a website name from being registered (unless there's an order of the court or government thereto effect). An aggrieved party can only seek resolution of conflict, once the name has been registered. This was discussed at length in Hindustan Unilever Limited case (supra), wherein the Hon'ble Bombay court discussed the following: *"Any name Registrar can always suspend a website that's registered. But the whole process of registration itself is entirely automated and machine-driven. No name registrar can put any domain names on a black list or a block list. The notion that name registrar's have an individual or a team of persons scanning and checking every name application betrays a wholesale lack of understanding of how name registration actually works. If a user wanted to register, say, chroniclesofwastedtime.com, there's no individual at any name registrar to question, to ask why, rebuke or anything. If the name is free, the applicant can take it to registration. That's all there's thereto. That registration will continue until suspension or expiry. A 'continued suspension' is therefore impossible or practicable a minimum of within the current technology."*

In the Indian context, the trade mark law protects names from its inception. Even in earlier trade mark Act of 1958, the names got ample protection on the principles of passing off. In the Arun Jaitley case mentioned above, the Hon'ble SC discussed the law of passing off applicable to trade names and held that: *"Likewise, the definition of trade mark includes the name being an inclusive definition was also extended to incorporate domain names. This was done so on give ample protection to domain names because the domain names weren't included as a selected subject under the trade mark law regime. Therefore, the recourse was taken by expansive interpretation of the definition of the trade mark which is sought to incorporate domain names in order that the law of passing off may sufficiently subsume an*

*equivalent."*

Internationally, domain names are regulated through WIPO (World property Organization) and ICANN (The Internet Corporation for Assigned Names and Numbers). WIPO, in its endeavour to market the protection, dissemination and use of property throughout the planet, developed forums for the event and implementation of property policies internationally, through treaties among the member states. WIPO has found out a system of registration of domain names with accredited registrars and has also devised the Uniform name Disputes Resolution Policy (UDNDR Policy). The web Corporation for Assigned Names and Numbers (ICANN) adopted UDNDR Policy, the supported recommendations made by WIPO. Under this policy, a trademark holder can initiate a proceeding against a website name registrant, if he considers that the registration of such name infringes its trademark.

Therefore, while the registrations still be provided on a 'first come first served' basis, name disputes with reference to gTLDs (Generic top-level domains) are subject to the Uniform name Dispute Resolution Policy (UDNDR Policy). Further ccTLD (country code top-level domains) disputes are subject to country specific dispute resolution policy.

In India, the disputes with reference to '.in' or '.co.in' extensions are subject to INDRP (.IN Domain Dispute Resolution Policy). In such cases, a complainant can initiate a website name action with .in registry, which operates under the National Internet Exchange of India (NIXI), an organisation established for regulation of traffic exchange between internet service providers. The .in registry appoints an arbitrator selected from a panel maintained by NIXI for resolving the dispute.

## **PLATFORM-SPECIFIC TRADEMARK ENFORCEMENT**

### **MECHANISMS**

#### **The Trademarks protection within the light of TRIPS Agreement:**

TRIPS stated general principles of procedure for the acquisition and sanction of commercial property rights and Trademarks that has got to be enforced by its members. Under parts III and IV of TRIPS, member states must introduce procedures into their national legislation which will allow an efficient action against any infringement of property rights. Member states also must introduce means designed to stop any longer infringement of the trademarks and are obligated to enforce both of the above measures *“so on avoid the creation of barriers to legitimate trade and to supply for safeguards against their abuse. Furthermore, procedures and formalities required for the acquisition of rights must be reasonable and equitable and should not be “unnecessarily complicated and dear,”* nor include unreasonable or unjustified delays.

Part III, sections 2-5 of TRIPS provide a more detailed list of procedures and criminal, civil, and administrative corrective measures. In cases of infringement, rights holders may seek enforcement from judicial, administrative, and customs authorities, through measures like injunctions and penal sanctions, or through the confiscation or destruction of counterfeit goods. If infringement is threatening, the owner may demand provisional measures like suspension of the products from circulation. Each member state or group of states must organize protection of trademarks to be in compliance not only with these general principles but also with the principles specific to trademarks.<sup>143</sup>

#### **The Trademarks protection within the light of UAE Federal Law No. (37) of 1992, amended by Law No. (8) of 2002:**

The first way of protection given to the trademark through the UAE Trademarks Law is what has been acknowledged by Article 17 which states that *“Any one that registers a mark shall be deemed its sole owner. The ownership of such mark might not be disputed if the person,*

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<sup>143</sup> Mahmood Hussain Law Firm, *The Protection Of Trademarks Including The Mechanism Of Preventive Measures By Its Owner*, THE LEGAL 500 (2019), (Jan. 30, 2022, 7:45 PM), <https://www.legal500.com/developments/thought-leadership/the-protection-of-trademarks-including-the-mechanism-of-preventive-measures-by-its-owner/>.

*who registers it, uses it uninterruptedly for minimum of (5) years from the date of registration without an action being lodged against him ruling for its validity. The owner of a registered trademark may prevent others from employing a similar or identical trademark, to differentiate products or services that are identical, similar or correlated that the mark has been registered, in such how that confuses the consumers. ”*

Furthermore, Article 21 states that without prejudice to the supply of Article (17), the Ministry and any concerned person shall have the proper to request a judgement be passed for striking off a trademark registered without right. during this regard, the Law has confers a protection bases on the “prior use “of the Trademark consistent with the aforementioned circumstances in Article 17 although that article 21 doesn't specify the standards to work out when a mark is to be considered registered “wrongly” and there's accordingly more scope in cancellation proceedings to argue for the removal of a trademark from the register supported “prior use”. In the case of any infringements to the rights of Trademarks, the UAE Trademarks Law has determined the conducts that shall be penalized within the light of the protection of the Trademarks as in Articles 37, 38, 39, 40 which diverse range of confinement, fine and therefore the Trademark owner to hunt for judicial compensation.

#### **Twitter:<sup>144</sup>**

The trademark enforcement mechanism given in Twitter’s trademark policy is as under:

#### **“What is in violation of this policy?**

Using another’s trademark in a way that may mislead or confuse people about your affiliation may be a violation of our trademark policy.

#### **Who can report violations of this policy?**

Twitter only investigates requests that are submitted by the trademark holder or their authorized representative e.g., a legal representative or other representative for a brand.

#### **How can I report violations of this policy?**

You can submit a trademark report through our [trademark report form](https://help.twitter.com/en/rules-and-policies/twitter-trademark-policy). Please provide all the

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<sup>144</sup> Twitter Help, *Twitter's trademark policy*, TWITTER (Jan. 30, 2022, 7:57 PM), <https://help.twitter.com/en/rules-and-policies/twitter-trademark-policy>.

information requested in the form. If you submit an incomplete report, we'll need to follow up about the missing information. Please note that this will result in a delay in processing your report.”

### **LinkedIn:**<sup>145</sup>

The trademark enforcement mechanism given in LinkedIn’s trademark policy is as under:

“If you in good faith believe that content posted by a member on our website infringes your trademark rights, please complete the Notice of [Trademark Infringement Form](#).

If you believe this claim was submitted in error, you can [submit a Counter-Notice form](#).

### **Instructions for Reporting Trademark Infringement**

This Notice should be used if you believe someone on LinkedIn is infringing your trademark rights. **Please note that a copy of your trademark registration must be provided using the 'Add an attachment' option below in order to process your claim, otherwise your claim may be summarily denied.**

### **Instructions for Reporting Other Matters**

If you are not reporting a trademark infringement, please see the following below for additional assistance:

If you want to become admin of a LinkedIn Company Page or claim an unclaimed LinkedIn Company Page, please click [here](#)

To report Fake Profiles, please click [here](#)

To report Inaccurate Information on another member's profile such as employment or education, please click [here](#)

To report inappropriate or offensive content in your LinkedIn Feed, please click [here](#).”

### **Facebook:**<sup>146</sup>

The trademark enforcement mechanism given in Facebook’s trademark policy is as under:

“Facebook can't adjudicate disputes between third parties, and so we wouldn't be in a position

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<sup>145</sup> LinkedIn Help, *LinkedIn's Trademark Policy*, LINKEDIN (Jan. 30, 2022, 8:19 PM), <https://www.linkedin.com/help/linkedin/answer/30365/linkedin-s-trademark-policy?lang=en>.

<sup>146</sup> Help Centre, *Trademark*, FACEBOOK (Jan. 30, 2022, 8:25 PM), <https://www.facebook.com/help/507663689427413>.



to act on trademark reports that require an in-depth trademark analysis or a real-world dispute outside Facebook. In these situations, rather than contacting Facebook, you may want to contact the party that you believe is infringing your rights directly, or seek any resolution in court or by other judicial means. If you're sure you want to report content on Facebook that you believe infringes your trademark, you can do so by completing [this form](#).

Please note that submitting a claim of trademark infringement is a serious matter with potential legal consequences. Before you submit a report, you may want to send a message to the person who posted the content and resolve the issue with them directly. You may be able to resolve the issue without contacting Facebook.

Remember, only the trademark owner or their authorised representative may file a report of trademark infringement. If you believe something on Facebook infringes someone else's trademark, you may want to let the rights owner know.

**Tools Facebook provides to protect one's IPR:**

If you own a registered trademark, you may be eligible to use Brand Rights Protection. This tool allows you to identify trademark violations, counterfeit products and copyright infringement across many of our platforms. Learn more about [Brand Rights Protection](#), including how to apply.”

## **CONCLUSION**

The trademark is a crucial guide for the buyer to spot the source and excellence of the products and services and thus facilitate the shopping process. Trademark is subject to the risks of counterfeiting and cybersquatting, which makes countries strive to adopt a protection system and preventive measures to guard trademark from infringement by issuing national legal texts and concluding international treaties to broadcast the sentences of the penalties imposed on the varied misdemeanours resulted in due course, these penalties could also be civil or criminal.

The key essence of cybersquatting is 'bad faith registration' of an owner's rights during a name, brand name or a trademark etc. as a website name. If the name one intends to use appears to be already registered, one may contact the name registrant and ascertain if they're curious about selling the name at a mutually agreeable price. However, if an equivalent doesn't fructify or the registrant resorts to cybersquatting by quoting exorbitant consideration to sell the name, appropriate relief could also be sought from the court. If the registration pertains to a generic top-level domain (gTLD) or a rustic code top-level domains (ccTLD), the aggrieved party can also initiate a proceeding under the UDNDRP or INDRP because the case could also be and seek to resolve the dispute by way of arbitration.

Trademark infringements remains a phenomenon that negatively affects national products and is additionally exposing economic safety and security of the country and the mechanisms mentioned above need to be taken care on an individual as well as company level.



## **INDIA'S ACCESSION TO THE MADRID PROTOCOL: A CRITICAL ANALYSIS**

*Nimita Aksha Pradeep*

### **ABSTRACT**

*India is one of the fast growing economies in the world today and has the potential to become a world leader in various respects. Protection of trademarks, distinctive marks that help distinguish the goods and services of a company from that of their competitors, is hence of crucial importance in today's world. Availability of good transportation and communication facilities along with advancement in science and technology has made geographical locations meaningless by enabling trade and business to flow beyond the borders and boundaries of countries. Protection of trademarks at an international level thus became a necessity and this is where the Madrid Protocol came into the picture. The Protocol, one of the two treaties of the Madrid System, enables trademark owners to file a single application and register their marks in any of the member countries. India could not keep itself away for long especially considering the range of benefits the Protocol conferred on member countries. It was, however, essential that certain changes be brought about in Indian Trademark Law prior to this so as to better facilitate India's accession to the Protocol. These amendments were brought about via the Trade Marks (Amendment) Act, 2010 and Trade Marks (Amendment) Rules, 2013. In this background, the advantages and disadvantages of India ratifying the Protocol will be analysed and interpreted in this paper. The amendments made in Indian Trademark Law for the proper implementation of the Protocol and its provisions in the country will also be looked at.*

**Keywords:** *Madrid Protocol, Madrid System, International Registration, Office of Origin, Subsequent Designation, Central Attack.*

## **INTRODUCTION**

Registration of a mark is prima facie evidence of its ownership. It provides the applicant the sole right to utilise the trademark in relation to their goods or services and obtain relief in case of infringement by a third party. As long as the mark is renewed at regular intervals, the trademark owner would be able to benefit from the hard-earned goodwill and reputation of their business forever. They would also possess the authority to transfer or license the mark to another individual or company for a consideration.<sup>147</sup> Trademarks in the country are typically registered at the Trade Marks Registry Office by the Controller General of Patents, Designs and Trademarks, post which they would acquire legal protection within the territory of India.<sup>148</sup> Trademark registration thus confers a wide range of benefits on the applicant.

With the advent of liberalisation, globalisation and privatisation, the world has come much closer. Business and trade are no longer restricted by geographical location. Indian entrepreneurs are making their mark in the global market. From this, stems the need for Indian companies to get their trademarks registered in different regions across the globe. Initially, obtaining trademark protection in multiple countries was a long and tedious process as trademark owners were required to submit separate applications in each of the countries, they wished to protect their mark. The fact that the applications to be submitted had to be in different languages and compliant with different rules and regulations further complicated the issue. Even the registration fees to be paid differed from country to country and region to region. It was also often necessary for applicants to hire different legal counsels to file each application as they were not well-versed with the local laws of all the countries.<sup>149</sup> Keeping all this in mind, in 2007, the Government of India decided to ratify the “Protocol Relating to the Madrid Agreement”.

However, various changes were required to be made in Indian Trademark Law for the proper implementation of the Protocol and its provisions in India. Though the Trade Marks (Amendment) Bill, 2007 was pending in the Parliament for a substantial period of time, it was

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<sup>147</sup>[Senthil Kumar, Trademark Registration in India](https://www.researchgate.net/publication/330994359_Trademark_Registration_Process_in_India), Research Gate (Apr. 9, 2022, 5:30 PM), [https://www.researchgate.net/publication/330994359\\_Trademark\\_Registration\\_Process\\_in\\_India](https://www.researchgate.net/publication/330994359_Trademark_Registration_Process_in_India).

<sup>148</sup>[Id.](#)

<sup>149</sup>R. A. Tiwari, [India's Accession to The Madrid Protocol](#), 1 IP Expressions 10, 10-19 (2015), [www.ipindiaservices.gov.in/rqstatus/IP\\_expression\\_booklet\\_26January2015.pdf](http://www.ipindiaservices.gov.in/rqstatus/IP_expression_booklet_26January2015.pdf).

only on 8<sup>th</sup> July 2013 that the amendments were notified and India finally acceded to the Protocol.<sup>150</sup> The Protocol is one of the two treaties of the Madrid System for the International Registration of Marks administered by WIPO. It was adopted on 27<sup>th</sup> June 1989 and came into operation on 1<sup>st</sup> April 1996. It primarily enables trademark owners to file a single application in their National Trade Marks Office and thereby register their marks in the member countries of their choice.<sup>151</sup> In light of the above, the advantages and disadvantages of India ratifying the Protocol will be analysed and interpreted throughout the course of this paper. Furthermore, the amendments made in Indian Trademark Law for the proper implementation of the Protocol and its provisions in India such as the promulgation of the Trade Marks (Amendment) Act, 2010 and Trade Marks (Amendment) Rules, 2013 will also be looked at in this paper.

## **Literature Review**

R. A. Tiwari in *“India’s Accession to the Madrid Protocol”*<sup>152</sup> discusses the importance of trademark registration and protection in India and further examines the importance of India ratifying the Madrid System. Furthermore, the article explains the amendments made to the trademark law in order to facilitate India’s accession to the Protocol. Additionally, it also discusses the National Trade Marks Registry’s implementation of the Protocol and its provisions in India.

N. Babu in *“Effective Implementation of the Madrid Protocol with a Special Emphasis to the Organizational set up in India”*<sup>153</sup> provides an overview of the Madrid System and its objectives and highlights the differences between the Agreement and Protocol. He also explains the procedure for filing an international application and discusses the benefits and limitations of the Protocol. Furthermore, he explains the preparation required to start Madrid Protocol in India such as amendment of current trademark laws.

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<sup>150</sup>Id.

<sup>151</sup>Bingbin L. U., Madrid System for the International Registration of Marks: An Updated Overview, 17 Intellectual Property Studies 226, 226-246 (2007), [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=558589](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=558589).

<sup>152</sup>Supra 3.

<sup>153</sup>N. Babu, Effective Implementation of the Madrid Protocol with a Special Emphasis to the Organizational set up in India, WIPO (Apr. 9, 2022, 6:15 PM), [https://www.wipo.int/export/sites/www/about-wipo/en/offices/japan/research/pdf/india\\_2009.pdf](https://www.wipo.int/export/sites/www/about-wipo/en/offices/japan/research/pdf/india_2009.pdf).

Barbara Bennett in *“Study on Accession to the Madrid System for the International Registration of Marks”*<sup>154</sup> explains the difference in procedure between international registration of trademarks through the Paris Convention and Madrid Protocol. Furthermore, she investigates the experiences of countries such as Korea, Turkey, Mongolia, Vietnam and Singapore in accession to the Protocol. She also examines the views of various stakeholders such as trademark owners, IP Offices, attorneys and agents on the potential benefits and difficulties of operating the Protocol.

Chaudhry Asfand Ali in *“Analysis on the Impact of Madrid Protocol for the Economies of Developing Countries”*<sup>155</sup> examines the essentials of the Protocol and the requirements to be complied with by marks in order to be granted international protection. He also explains the effects of international registration and the responsibilities of the International Bureau, Designated Contracting Parties and National Trade Marks Registries. Furthermore, he also compares the Protocol with the trademark legislations of various countries such as Japan, Singapore, Pakistan and the United States.

Bingbin L. U. in *“Madrid System for the International Registration of Marks: An Updated Overview”*<sup>156</sup> examines the provisions of the Madrid Agreement and Madrid Protocol and thereafter discusses the relationship between the two. The article also provides a brief overview of the Madrid System and points out its pros and cons in terms of the registration process, language barrier, fee schedule, etc. Furthermore, it gives an introduction to international trademark law and provides an update on recent developments in the international trademark registration system.

Ramsay Shonge in *“Assessment of the Impact of the Accession to the Madrid Protocol on*

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<sup>154</sup>Barbara Bennett, Study on Accession to the Madrid System for the International Registration of Marks, WIPO (Apr. 9, 2022, 7:30 PM), [https://www.wipo.int/edocs/pubdocs/en/marks/954/wipo\\_pub\\_954.pdf](https://www.wipo.int/edocs/pubdocs/en/marks/954/wipo_pub_954.pdf).

<sup>155</sup>Chaudhry Asfand Ali, Analysis on the Impact of Madrid Protocol for the Economies of Developing Countries, WIPO (Apr. 9, 2022, 8:20 PM), [https://www.wipo.int/export/sites/www/about-wipo/en/offices/japan/research/pdf/pakistan\\_2008.pdf](https://www.wipo.int/export/sites/www/about-wipo/en/offices/japan/research/pdf/pakistan_2008.pdf).

<sup>156</sup>Supra 5.

*the Zimbabwean Intellectual Property Landscape*<sup>157</sup> examines the impact of Zimbabwe's accession to the Protocol on the country's IP system. In furtherance to this, the article discusses the functions of the Zimbabwe Intellectual Property Office. Furthermore, it analyses and interprets trademark filing in Zimbabwe by way of the national route via ZIPO, regional route via ARIPO and international route via WIPO. For this purpose, it looks into the provisions of the Paris Convention, Banjul Protocol and Madrid Protocol.

## **A BRIEF OVERVIEW OF TRADEMARKS IN INDIA**

As per Section 2(1)(m) of the Trade Marks Act, 1999, "*Mark includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof.*"<sup>158</sup> Furthermore, according to Section 2(1)(zb) of the Trade Marks Act, 1999, "*Trademark means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours.*"<sup>159</sup>

A trademark is basically a distinct mark that identifies products and services in the market as having been manufactured by a particular individual or company. It thereby signifies to consumers that products and services bearing the mark have the same source and are hence of equal quality. It can therefore be said to be a system that helps customers in making purchasing decisions on the basis of the unique characteristics of the goods and services, distinguishable from other similar products available in the market due to the mark associated with it.<sup>160</sup> Trademarks thus play a significant role in the advertisement and sale of goods and services in the market.

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<sup>157</sup>Ramsay Shonge, Assessment of the Impact of the Accession to the Madrid Protocol on the Zimbabwean Intellectual Property Landscape, 4 African Journal of Intellectual Property 1, 1-14 (2019), [https://www.researchgate.net/publication/343112173\\_An\\_Assessment\\_of\\_the\\_Impact\\_of\\_the\\_Accession\\_to\\_the\\_Madrid\\_Protocol\\_on\\_the\\_Zimbabwean\\_IP\\_Landscape](https://www.researchgate.net/publication/343112173_An_Assessment_of_the_Impact_of_the_Accession_to_the_Madrid_Protocol_on_the_Zimbabwean_IP_Landscape).

<sup>158</sup>Section 2(1)(m), Trade Marks Act, 1999.

<sup>159</sup>Section 2(1)(zb), Trade Marks Act, 1999.

<sup>160</sup>Rahul Chakraborty, Growth of Intellectual Property Law and Trade Marks, SSRN (Oct. 3, 2021, 9:30 AM) <https://ssrn.com/abstract=1335874>.



In the case of ***Mattel, Inc. and Ors. v. Jayant Agarwalla and Ors.***<sup>161</sup>, the Hon'ble Delhi HC opined that *"Marks help buyers to identify their source, and assure them of the constancy of quality from a particular producer. Trademarks are thus, a valuable medium of advertisement, vital for marketing of products."*

The Trade Marks Act, 1999 and Trade Marks Rules, 2002 are the two major legislations governing trademarks in the country. They have been enacted in order to confer protection on the words, phrases, signs, symbols, etc. that distinguish the products of one company from those of their competitors. It thus aims at preventing unfair competition in the market.<sup>162</sup> Ultimately, it protects consumers by preventing companies from diluting the marks of their competitors by taking undue advantage of the brand value of other firms and thereby helps avoid customer confusion. The purpose behind trademark law is thus to provide rights and confer remedies on the owners of trademarks.<sup>163</sup>

Furthermore, in the case of ***Cadbury India Ltd. and Ors. v. Neeraj Food Products***<sup>164</sup>, the Hon'ble Delhi HC opined that *"The spirit, intendment and purpose of the trademark legislation is to protect the trader and consumer against dishonest adoption of one's trademark by another with the intention of capitalising on the attached reputation and goodwill."*

Additionally, in the case of ***L. A. Opala R. G. Ltd. v. Cello Plast and Ors.***<sup>165</sup>, the Hon'ble Calcutta HC opined that *"The purpose of trademark law is twofold, namely: a trademark helps customers distinguish between products and a trademark protects the owner's investment and reputation."*

In the case of ***Kamdhenu Ispat Limited v. Kamdhenu Pickles and Spices India Pvt. Ltd. and***

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<sup>161</sup>Mattel, Inc. and Ors. v. Jayant Agarwalla and Ors., 2008(38)PTC416(Del).

<sup>162</sup>Suvrashis Sarkar, Trademark Infringements in India, 2 Global Research Analysis 152, 152-153 (2013), [https://www.worldwidejournals.com/global-journal-for-research-analysis-GJRA/recent\\_issues\\_pdf/2013/June/trademark-infringements-in-india-case-study-with-reference-to-consumer-goods-sector\\_June\\_2013\\_1598965586\\_55.pdf](https://www.worldwidejournals.com/global-journal-for-research-analysis-GJRA/recent_issues_pdf/2013/June/trademark-infringements-in-india-case-study-with-reference-to-consumer-goods-sector_June_2013_1598965586_55.pdf).

<sup>163</sup>Id.

<sup>164</sup>Cadbury India Ltd. and Ors. v. Neeraj Food Products, 142 (2007) DLT 724.

<sup>165</sup>L. A. Opala R. G. Ltd. v. Cello Plast and Ors., 2018(76)PTC309(Cal).

*Ors.*<sup>166</sup>, the Hon'ble Delhi HC opined that “*The object of trademark law is to prevent conduct by a trader or producer, which is calculated to injure the business or goodwill of another trader in the sense that this is a reasonably foreseeable consequence.*”

## **STEPS TAKEN FOR THE IMPLEMENTATION OF THE PROVISIONS OF THE MADRID PROTOCOL IN INDIA**

In India, trademarks are governed by two major legislations, namely: the Trade Marks Act, 1999 and Trade Marks Rules, 2002. On 21<sup>st</sup> September 2010, a major amendment in Indian Trademark Law by way of the Trade Marks (Amendment) Act, 2010 was promulgated in order to facilitate India's accession to the Protocol. Subsequently, on 8<sup>th</sup> July 2013, the Trade Marks (Amendment) Rules, 2013 was enacted so as to confer further clarity on the provisions of the Trade Marks (Amendment) Act, 2010. Thus, India ratified and became a part of the Protocol starting from 8<sup>th</sup> July 2013.<sup>167</sup> The Amendment Act, via Chapter IV A, inserted various special provisions into the main legislation pertaining to the protection of trademarks under the Madrid System by way of international registration.<sup>168</sup> The major provisions of the amendment are as follows:

- **Section 36A** provides that the Trade Marks Act, 1999 would be applicable to international trademark applications filed under the Protocol.<sup>169</sup>
- **Section 36B** has inserted an interpretation clause defining various terms important in the context of the Protocol such as application, basic registration, international application, international registration, etc.<sup>170</sup>
- **Section 36C** provides that the Head Office or one of the Branch Offices of the Trade Marks Registry, as notified by the Central Government, shall deal with international registrations in India.<sup>171</sup>
- **Section 36D** provides for a trademark owner to file for an international registration under

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<sup>166</sup>Kamdhenu Ispat Limited v. Kamdhenu Pickles and Spices India Pvt. Ltd. and Ors., 2011(46)PTC152(Del).

<sup>167</sup>Supra 3.

<sup>168</sup>Id.

<sup>169</sup>Section 36A, Trade Marks (Amendment) Act, 2010.

<sup>170</sup>Section 36B, Trade Marks (Amendment) Act, 2010.

<sup>171</sup>Section 36C, Trade Marks (Amendment) Act, 2010.

the Protocol in accordance to the Common Regulations. It further stipulates that the Registrar would verify that the details provided in the international application is the same as that which had been provided in the basic application and thereafter forward it to the International Bureau. Furthermore, it prescribes that an international registration would lose its legal protection if its basic registration ceased to have effect prior to five years from the date of the international registration expiring.<sup>172</sup>

- **Section 36E** provides that in international trademark registrations wherein India has been designated, the Registrar shall contemplate whether legal protection should be awarded to the mark or not in India. If the Registrar is of the opinion that trademark protection should be conferred subject to certain terms and conditions, he or she shall communicate a refusal to the International Bureau within a period of eighteen months. Alternatively, if the Registrar does not find any ground on which to refuse grant of protection, he or she shall communicate an acceptance to the International Bureau within the stipulated eighteen months.<sup>173</sup>
- **Section 36F** provides that in international trademark registrations wherein India has been designated, the trademark would receive the same protection in the country as if it had been registered in India itself.<sup>174</sup>
- **Section 36G** provides that as international registrations under the Madrid Protocol expired within ten years, it had to be renewed within that period. However, upon payment of a surcharge, a six-month grace period would be permitted in this respect.<sup>175</sup>

After India ratified the Protocol, a Trade Marks International Application System was put into place in India so as to ensure that all functions pertaining to the implementation of the Madrid System in the country such as filing of applications, payment of fees, etc. were carried out in a prompt and seamless manner via a comprehensive e-filing system. Furthermore, as per the declaration made by the Government of India to WIPO at the time of ratifying the Protocol, it was decided that in addition to complementary fees, individual fees would also be paid with regard to international registrations wherein India had been designated.<sup>176</sup>

It was also decided that even though three languages, i.e., English, French and Spanish, had

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<sup>172</sup>Section 36D, Trade Marks (Amendment) Act, 2010.

<sup>173</sup>Section 36E, Trade Marks (Amendment) Act, 2010.

<sup>174</sup>Section 36F, Trade Marks (Amendment) Act, 2010.

<sup>175</sup>Section 36G, Trade Marks (Amendment) Act, 2010.

<sup>176</sup>Supra 3.

been granted recognition under the Protocol, English alone would be the language of communication for international registrations based in India. Another declaration made in this respect was that licensing of trademarks, irrespective of whether the mark had been granted international registration or not, would be carried out only in accordance to the Trade Marks Act, 1999. It was also declared under Article 14(5) of the Protocol that if an international registration had been granted prior to 8<sup>th</sup> July 2013, the registration of the mark could not subsequently be extended to India.<sup>177</sup>

### **CHANGES IN THE TRADE MARKS REGISTRY OFFICE AS A RESULT OF THE COMING INTO FORCE OF THE MADRID PROTOCOL IN INDIA**

After India's accession to the Madrid Protocol on 8<sup>th</sup> July 2013, the functions of the Trade Marks Registry Office's could be broadly divided into two categories: its responsibilities as an Office of Origin and its duties as an Office of Designated Contracting Party as has been explained herein below:

#### **As an Office of Origin**

International applications filed via the e-filing trademark gateway of the official IP website are checked by the Indian Patent and Trade Marks Office. Upon checking, if the application is found to be proper, it is certified and transmitted to WIPO. Additionally, fee notice and certification letter are sent to the applicant. In furtherance to this, if WIPO also does not find any irregularities, it will directly be granted the status of an international registration and published in the WIPO Gazette. However, if any irregularities are found in the application by WIPO, the Trade Marks Registry Office will send an irregularity letter to the applicant who will in turn prepare and upload a written response on the e-filing trademark gateway along with supporting documents. Thereafter, the response will be sent to WIPO.

Alternatively, if any deficiency is found in the application upon checking by the Indian Patent and Trade Marks Office, a deficiency letter will be sent to the applicant who will in turn

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<sup>177</sup>Id.

prepare and upload a written response on the gateway along with supporting documents. Subsequently, the response will be sent to WIPO. As international registrations are based upon a basic mark in their home country, cancellation of the basic application/registration partially or wholly would result in similar cancellation of the international mark. It is hence the duty of the Trade Marks Registry Office to communicate any such change in the status of the basic application/registration to WIPO.<sup>178</sup>

### **As an Office of Designated Contracting Party**

For international registrations in which India is the Designated Contracting Party, the Indian Patent and Trade Marks Office will examine it as a national registration and for this purpose, consider the international application's date to be the national application's date. In furtherance to this, a national number will be conferred on it and the mark will be recorded in the country's trademark database. Thereafter, provisional refusal will be communicated to WIPO in case of objection and a procedure similar to objection at the post-examination stage of national applications will be followed. Upon learning of the provisional refusal, international applicants will have the option of responding and requesting reconsideration by the Trade Marks Registry Office via an Indian agent.

However, if there are no objections, the registration would be published in the Trade Marks Journal and notice of opposition may be filed by anyone via the e-filing trademark gateway of the official IP website. If any such opposition is received, a provisional refusal will be sent to WIPO which may be contested by the applicant via an Indian agent, post which the ordinary opposition proceedings would take place. Alternatively, if no such opposition is received and there is no reason for the application to be refused, protection would be granted to the registration and the same would be communicated to WIPO. As renewal, amendment, correction, etc. of international registrations are take care of by WIPO, the Indian Patent and Trade Marks Office has the duty to maintain updated records of the mark as per information communicated from time to time by WIPO.<sup>179</sup>

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<sup>178</sup>Supra 3.

<sup>179</sup>Id.

# **ADVANTAGES AND DISADVANTAGES OF INDIA'S ACCESSION TO THE MADRID PROTOCOL: AN ANALYSIS**

## **Advantages of the Madrid Protocol in India**

### **1. Cost reduction:**

After India ratified the Protocol, it became possible for trademark owners to register their marks by filing a single application in the Office of Origin instead of filing different applications in the Trade Mark Offices of the countries wherein they wished to receive trademark protection. India ratifying the Protocol also provided a similar advantage to applicants in case of change in name, renewal or assignment of their mark. In addition to this, as the Protocol permits individuals or companies to file an application for the registration of their mark without seeking any legal assistance, the applicant need not pay lawyers' fees anymore while applying for trademark protection. Furthermore, in case the trademark owner does require the assistance of a lawyer in filing the application, in such a scenario also they would have to avail the services of only one legal counsel, thus saving them a considerable amount of money in terms of advocates' fees. The cost associated with registering a mark under the Protocol can thus be said to be substantially lower than that associated with registering a mark in different national Trade Mark Offices.<sup>180</sup>

### **2. The management of the trademark portfolio made easier:**

As registration of trademarks at the international level is tantamount to multiple national registrations, the applicant is able to enjoy trademark protection in numerous countries by filing a single application. This also means that if they wish to make any modification to their registration, they can do so by altering the details of their mark at the Office of Origin. Registration of trademarks under the Madrid System hence makes it much simpler for change in ownership, change in the name or address of the owner, change in the available goods and services, etc. to be recorded.

Furthermore, the Madrid Protocol allows the parties to transfer the registration of the

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<sup>180</sup>Ujjal Pathak, Madrid Protocol and Indian Trade Mark Law: A Critical Analysis, 5 The Clarion International Multidisciplinary Journal 1, 1-48 (2016), [https://www.researchgate.net/publication/307952322\\_Madrid\\_Protocol\\_and\\_Indian\\_Trade\\_Mark\\_Law\\_a\\_critical\\_analysis](https://www.researchgate.net/publication/307952322_Madrid_Protocol_and_Indian_Trade_Mark_Law_a_critical_analysis).

mark, partially or wholly, to another individual or company. This means that a trademark owner may transfer the registration of their mark in Country A to another individual while retaining the registration of their mark in Country B and C. It also means that the trademark owner may transfer the registration of their mark in respect of Product X to another company while retaining the registration of their mark in respect of Product Y and Z. The Protocol thus makes it much easier for applicants to manage their trademark portfolios in an effective and efficient manner.<sup>181</sup>

### **3. Faster registration:**

Though registration of trademarks takes a considerable period of time in many countries owing to the backlog of applications and lengthy examination process, this long waiting period is cut short in cases of registration under the Protocol. Upon filing an application under the Protocol, the Trade Mark Office of the Contracting Party will specify a time period between 1 year and 1.5 years within which they would pass a decision in relation to the application unless and until there arises an opposition to it. In fact, if the Office of the Contracting Party does not communicate a refusal to the applicant within the stipulated time period, he or she may safely assume that they have been granted trademark protection within the country. Furthermore, in certain situations, the Trade Mark Office of the Contracting Party may inform the trademark owner of the success of their application even before the expiry of the stipulated time period.<sup>182</sup>

### **4. Subsequent designation:**

The Protocol also provides an option to the applicant to file a subsequent designation in order to extend their trademark registration to a Contracting Party not originally covered in their application. This allows the trademark owner to expand their trademark protection in accordance to the expansion of their business. It is also to be noted in this scenario that applicants can extend their trademark registrations, by way of subsequent designation, to Contracting Parties that had not ratified the Protocol at the time of their initial application. Furthermore, under the Madrid System, it is also possible for trademark owners to file an application for an international registration when they already have a national registration

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<sup>181</sup>Id.

<sup>182</sup>Mishayla Kercival, The Madrid Protocol, University of Kwazulu-Natal (Apr. 9, 2022, 8:45 PM), [https://ukzn-dspace.ukzn.ac.za/bitstream/handle/10413/18402/Kercival\\_Mishayla\\_2018.pdf?sequence=1&isAllowed=y](https://ukzn-dspace.ukzn.ac.za/bitstream/handle/10413/18402/Kercival_Mishayla_2018.pdf?sequence=1&isAllowed=y).

for the same mark in place. In such a scenario, the international registration would replace the national one as per Article 4 of the Protocol and the trademark owner would continue to benefit from the registration of their mark even if their national registration is not renewed.<sup>183</sup>

## **5. Registration of domain name:**

As any website can be accessed from any country across the globe courtesy of the internet, a domain name is not confined to a particular geographical location. Due to this reason, national protection will not suffice and international protection is a must in case of domain names. Since trademark law can be made applicable to domain names as well, it is possible for individuals or companies to gain international protection for their domain names by filing an application under the Madrid Protocol.

In the case of *Tata Sons Ltd. v Manu Kosuri and Ors.*<sup>184</sup>, the High Court of Delhi opined that *“It is now a settled law that with the advent of modern technology particularly that relating to cyberspace, domain names or internet sites are entitled to protection as a trade mark because they are more than a mere address. The rendering of internet services is also entitled to protection in the same way as goods and services are, and trademark law applies to activities on internet.”*

In the case of *Rediff Communications Ltd. v. Cyberbooth*<sup>185</sup>, the High Court of Bombay opined that *“The internet domain names are of importance and can be a valuable corporate asset and such domain name is more than an internet address and is entitled to protection equal to a trademark.”*

## **6. Formality verification not required on part of the national office:**

As WIPO carries out the formality verification in case of international trademark registration, the Office of Origin is saved the trouble of having to publish the marks, classify the goods or services, check whether the fees have been paid, ensure that the details of the goods or services have been properly mentioned, etc. Once WIPO makes certain that all the filing requirements have been complied with, both the National Office

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<sup>183</sup>Id.

<sup>184</sup>*Tata Sons Ltd. v. Manu Kosuri and Ors.*, 90 (2001) DLT 659.

<sup>185</sup>*Rediff Communications Ltd. v. Cyberbooth*, AIR 2000 Bom 27.



and the applicant would be informed. However, in case any issue arises in the application, the trademark owner would have to rectify it within a period of three months.<sup>186</sup>

## **7. Brand management and commercialization:**

As of 2022, the Madrid Union comprises 128 countries and has 112 members. In fact, approximately 80 percent of world trade flows may be attributed to members of the Union. This is especially beneficial for Indian exports as India's major trading partners such as USA, UK, China, Singapore, etc. are Contracting Parties to the Madrid Protocol. Furthermore, accession to the Protocol enables brands to garner goodwill and reputation in the international market place and thus confers on the company international brand presence and a wide range of associated economic benefits. Brand presence in the global realm is likely to facilitate international partnerships and global supply chain integration as well as amplify franchising opportunities. As a result of all this, there is a possibility that consumers will perceive the brand in a better light, thereby enabling the company to create a better image for itself in the minds of its customers.

## **Disadvantages of the Madrid Protocol in India**

### **1. Possibility of central attack:**

One of the main disadvantages suffered by registration of trademarks under the Madrid System is the risk of central attack provided in Article 6(3) of the Protocol. As per this provision, for the first five years from the date of the registration, an international registration depends on the basic registration made at the Office of Origin. This implies that if the basic registration loses its legal protection for any reason whatsoever during the course of these five years, the international registration would also cease to have effect along with it. The international registration may thus lose its trademark protection due to reasons such as voluntary cancellation, cancellation by the Court or Office of Origin, non-renewal, etc. of the basic registration.

Furthermore, if certain products or services are removed from the basic application within the first five years of its registration, those goods and services would lose international protection as well. It is also to be noted that the protection of an international registration

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<sup>186</sup>Supra 8.

cannot be invoked even if the basic registration loses its legal protection after the expiry of the five-year period if its cease in effect can be attributed to an action that commenced prior to the expiry of the said period. As grounds for the cancellation of trademarks differ from region to region, this provision is quite unfair to applicants of different countries.<sup>187</sup>

**2. International trademark registrations cannot contain products or service in excess of those mentioned in their corresponding basic registrations:**

As registration of trademarks under the Protocol is dependent on the basic application of the mark filed at the Office of Origin, removal of certain goods or services from the basic registration would imply that those goods and services would lose their international protection. It is hence not possible for international registration to be granted for more goods and services than those specified in the basic application.<sup>188</sup>

**3. An international trademark registration may be transferred only to an entity belonging to a member country of the Madrid Protocol:**

In case the trademark owner wishes to transfer their international registration to another individual, it is compulsory that such individual is a Contracting Party to the Protocol. If this is not the case, however, such a transfer would not be possible as assignment of a trademark to an individual not entitled to file an international trademark application is not permitted under the Protocol.<sup>189</sup>

**4. Limited members:**

As the Madrid System has only a limited number of members, registration of trademarks under it does not always help applicants in obtaining trademark protection in the country of their choosing. This is a disadvantage for countries such as India as many regions in the Asian continent are yet to ratify the Protocol.<sup>190</sup>

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<sup>187</sup>Junko Saito, Introduction of the Madrid Protocol, Japan Institute for Promoting Invention and Innovation (Apr. 9, 2022, 9:10 PM), [https://www.jpo.go.jp/e/news/kokusai/developing/training/textbook/document/index/introduction\\_of\\_the\\_madrid\\_protocol\\_2016.pdf](https://www.jpo.go.jp/e/news/kokusai/developing/training/textbook/document/index/introduction_of_the_madrid_protocol_2016.pdf).

<sup>188</sup>Supra 7.

<sup>189</sup>Id.

<sup>190</sup>Sho Haneda, The Impact of the Madrid Protocol on International Trademark Transfers, 7 JAFTAB 29, 29-40 (2018), [www.jaftab.org/RP/RP2018-03.pdf](http://www.jaftab.org/RP/RP2018-03.pdf).

## **SUGGESTIONS**

The suggestions and inferences that have been arrived at after careful analysis and interpretation of the topic are as follows:

### **1. Introduction of transformation module for international applications:**

India ratifying the Protocol has resulted in increased efficiency at procedural levels. However, as technology is continuously developing and growing, it is advisable that the Indian Patent and Trade Marks Office introduces a transformation module for international applications as provided for in the provisions pertaining to transformation in the Trade Marks Rules, 2002.

### **2. Permit division of classes in international applications:**

Though the Trade Marks Registry Office does not permit division of classes in international applications on the ground that filing a request for division is incompatible with Indian Trademark Law, it permits the same in cases of national applications. In the interest of uniformity of practice, it is advisable that international registration designating India and national registrations be conferred similar treatment.

### **3. Promotion of online filing of applications:**

In order to lower the burden of the Indian Patent and Trade Marks Office and reduce the possibility of mistakes being made in applications, it is advisable to encourage attorneys to file their trademark applications online. Furthermore, electronic communication should replace the Trade Marks Registry Office's present paper communication to attorneys for similar reasons. In addition to this, the online system should be made more transparent and user-friendly so that the general public is able to access it as per their requirements.

### **4. Backlogs should be cleared:**

For proper implementation of the Protocol and its provisions in the country, it is advisable that all backlogs in terms of digitisation of old records, data entry, examination and post registration functions such as renewal, transfer, licensing, etc. are cleared. In addition to this, oppositions pending in the Indian Patent and Trade Marks Office should also be cleared on a priority basis.

### **5. Increase in Trade Marks Registry Office personnel and their capabilities:**

Considering the huge number of international applications dealt by the Indian Patent and Trade Marks Office on a daily basis, it is important that the number of Examiners and Hearing Officers is increased so as to decrease the Application-Examiner ratio and Opposition-Hearing Officer ratio respectively. In addition to this, it is advised that power is decentralized and the liability of Officers with regard to their actions/decisions is enhanced. The creation of an in-house Training Department for the benefit of Trademark Officials is also advisable.

## **CONCLUSION**

India ratifying the Protocol has helped the country harmonise itself with international trends. It has helped multiple Indian individuals and companies register their marks in different countries across the globe in a quick and seamless manner. For a considerable period of time now, every industry and sector of the Indian economy is trying its best to reach the heights of its counterparts in developed countries so that it can become a valued player in the global market. Taking into consideration the economic growth the country has been able to achieve in the last decade or so, a huge role may be attributed to India's accession to the Protocol.

India ratifying the Protocol has promoted global trade and enhanced the interest of foreign investors in the country. It has also provided a wide range of benefits to its stakeholders such as cost reduction, faster registration, brand management and commercialization, ease in management of trademark portfolio, removal of necessity for formality verification on part of the national office, etc. In addition to this, the Madrid Protocol also provides an option to the applicant to file a subsequent designation so as to expand their trademark protection in accordance to the expansion of their business by extending their registration to a Contracting Party not originally covered in their application.

India's accession to the Madrid Protocol necessitated certain changes in Indian Trademark Law pertaining to the protection of trademarks under the Madrid System by way of international registration and the same was efficiently and seamlessly brought about via the

Trade Marks (Amendment) Act, 2010 and Trade Marks (Amendment) Rules, 2013. Despite the Central Government's declaration under Article 14(5) of the Protocol that the registration of marks granted international registration prior to 8<sup>th</sup> July 2013 could not be extended to India subsequently, as of 30<sup>th</sup> November 2014, WIPO had notified the Indian Patent and Trade Marks Office of approximately 8642 international registrations seeking trademark protection in the country.

Furthermore, as on 24<sup>th</sup> December 2014, India had been designated in over 12,593 international registrations. By 2015, the Indian Patent and Trade Marks Office received around 187 international trademark applications filed under the Protocol, out of which 97 applications were registered by WIPO and thereafter transmitted to the Offices of Designated Contracting Parties for final approval. As of 2015, roughly 228 international registrations designating India had been examined in accordance to date of the national and international applications of the trademark. India ratifying the Protocol has thus helped countless entrepreneurs, Indian and otherwise, provide protection to their trademarks beyond the boundaries of the geographical location of their residence.



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### **INDIAN SINGERS RIGHTS ASSOCIATION**

*Prof. Ranjana Ferrao*

#### **ABSTRACT**

*Indian music is ever-green. Every restaurant, pub. Airports, stadium, television etc. plays them making them world famous. India has 465 FM Radio stations which constantly play Indian Bollywood music. Though the song becomes well known the singer who sang the song is not recognized nor does he or she receive sufficient compensation for the song. The artist in India is the one who works so hard but ends up getting nothing. In 2012 the Copyright Act was amended which recognized performers rights. The singers were recognized as performers. The law provided for royalty to be paid to the singers. In reality this royalty never reached the singers. The problem for the singer was identifying the user playing his song and the problem for a genuine user was identifying the location of the singer to pay the royalty directly to him. Therefore, there was a need for an independent body to administer the copyright and collect royalty. ISRA is the bridge between the singer and the user which helps in collecting royalty. This article discusses the issues faced by the singers and the need to develop a smother collective administration of copyright.*

*Keywords: ISRA, Collective administration, performer*

## **INTRODUCTION**

A song is the combination of melody and words. The melody can be protected as a musical work and the lyrics as a literary work. When a music company approaches a song writer. The song writer is excited about the new opportunity of making the album and releasing the album. The singer is promised a huge compensation if the song becomes famous after the release of the film. At this stage the singer loves to sing, loves to perform and is not bothered about the legal issues surrounding that song.

In India the artist receives a huge amount of praise for the song. Recently the song '*Kacha Badam*' sung by Bhuvan Badyakar became a huge hit and went viral on social media.<sup>191</sup> **Nazmu Reachat** recreated the song and gave his own twist. His song has over 10 lakh streams on [spotify](#) with millions doing the '*Kacha Badam*' challenge on Instagram Reels. The challenge was popular in many countries like Tanzania, Korea. Everyone all over the world was crooning to this song. Though the song was written and sung by Bhuvan Badyakar he did not make any money out of the song. It was only when Godhulibela Music decided to make a remake of the song and paid him Rs. 3 lakhs did he benefit financially.<sup>192</sup>

In India the music companies would pay royalties to musicians but the singer of the film was just a vocal instrument in a recording, therefore no royalty was paid to the singer. In the early 1950s Lata Mangeshkar became the first Indian singer to demand for royalties from the film producers. This was an extremely challenging situation for the young Lata Mangeshkar as in those days women who worked in cinema were considered insignificant. Making demands from male counterparts could result in losing a job. Lata Mangeshkar was persistent in her demands and ultimately, she was granted royalty. A little before Lata Mangeshkar passed away, she earned 40 lakhs a month as royalty for her songs.<sup>193</sup>

The India system of paying royalties is very negligible. The artist who works so hard does not get anything. There are times when the artists face crises situation he/she cannot bank on the

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<sup>191</sup> <https://www.socialketchup.in/viral-trend-kacha-badam-story-behind/> visited on 2<sup>nd</sup> May, 2022

<sup>192</sup> <https://www.news18.com/news/buzz/kacha-badam-singer-receives-rs-3-lakh-from-company-which-first-remixed-his-song-4786745.html> visited on 2nd May, 2022

<sup>193</sup> [Legend Lata Mangeshkar Owned a Buick, a Chrysler, and a Mercedes. Here's Her Net Worth, News 18](https://www.news18.com/news/movies/legend-lata-mangeshkar-owned-a-buick-a-chrysler-and-a-mercedes-heres-her-net-worth-4745933.html)  
<https://www.news18.com/news/movies/legend-lata-mangeshkar-owned-a-buick-a-chrysler-and-a-mercedes-heres-her-net-worth-4745933.html> visited on 2nd May, 2022

work they had done in the past in order to make a living. On the other hand, foreign singers like Michael Jackson, Elvis Presley, and Elton John have received royalty and get huge amounts for their songs. This royalty sees them throughout their lives.

Every artist and a song has a time line. Today if the song is the most played song in some time, it is no longer played and loses its charm. During the time the song is preferred the artist must make the best of it. After some time, it is only natural some other artist will replace the song. For years great injustice has been caused to the singers. As they have not been granted any rights nor royalty. There is a need of a regulatory system to ensure that the singers must not be victimized. This article discusses the performers rights and the need to administer them effectively.

### **ISSUES FACED BY SINGERS IN INDIA**

The music companies often prepare lengthy agreements and make the singers sign them. The singers often blindly sign the agreements without bothering as to what is written in such agreements. The agreements are valid for three years and normally assigns a royalty of 6%. On the reverse side these agreements bind the singer for three long years to the music company. Many music companies follow a practise of renewing the agreements at the end of three years for a further period of three years. The singers often fail to understand that the artist/singer is vulnerable and fails to understand the legal issues and copyright ownership issues which they would be likely to face.

### **WHO IS A PERFORMER?**

The Copyright Act, 1957 had no provisions for performer's rights. In the case of *Fortune Films v. Dev Anand*<sup>194</sup> the Supreme Court stated that 'an actor in a film has no rights over his performance in the film.' The actors were given a fee for their performance and after that the producer was free to use their performance in whatever they wish to use it. After this judgement, the need was felt to insert the performer's right in copyright act.

In 1994, the law was amended and Section 38, 39 and 39A were introduced to recognize

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<sup>194</sup> AIR 1979 Bom 17



performer's rights. Section 2(qq) defines the term 'performer', which includes 'actor, dancer, musician, singer, acrobat, conjurer, snake charmer, juggler, a person delivering a lecture or any other person who makes a performance.' A sportsman cannot be called a performer as sports person must play according to the rules of the game and hence there is no scope for creativity of the individual. A singer can claim only a performer right in a song. Performers right is only a moral right.

A "performance", means 'any visual or acoustic presentation made live by one or more performers. Every performance has to be live in the first instance whether it is before an audience or in a studio.<sup>195</sup> If this performance is recorded and thereafter exploited without the permission of the performer then the performer's right is infringed. In *Neha Bhasin v. Anand Raj Anand*<sup>196</sup>, the court held that the performance is recorded in the studio or in front of the audience, for the first instance, both will be called live performance and if anyone use such performance without the consent of the performer then performer's rights is said to be infringed.

The Delhi High Court in *Super Cassettes Industries v. Bathla Cassette*<sup>197</sup> made a distinction between copyright and performers rights. The court held that the 'when a song is re-recorded then the prior permission of the original singer is required.'

Getting rights in the legal system was not enough. The practical aspect was missing the law was not enforced effectively. The artists were not getting royalty. This was a huge challenge. There was a need for collective administration of copyright. If a singer would want to collect royalty they had to find out where the song was being played. Whether it was played in India or abroad this was a herculean task, the singer had to contact the owner of the premises playing the song and then negotiate with the owner playing the song and demand for royalties. No restaurant or pub would ever pay the singer such royalties. There was a law but the real practical usage was missing.

An honest user if he wanted to pay the artist his royalty. He too would be faced with difficulties. He had to find out where the artist is living and then negotiate with the singer the amount to be

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<sup>195</sup> S.2(q)

<sup>196</sup> 2006 (32) PTC 779 (Del)

<sup>197</sup> 2003 (27) PTC (280) Del

fixed as royalty. Only then a license would be issued. This would be a difficult task.

## **PERFORMER'S RIGHTS IN INDIA**

The Performers' Rights subsist for 50 years from the date of performance. Section 38A was introduced and provides for Economic Rights to Performers. These rights are exclusive right to do or authorize the doing a number of acts. Like make a sound recording or a visual recording of the performance. Reproduce the performance in any material form including the storing of it in any medium by electronic or any other means. Issue copies of the performance to the public not being copies already in circulation. Communicate the performance to the public. Sell or give the performance on commercial rental or offer for sale or for commercial rental any copy of the recording. Broadcast or communicate the performance to the public except where the performance is already a broadcast.

Composers/Songwriters, Producers & Music Companies are also entitled for economic benefits from the commercial use of the performance. Once a Performer has by written agreement consented to the incorporation of his performance in a Film, the Performer cannot object to the enjoyment by the Producer of the Film of the Performers' Rights in the same Film, unless there is a contract to the contrary.

## **MORAL RIGHTS**

Section 38 B gives Moral Rights to Performers. The Performer will have the right to claim to be identified as the Performer of his performance except where omission is dictated by the manner of the use of the performance. He will also have the right to restrain or claim damages in respect of any distortion, mutilation or other modifications of his performance that would be prejudicial to his reputation. Mere removal of any portion of a performance for the purpose of editing, or to fit the recording within a limited duration, or any other modification required for purely technical reasons shall not be deemed to be prejudicial to the reputation of the Performer.

## **RIGHT TO ASSIGN COPYRIGHT**

The Performer can Assign his Copyright but cannot Assign or Waive the Right to Receive Royalties for the utilization of such performance in any form other than for the communication to the public of the performance along with the Film in a cinema hall. The Performer Can Assign the Right to Receive Royalties to either his Legal Heir or a Copyright Society for collection and distribution. Any Agreement to the Contrary shall be Void.

## **RIGHT TO RECEIVE ROYALTY**

Performers are now entitled to receive Royalties in case of making of the performances for commercial use, where the performance is utilized in any form other than for the communication to the public of the performance along with the Film in a cinema hall.

India has 4 copyright societies which are registered by the central government. The music composers can avail royalty from the music and composers' society the IPRS. For the music companies the society is Recording Music Performance Limited (RMPL). The society for reprography rights is the Indian Reprography Rights Organization (RRO). For singers the royalty is collected by Indian Singers Rights Association (ISRA). ISRA is a bridge between the user and the singer. ISRA has a uniform tariff system and a distribution scheme for collecting royalty.

## **ISRA**

ISRA (Indian Singers' Rights Association) was incorporated as a Company Limited by Guarantee under the Companies Act, 1956 on 3rd May, 2013. ISRA is a registered Copyright Society.<sup>198</sup> It is the 1st Copyright Society to be registered by the Central Government after the 2012 amendments to the Copyright Act. ISRA is a collective administration society. It was formed to create tariff rules, and to collect and distribute royalties to Performers. Most commercial performers in the Indian film and music industry are its members. It has around

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<sup>198</sup> As per Section 33 of the Copyright Act and received its Certificate of Registration from the Central Government on 14th June, 2013.

732 members. ISRA can take legal action on their behalf for violation of copyright. Any person making commercial use of a performance must obtain a “Performer’s Rights Clearance Certificate” from ISRA and pay royalties. Once the money is collected it is distributed to the members depending on which songs are being exploited. While making payment the list of the songs is provided.

### **COMMERCIAL UTILISATION OF A PERFORMANCE**

A commercial performance may include a live performance of a song by the artist at a restaurant. Commercial event or over the internet. It may also include the playing of recorded music in all commercial establishments and online portals.

In India the most successful commercial event is the IPL. ISRA got the first royalty payment in an IPR tournament in 2014. Rediff.com was playing Lata Mangeshkar’s famous song ‘*lag ja gale*’ a number of times during the match. The ISRA issued them a legal notice to pay royalty which they did pay. In case a song is being played at a stadium the stadium must royalty or licence fees at the rate of Re 1 per seat calculated on total capacity basis. Hence if the seating capacity of 85,000 seats the organizers of the event using the song will pay Rs. 85,000. ISRA has created a list of tariff charges. The rates cover all types of public performances at public events, restaurants, clubs, malls, shops, dance schools, and even on-board commercial vehicles such as buses and taxis.

In the case of restaurants, the restaurants playing music must pay royalty to the Performer. It needs to get a No-Objection Certificate from ISRA, and pay the price of “the least priced drink on the menu card” per day to each singer whose song it plays. If a cold drink costs Rs.20 on the menu card the restaurant playing an artist’s song. The restaurant must pay Rs. 7300 to ISRA. Royalties must also be paid to the Producer, the Composer, as well as the Performer.

The Broadcasting organization must pay a royalty of Rs, 25,000 to use the artist’s songs in a reality show or a musical program. The same rate must be paid even if part of the song is used.

The same rate must also be paid when the music is used in a serial. A Music channel is bound to pay a royalty of Rs. 5000 per hour or 5 per cent of the gross revenue of the Channel for that TV, whichever is higher. Royalty is similarly fixed for mediums like radio, internet, hotels, commercial establishments, commercial vehicle, and public events

## **JUDICIAL INTERVENTION**

Even after tariff rates being assigned the biggest problem for the singers is collecting royalty from the broadcasters. Many commercial establishments continue to play music without paying royalty to ISRA. The Delhi High Court in *ISRA v. Chapter 25 Bar & Restaurant* (2016) and *ISRA v. Night Fever Club & Lounge* (2016) ordered that the money made out of the commercial use of the musical work must be paid to ISRA.

It is a common practise during Christmas and New Year parties restaurants indulge in playing popular music to appeal to customer tastes. Many hotels and restaurants invite live bands to perform for their customers. These issues came up before the Madras and Bombay High Court. The Madras High Court in *Phonographic Performance Ltd. v. the Accord Metropolitan and Ors.* and the Bombay High Court *Phonographic Performance Ltd v. Hotel Hilton & Ors* and 5 others similar matters granted interim injunctions and prohibited hotels/pubs/event organizers from playing any of the copyrighted works they claim to manage in Christmas/New Year parties.

## **ROYALTY FROM ONLINE STREAMING WEBSITES**

A music lover has switched to the online platform. With a click the user gets to hear his or her favourite song even before it is played on the television. The advantage of the internet and online streaming of music is that the music can be heard at one's convenience and for multiple times. Online streaming has rendered the old methods of listening to music redundant.

Singers do receive a royalty from online streaming websites. This brings a conflict between the user right to hear latest music and the singers right to receive royalty for the music. The user's right seems to be the core issue since the demand for the song is higher when the song is newly released. The demand may diminish as the song becomes older and a new song takes its place.

The broadcasters require to obtain a license in order to stream the musical work. Therefore, it implies in the case of service provider of an internet portal the service provider must obtain a license. The royalty paid is dependent on whether the portal is an interactive or non-interactive streaming app and whether it is a free or paid service. If the website does not charge the user, then the royalty per song is Rs.0.50 per song, and in instances where the user has to pay to avail for the services the royalty is Rs.1 per song. The issue of internet streaming online music was challenged in *Tips v. Wynk*, the Bombay High Court held;

‘The provisions of statutory licensing do not apply to internet broadcasting, so different schemes apply to internet streaming.’

Today with online portals like YouTube, google, spotify, Disney, Hotstar, Facebook, Triller, Roposo & Takatak etc. are all infringing the Singers Right to Receive Royalty. Millions of songs are uploaded, shared, streamed and downloaded. These portals receive huge amount of revenue through advertisements. While the singer receives nothing. This has created enormous challenges for the singers. A delegation of singers including Sonu Nigam, Kavita Krishnamurthy and Pankaj Udhas, among others, had met Union information and broadcasting Minister Arun Jaitley seeking his intervention. They wanted to ministry to direct certain broadcasters to "stop violations of the Performer's Right"

## **CHALLENGES**

The biggest issue is the determination of actual amount of earning that the commercial users may make by exploiting the musical works. The courts have held that when there is a commercial use the money earned from such a use must be paid to ISRA. This creates hurdles as the parameters for the said amount have not been fixed. The question is how would the singers know that there was profit derived from the use of the musical work. Another issue is that the users are not aware of the rightful body from which the license for the use of the work has to be obtained. There are separate bodies for performer, lyricist, composer, and the producer. This creates a huge problem for a small user of a restaurant to obtain a license from everybody individually.

## **CONCLUSION**

ISRA is a member of SCAPR. World Federation of 52 country societies. In June 2014 International Bilateral Trade Agreement with Ireland RAAP. Irish singers' songs will be protected in India and Indian songs in Ireland. India will collect royalties for Ireland and send it to them. India has 16 trade agreements. ISRA has made substantial contribution and benefit the singers the singers in India. Yet ISRA has to reinvent itself keeping in mind the changing technological developments in the music industry. It needs to make the system of collecting royalty more accessible and user friendly.



## **INTELLECTUAL PROPERTY LAWS FOR INVENTIONS BY ARTIFICIAL INTELLIGENCE**

Saloni Kumar

Zuhaib Habib

### **ABSTRACT**

*The speedy technological advancement in today's era is a major result of the artificial intelligence system. With the gradual advance in technologies adopted globally, more and more creative inventions take place. The more the inventions, the more important it is to consider Intellectual Property Rights (IPR). With the advent of these changes, the traditional way of IPR approach is in question. Earlier artificial intelligence seemed very unachievable and something that can only be relied upon in science fiction movies. But it is nothing as such. No field is left untouched by artificial intelligence. Innovation and creativity are the hard-core basis of intellectual property. AI might prove to be a boon or a bane to the same.*

*This paper entails to expand the scope of artificial intelligence inventions and Intellectual Property Rights associated with it. The author has covered exhaustively the terms like copyright, patent, trademark, etc., associated with artificial intelligence and how the traditional approach has been affected by the same. It also discusses the changes that can be brought once IPR is restructured for AI. All the thought process is backed by suggestions and statistics leading to concrete solutions for the same. The pros and cons of artificial intelligence in IPR have also been discussed exhaustively.*

*Key Words: Artificial Intelligence, Intellectual Property, Copyright, Trademarks, Patent.*



## **INTRODUCTION**

In this fast-paced world everyone expects the jobs to be done as quickly and efficiently as possible, this is where artificial intelligence comes in handy. The traditional way humans used to perform any job is lost somewhere and has been replaced by artificial intelligence systems. The system depends on an algorithm which is a process that directs how machines should work. The algorithm involves heavy and complex calculations but once it is processed new algorithms can be made.

Now, with the advent of new technology, process, and automation tools, businesses are becoming heavily dependent on technology and knowledge.<sup>199</sup> This process and innovation take a lot of effort to develop but once developed others can also benefit from them. It is crucial for innovators, technology or process creators, and businesses to prevent others from deriving any benefit from unjust exploitation of these innovations and to be rewarded for the efforts of someone else.<sup>200</sup>

This is where intellectual property protection comes into play. From the IP creators' perspective and understanding of intellectual property and mechanism, its protection is useful to enable customers to identify the product and its creators and therefore capture any Goodwill associated with the product. IPR is generally divided into copyright, industrial properties, and traditional rights. Industrial properties are further classified into trademarks, patents, industrial design, and geographical indications. Therefore, the freedom to create new algorithms in AI requires governing laws in IPR so that it does not become a subject of dispute in the near future.

Artificial intelligence as we all know is growing at a tremendous rate nowadays which attracts the question of the role that Intellectual Property (IP) laws play in Artificial Intelligence (AI). There have been many discussions on the importance of IP laws in inventions but there is still no conclusive clarification on this subject matter. There are many irregularities in the implementation of IPR laws in AI. It is not only within the jurisdiction of India that advanced technology has no clarity of the law involved, it is the same even in the international

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<sup>199</sup> Sanders K., The Future of AI in Law: Changing the Legal Landscape, (Feb. 16 ,2022, 12:13 pm), <https://www.natlawreview.com/article/future-ai-law-changing-legal-landscape>

<sup>200</sup> Prof. A. Lakshminath & Dr. Mukund Sarda, Digital Revolution and Artificial Intelligence- Challenges to Legal Education and Legal Research, CNLU LJ (2) (2011-2012).

jurisdictions. There have been continuous efforts from the jurisdictions of the USA and UK to govern AI inventions through landmark cases like the selfie-taking monkey<sup>201</sup> and infopaq<sup>202</sup> case. But no proper laws have been placed when it comes to governing AI inventions.<sup>203</sup>

Therefore, this paper entails the concept of Artificial Intelligence and its inventors, relating it to Intellectual Property Laws and understanding why the umbrella of IP law in India does not cover AI systems. For this purpose, the author has also dealt with the Copyright Act 1957<sup>204</sup> and Patents Act 1970<sup>205</sup>. According to current changes in systems, it is important to amend the legislative frameworks governing this system as well. Hence, this paper suggests the importance of amendment in the field of IP laws and other relevant provisions with changes in technology. It also discusses a plethora of anomalies encompassing AI and IP.

## **AI AND IPR IN INDIA**

In India Patents Act 1970 and the Copyrights Act 1957 governs the main IPR system. There are some regulations in these Acts that do not encourage the growth of a system by not recognizing IP protection to AI inventors. Therefore, it is time that amendments should be made for such inventions and their protection. Intellectual property rights protect the creativity of people thus encouraging more creations. It gives the owner of the work the right to claim his invention. With growth and development in technology, inventions are growing at a tremendous rate too. Therefore, governing these technological developments in AI with IP will lead to transparency and accountability.

India has witnessed an immense number of technological developments including AI. AI being used in social media, entertainment industry, online shopping services, car renting services, a

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<sup>201</sup> *Naruto v. Slater*, No. 16-15469 (9th Cir. 2018)

<sup>202</sup> *Infopaq International A/S v Danske Dagblades Forening* (C-5/08) EU:C:2009:465 (16 July 2009)

<sup>203</sup> Karthiayani A, Artificial Intelligence And Intellectual Property Laws In India: Is It Time For Renaissance?, Volume 1, Issue 2 (IJLMH) 1,3 (2018), <https://www.ijlmh.com/wp-content/uploads/2019/03/Artificial-Intelligence-And-Intellectual-Property-Laws-In-India-Is-It-Time-For-Renaissance.pdf>.

<sup>204</sup> Copyrights Act, 1957, Acts of Parliament, (India).

<sup>205</sup> Patents Act, 1970, Acts of Parliament, (India)

developing country like India has seen all. This puts a question on the current legislative framework of India and makes it all the way more important to revise such a framework according to the technological developments. No doubt India has very well established IPR laws but nothing is constant.<sup>206</sup>

The existing legislation is definitely not in sync with the advancing technology. This too must be revised according to the needs of the country. Therefore, a country like India being the second largest populated country, where social media and other technological advancements are being utilized on a mass level needs to recheck its laws associated with such usage. There needs to exist a new structure all together for governing such strong and impactful discoveries of AI. Examples of such inventions and discoveries are the AI product of Amazon Alexa, Apple product- Siri, Google's product- Google.

AI has enabled systems to make many such creative pieces that would require copyright protection incase humans created them. This requires redefining IPR laws for AI globally. If there's no revisions made in the existing regulatory framework governing IPR, many important questions come into play like in case of mishappening or misunderstanding, who will be held accountable? Can such accountability be transferred to the user? Also, any new discovery based on the same algorithm leads to a question that harms the right of the original inventor. Therefore, it is a very important topic that needs attention immediately. It is not only disincentivizing the startup of inventors but also harming the original intention of IPR making it a chaotic chapter altogether.

## **Effect of Artificial Intelligence In Intellectual Property**

### **Work distribution**

Analytical work like due diligence search of trademark patent and intellectual property profile management can be easily handled by artificial intelligence. The nature of this work is quite simple. Algorithms of AI perform all the time consuming long and productive work and make

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<sup>206</sup> Chakraborty M. ARTIFICIAL INTELLIGENCE: GROWTH AND DEVELOPMENT IN INDIA (Feb. 27,2022, 4:32 pm), <https://www.analyticsinsight.net/artificial-intelligence-growth-and-development-in-india/>

them relatively simple. Functions of complex nature such as drafting agreements filing trademark copyright and patent can easily be performed by AI systems. However, there is some work that AI is not yet permitted to perform which might arise in the future.<sup>207</sup> Examples of such work can be involvement in court proceedings, collection of data and evidence, and preparing arguments against the opposition party. These functions require a human touch and cannot be generated simply by relying on AI systems.

## **Laws**

If AI is being recognized by the IP laws in the future it would require restructuring of legislations and redefining concepts like invention ownership creator etc. These changes will bring along many uncertainties which countries like India, North America, Australia will contend with as these countries follow proper procedure before granting intellectual property rights.

## **Job segment**

With the development of AI anyhow how many human interventions are reduced and once proper legislation is framed for governing, please AI mechanism it would eat up the job of the human market and will affect them largely.

## **Future**

AI is definitely going to make an impact in the intellectual property world; therefore, it is important to realize the worth of AI as soon as possible. Many regional offices have already started researching and considering AI in their day-to-day transactions. WIPO World intellectual property organization has begun to install a system in their daily formalities like WIPO translate and WIPO brand image to understand the impact of AI in the future.<sup>208</sup>

## **Can AI own IPR**

AI, a powerful tool, has become a crucial and essential part of our growth curve. If you look at it carefully, we are surrounded by it all around us and in our day-to-day activities, all credits to

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<sup>207</sup> Pratyusha Ganesh and Vishruti Chauhan, Artificial Intelligence in IPR – a door to future, Ipleaders (Jan. 27, 2022, 4:10 pm), <https://blog.ipleaders.in/artificial-intelligence-ipr-door-future/>.

<sup>208</sup> [https://www.wipo.int/about-ip/en/frontier\\_technologies/ai\\_and\\_ip.html#:~:text=Read%20more-.AI%20and%20IP%20Policy,characteristics%20of%20the%20human%20species.](https://www.wipo.int/about-ip/en/frontier_technologies/ai_and_ip.html#:~:text=Read%20more-.AI%20and%20IP%20Policy,characteristics%20of%20the%20human%20species.)

technological advancement. Starting right from painting, literature, film, music, defense nothing is left without the intervention of AI. The predicament here is whether it is only acting as an assistant or does everything on its own. Even if the answer is that AI is acting as assistance it will soon be the other way around in the future.

Another issue that lies here is whether a thing can be owned by AI or AI can be referred to as an inventor of a particular thing. This question is a topic of debate and is still continuing even after a plethora of research available on the internet.<sup>209</sup>

To have a look at this question it is important to start with the difference between owner and inventor. For example, if AI invents something will it be termed as an inventor of the thing or owner? Being an inventor of creation means a set of individuals who helped in the invention of that thing whereas ownership means an individual holding the proprietary right of the invention. Now the question of whether AI can be termed as the owner or inventor lies on many factors. The owner can only be a person with a legal identity and further discussions on this can be based on the case of Sophia as discussed in this paper.<sup>210</sup>

### **If AI owns IP**

Even if AI is granted protection under IP laws, a variety of questions arise in case of its infringement. Firstly, if the work produced by AI invention is treated equally as the work produced by human invention, the impact of its infringement must also be the same as in the case of humans. If the infringement of IP rights occurs then the system must be held for such infringement and must be able to enter into legal contracts which are obviously not possible. This raises the question of considering AI as a legal entity. Secondly, in cases where the invention of AI infringes the third party, who should be held accountable? Lastly, in cases where AI machines hold IP rights, the problem of transparency arises a lot. Therefore, such

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<sup>209</sup> Archer P, AI inventors: can AI own intellectual property rights? (Feb 20<sup>th</sup>, 1:40 pm) <https://www.raconteur.net/technology/ai-intellectual-property-rights/>

<sup>210</sup> Karthiayani A, Artificial Intelligence And Intellectual Property Laws In India: Is It Time For Renaissance?, Volume 1, Issue 2 (IJLMH) 1,6 (2018), <https://www.ijlmh.com/wp-content/uploads/2019/03/Artificial-Intelligence-And-Intellectual-Property-Laws-In-India-Is-It-Time-For-Renaissance.pdf>.

questions must be kept in mind along with revising the structure of Intellectual Property Rights as per AI.<sup>211</sup>

### **AI And IPR: Conflict or Complement?**

The world is surrounded by AI today, a system that advertises intelligent human behavior. This invites intellectual property towards AI. This overlap between AI and IP can either be a conflict or a compliment. No one can deny the fact that AI has been a helpful system in managing intellectual property rights. The example of WIPO can be taken in this regard that is discussed in the article further. Also, AI has a considerable amount of impact on creation, production, and distribution that again opens the door for the intervention of intellectual property.

### **Growth and current status of AI in IPR**

Artificial intelligence is basically a concept of developing clever computer programs. AI is not a very new concept, in fact, it traces its history back to three decades. The concept started with developing robots and artificial humans. In 2017 a human robot named Sophia was recognized as a citizen of Saudi Arabia. Based on this, the question of recognizing artificial intelligence as humans and giving them and their inventions intellectual property rights became a topic of discussion. AI is growing at a tremendous rate since then adding to upgrades in technology and the economy.

At present no law governs AI, no protection is provided to AI inventions under IPR. With the situation, there arises a very important question of possession of the rights of inventions in AI. The current status of IPR laws only recognizes humans as inventors and creators. This questions the status of AI in the future as it is not considered human. It also creates tension among the inventors of AI as their interests are not safeguarded by the current laws.

### **Patent and AI**

AI is a bit complex topic in nature and it requires separate legislation to be governed. Currently,

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<sup>211</sup> Intellectual Property Rights in an Age of Electronics and Information, U.S. OFFICE OF TECHNOLOGICAL ASSESSMENT (1986), <https://www.princeton.edu/~ota/disk2/1986/8610/8610.PDF>.

there is none as such. The only laws that exist cover copyright and patent laws related to books, creative writing, and other such inventions. The scope of artificial intelligence is very extensive and complex in nature and needs to be dealt with in a particular manner that will be far better and different from the current legislation. In fact, the ambit of the Patent Act of 1970 does not consider AI inventions as patentable inventions.<sup>212</sup>

AI inventions are creating outputs that are beyond the understanding of the creator itself and are therefore to be considered for protection under patent law. A patent is a special right that the government gives to the person who came up with an idea for a short time in exchange for them telling everyone about it. So, the inventions made by machines are so popular that they can be protected by patent law.

Section 2 (p) of Patents Act 1970<sup>213</sup> explains patentee which means a person for the time being entered on the register as the guarantee of the proprietor of the patent and the term person interested includes any person that is engaged in the same field as that to which the invention relates. Similarly, Section 6<sup>214</sup> of the act describes who can be the person who can apply for a patent and Section 2 (y)<sup>215</sup> defines what a true and first inventor means. The definition of true and first inventor under the above-mentioned section does not necessarily include humans and therefore it can cover the AI system within its ambit.

On the contrary, definitions like patentee, a person interested, etc., gives us a general idea that the legislature favors human and other such legal persons but not the AI system. These challenges make it all the way more necessary to amend the legislation and give legal recognition to AI and other such scientific systems and their inventors. For a developing country like India to reach its stage of a developed country these amendments are necessary to be made in IPR with changes in technology.

### **Practical case of patent and AI**

The Patent office in South Africa has granted an application for the first time in the history of

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<sup>212</sup> Pratyusha Ganesh and Vishruti Chauhan, Artificial Intelligence in IPR – a door to future, Ipleaders (Jan. 28, 2022, 2:11 pm), <https://blog.ipleaders.in/artificial-intelligence-ipr-door-future/> .

<sup>213</sup> Patents Act, 1970, § 2(p), Acts of Parliament, (India).

<sup>214</sup> Patents Act, 1970, § 6, Acts of Parliament, (India).

<sup>215</sup> Patents Act, 1970, § 2(y), Acts of Parliament, (India).

intellectual property patents to artificial intelligence, the patent in which the inventor is actually an artificial intelligence. This artificial intelligence is an acronym that stands for a device for autonomous bootstrapping. The application specifically stated that the patent is for the food container that improves grip as well as heat transfer. The fascinating part is that inventor in the patent is artificial intelligence.<sup>216</sup> Now the questions associated are, the same application has been made in other countries as well where it has been rejected on the grounds that they claim that artificial intelligence is not a legal entity and not a natural person and therefore cannot claim to be an inventor under the respective laws. The US trademark office has also rejected a claim on very similar ground.

However, the Australian bench had said that there is nothing in the Australian law that actually prohibits artificial intelligence from filing an application or being mentioned as an inventor in an application for a patent and therefore this should be permitted. Patent law has been created with the intent of rewarding the creator by creating an artificial monopoly within which she or he can exploit that which they have created.

The system of intellectual property rewards the creative manufacturer or any form of intellectual property with a recognition that recognizes the work done by the artist of the scientific invention made by the scientist and acknowledges their contribution to the field. Now the question here arises that how to do these basic terms with which the intellectual property was initially created address the needs of an AI. Now the solution can be to look at AI as an application made by a corporate entity.<sup>217</sup>

Talking about the Indian Patent Act, there are two groups that are important to this discussion. Category 3b, which is the category of applicant, can be either a natural person or other natural people, can be a small business or startup, or can be other things. When is this category? Others say who the inventor is. Some of these applications have a lot of room for people who aren't humans to be inventors.

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<sup>216</sup> Pratyusha Ganesh and Vishruti Chauhan, Artificial Intelligence in IPR – a door to future, Ipleaders (Jan. 26, 2022, 1:15 pm), <https://blog.ipleaders.in/artificial-intelligence-ipr-door-future/> .

<sup>217</sup> Ozgun A, Yanik M. When AI Gets Creative: Can Artificial Intelligence Own IP Rights? (Feb. 26, 2022, 3:16 pm), <https://www.mondaq.com/turkey/patent/1118474/when-ai-gets-creative-can-artificial-intelligence-own-ip-rights->



## Copyright and AI

The existing copyright laws protect the interest of creators of literary, artistic, or musical works and give them the exclusive right of control over their work. There was a case where confusion as to the protection of copyright being allowed to a photographer was in question. It was held in this case that ultimately copyright protection is to be given to human creation that created the machine that produced the product. This judgment narrowed the scope of providing copyright protection to AI systems.<sup>218</sup> There was another case where the work of humans and machines was differentiated by the court. It was held that copyrighted works can only be created by human touch and without the creation of a human, copyright protection cannot be granted. After this, the scope of protection as a copyrighted work depreciated.<sup>219</sup>

Even if authorities agree to give copyright protection to AI inventions, a very important question remains unanswered which is who will be held liable for such copyright. Since copyright can only be granted to humans, and AI lacks the human touch, it remains a ground of debate. Copyright protection can only be claimed when the work is original and is not a copy of any previous work. To pass the test of originality two doctrines have been laid down: -

- The sweat of brow doctrine- The sweat of the brow doctrine states that Copyright can be claimed on work by any author through some simple diligence. This doctrine does not require any originality or creativity, it only requires the author to show his effort and expense on a particular work on which he is claiming copyright.<sup>220</sup>
- Modicum of creativity- Modicum of creativity doctrine states that it is important to prove some amount of creativity into the work for which copyright is being claimed. In the case of Eastern book company v. DB Modak,<sup>221</sup> the doctrine of a modicum of creativity was applied where the judgment provided was that artificial intelligence machines cannot be said to not achieve a modicum of creativity therefore it shall pass

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<sup>218</sup> Burrow Gilles Lithographic co. V. Sarony, 11 U.S. 53 (1884)

<sup>219</sup> Bleistein V. Donaldson lithographing company, 188 U.S. 239 (1903).

<sup>220</sup> Karthiayani A, Artificial Intelligence And Intellectual Property Laws In India: Is It Time For Renaissance?, Volume 1, Issue 2 ( IJLMH) 1,5 (2018),<https://www.ijlmh.com/wp-content/uploads/2019/03/Artificial-Intelligence-And-Intellectual-Property-Laws-In-India-Is-It-Time-For-Renaissance.pdf> .

<sup>221</sup> Eastern book company v. DB Modak (2008) 1 SCC 1.

the test of originality hence should be considered for a legislative framework.

Section 2D of the Copyright Act 1957 comes up as a challenging factor for AI systems. The term author has been defined in this section and for claiming copyright of any work the person should be an author according to what has been described in the section. This creates a difficult scenario for AI as it is not a legal person. Hence the Copyright Act 1957 cannot be said to include the system within its Ambit.

## **SUGGESTION**

- The most important thing for the smooth functioning of AI in the IP world is to differentiate between AI created work and aided work
- Another important differentiation required is between an inventor and an invention.
- Few changes in the definition of authorship under the copyright act needs to be implemented
- Some vagueness in trademark laws also requires attention
- As discussed earlier, AI has been implemented by WIPO therefore proper policies must be framed at the international level too.<sup>222</sup>
- AI systems revolve a lot around data available on the internet therefore proper Act governing data protection of AI mechanism is important.

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<sup>222</sup> Shreya and Vinamra Kothari, Artificial Intelligence In The World Of IP, Mondaq (Jan.26, 2022, 2:26 pm), <https://www.mondaq.com/india/trademark/1132804/artificial-intelligence-in-the-world-of-ip> .

## **CONCLUSION**

In our daily life, we indulge in activities that involve some or other forms of AI. It is such that we cannot imagine our daily life without such creative inventions. It is not far that inventions will take all over the world. Therefore, India should be prepared to face some dramatic changes on a positive note in order to maintain transparency and accountability. Artificial intelligence should not be devoid of protection under IP laws only on the basis that they are not legal persons. Artificial intelligence itself is an invention of humans, therefore its inventions must be given protection.

As India is a developing economy, the continuous technological advancement and the urge to produce results at a fast pace demands AI systems even more. It is all set to have an existence in the world of IP. It will not be wrong to say that the growth of IP shall be directly proportional to the growth of AI<sup>223</sup>. Recognition of AI in the intellectual property world will encourage creations along with an increase in transparency and easement of accountability making the whole process hassle-free. AI algorithms, redefinition of the terms like ownership, inventorship, patentee, etc., and other such related concepts need a good understanding to legally recognize AI in the IP world. A crucial element of human life as it has become AI is all set to make India a step higher from achieving its goal of developing an economy to a developed economy.

The current relationship between AI and IPR is challenging but achievable. A set of clear rules, regulations, and structured frameworks is necessary at the moment. A proper amendment in the existing IPR legislation is required to smoothly and effectively consider AI. Even after these steps, there's a long way to go.

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<sup>223</sup> Shreya and Vinamra Kothari, Artificial Intelligence In The World Of IP, Mondaq (Jan.27, 2022, 1:16 pm), <https://www.mondaq.com/india/trademark/1132804/artificial-intelligence-in-the-world-of-ip> .



## **THE INTERSECTION OF NFTS AND IP RIGHTS AND PROTECTION**

*Rushabh Gurav*

### **ABSTRACT**

*NFTs have now been around since early 2012 but have gained massive popularity in recent times especially with the NFTs in the collection of Bored Apes Yacht Club (BAYC) being sold for millions of dollars around the world. The block chain technology upon which NFT is based on is not new, however the NFT marketplace is, and has raised several issues, especially when it comes to intellectual property rights. Creators of literary and artistic works in the digital world can create their own NFTs and benefit from it. However, with the sale and transfer of NFTs, the question arises as to whether the copyright of the underlying artistic work has also been transferred along with the ownership of the NFT. The current vacuum in law regarding cryptocurrencies and block chain technology leaves room for ambiguity of application of IP laws on NFTs directly, instead needing to seek protection under individual laws such as The Copyright Act, 1957 and the IT Act, 2000, to either seek an injunction from the intermediary or claim damages.*

*This paper aims to understand the need for regulation of NFT vis-a-vis IPR and its protection and to find the ways to enforce IPR in the current legal vacuum of block chain technology. With the evolution of the online world into Metaverse and the likes, NFT is the technology that will be relied upon to verify the uniqueness of any particular thing attached to it in the online world. Recently, there have been instances of NFTs being created of other people's artistic*

*works. This study further suggests steps for regulation of NFTs and suggestions for amendments in the current IP laws for effective application w.r.t. the IP protection of the underlying literary or artistic work.*

*Keywords: Non-Fungible Token (NFT), Crypto, IPR, Copyright, Block chain.*

## **SYNOPSIS**

### **Problem Statement**

The present paper aims to understand and analyse the evolving world of NFTs and its intersection with IP rights and protection. The grey area of NFT, cryptocurrency and block chain technologies has enabled NFT marketplace to function slightly outside the ambit of legal obligations. There is a need for the regulation and linking of laws relating to the new technology and IP laws. The technology is inevitable, with the growth of online universes such as the Metaverse, a regulating law is necessary to limit the ambit of misuse and exploitation of the vacuum that currently exists with respect to NFTs and IP rights.

### **Objective**

- To understand the meaning of NFTs.
- To understand the transfer of ownership of NFT vs IP rights.
- To critically analyse the current legal position of India regarding NFT and block chain technology.
- To understand and analyse the application of current IP laws to NFTs.
- To suggest changes to The Cryptocurrency and Regulation of Official Digital Currency Bill, 2021 and current IP laws such as The Copyright Act, 1957 along with the IT Act, 2000.

### **Methodology**

A Doctrinal approach will be used in this research. This method will be used and applied to gain an understanding of the meaning and nature of NFTs and its intersection with IP rights and its protection.

Sources of Data: Primary Source (Acts and legislations, case laws- Indian as well as international) and Secondary sources include reports, articles and books (although it was observed that there is a paucity of literature on the subject matter.)

Footnote Format: Bluebook Citation Method.

### **A brief outline of the paper (tentative)**

#### **Chapter I - Introduction**

This chapter discusses the meaning, nature and scope of NFTs vis-a-vis IP rights.

## **Chapter II - What are the IP rights underlying an NFT?**

This chapter explores what are the IP rights of an NFT and the underlying artistic or literary work, along with the ownership of said IP.

## **Chapter III - Current Legal Framework**

This chapter aims to understand and analyse the current legal framework regarding NFTs and the block chain technology vis-a-vis IP laws.

## **Chapter IV - Drawing a comparison with the NFT and IP laws in USA, UK and other relevant countries.**

It is important to look at and analyse the legal framework in other countries and how the learnings can be applied to the Indian scenario.

## **Chapter V - Suggestions to the current laws governing NFTs, Block chain technology, and IP Rights and protections.**

This chapter aims to provide suggestions in- The Cryptocurrency and Regulation of Official Digital Currency Bill, 2021 and current IP laws such as The Copyright Act, 1957 along with the IT Act, 2000.

## **INTRODUCTION**

This chapter discusses the meaning, nature, and scope of NFTs vis-a-vis IP rights.

NFTs are tokens that are built on the Ethereum block chain. NFTs are made or ‘minted’ and then put up on block chains- from where they can be put up for displays, or for sale. NFTs are similar to cryptocurrencies, however with one key difference- Fungibility. NFTs- in its name- are Non-Fungible, i.e. it cannot be replaced like-for-like with another NFT token. Cryptocurrencies on the other hand can be exchanged as they are replaceable and possess the same value.

1 Bitcoin = 1 Bitcoin, whether it is held by the author or the reader. NFTs are simply unique tokens that possess certain characteristics of Cryptocurrencies.

The Ethereum website itself defines NFTs as

*“A Non-Fungible Token (NFT) is used to identify something or someone in a unique way. This type of Token is perfect to be used on platforms that offer collectible items, access keys, lottery tickets, numbered seats for concerts and sports matches, etc.”*<sup>224</sup>

The most important aspect of NFTs being this unique non-fungible token is that it is generally attached to anything digital in nature. A photograph, digital art, music/audio file, signature, any writing (even something as simple and ridiculous as a tweet)<sup>225</sup> among many other things. The implications of such a technology which can virtually associate a uniqueness to any item that is digital, are immense. A jpeg file can be copy-pasted and claimed as original or unique, but an NFT created on an image is the ultimate proof of uniqueness, originality and most importantly- ownership.<sup>226</sup> Another aspect of NFT is that it can track the ownership and its sale. Royalty based on sales can be attached to NFTs and the creator of the NFT (note that it is the creator of the NFT and not the creator of the artwork attached to it, which will be dealt

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<sup>224</sup> Ethereum Foundation. ethereum.org. 2021. ERC-721 Non-Fungible Token Standard | ethereum.org. [online] Available at: <<https://ethereum.org/en/developers/docs/standards/tokens/erc-721/#:~:text=What%20is%20ERC%2D721%3F,something%20else%20like%20its%20visual.>> [Accessed 3 March 2022].

<sup>225</sup> Lee, I., 2021. Twitter CEO Jack Dorsey's first-ever tweet sold for \$2.9 million as an NFT. [online] Business Insider. Available at: <<https://www.businessinsider.in/stock-market/news/twitter-ceo-jack-dorseys-first-ever-tweet-sold-for-2-9-million-as-an-nft/articleshow/81639599.cms#:~:text=Twitter%20CEO%20Jack%20Dorsey%20has,The%20buyer%20was%20Sina%20Estavi.>> [Accessed 2 March 2022].

<sup>226</sup> Wang, Q., Li, R., Wang, Q. and Chen, S., 2021. Non-fungible token (NFT): Overview, evaluation, opportunities and challenges. arXiv preprint arXiv:2105.07447. <https://arxiv.org/abs/2105.07447>



in the later chapters) can generate revenue out of Royalty each time the NFT changes hands.

The originality of any artwork, or literary item, can be challenged. In the non-digital world, away from the keyboard, even the Mona Lisa can be checked for its originality by experts. How would that work for a digital file? How can one verify and authenticate the originality of a digital file that can be copied, moved and replicated with a simple ‘right-click’? Anyone could create an original masterpiece digitally, and even have it known to the world that ‘you’ created it. But that still does not stop people from resharing, duplicating it indefinitely with practically no effort. In terms of legal recourse, the creator of such art could approach the courts and stop its use in commercial activities to a certain extent, but there are many other questions than just originality.<sup>227</sup> In digital files where files can be duplicated identical to the original in every manner, how can one prove which one is the original? Many can own a copy of the Mona Lisa, but there is only one original at the Louvre Museum.<sup>228</sup> Before NFTs, it was impossible to determine the originality of any digital artwork or literary work. The way to own digital art and transfer its ownership was completely limited in terms of security, protection of the asset and to prove its original or ownership. NFTs have completely changed that.

When the whole world has transitioned drastically to digital means albeit forcefully, it was a need that arose to bring about change in digital asset ownership and accountability. Cryptocurrencies and its technology have been in development and in the market since long, but its use case and need arose now. Twitter has allowed for NFTs to be displayed right on the profile, and there is news that so will Instagram- being one of the largest social media platforms, it becomes a step in the direction of mainstreaming NFTs and its display or creating a marketplace. One more industry where NFTs have tremendous value is the gaming or Esports Industry. In games like ‘Counter-Strike: Global Offensive’, the weapons have a design and artistic element, purely for aesthetics as they do not affect the actual gameplay whatsoever. Still, players spend an unimaginable amount of money to get these ‘skins’ and

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<sup>227</sup> Kugler, L., 2021. Non-fungible tokens and the future of art. *Communications of the ACM*, 64(9), pp.19-20. <https://dl.acm.org/doi/fullHtml/10.1145/3474355>

<sup>228</sup> Valeonti, F., Bikakis, A., Terras, M., Speed, C., Hudson-Smith, A. and Chalkias, K., 2021. Crypto collectibles, museum funding and OpenGLAM: challenges, opportunities and the potential of Non-Fungible Tokens (NFTs). *Applied Sciences*, 11(21), p.9931. <https://www.mdpi.com/1327296>

they are of real monetary value on the digital marketplace ‘Steam Market’.<sup>229</sup>

The gaming industry would benefit largely from NFTs as these skins in-game could be minted into NFTs and players could showcase their digital collections and their originality, ownership, uniqueness etc. and also make it easier for players to sell and buy said skins as NFTs. Many game developers have already started developing the required technologies in game to enable NFT placement in games. Unique, one-of-a-kind skins, which may be collectibles, or several variations of a skin can all be attached to an NFT, and the players could showcase these skins on the profile for the world to see. They can further trade these skins and the NFTs in exchange for other NFTs or even monetary value.<sup>230</sup>

## **WHAT ARE THE IP RIGHTS UNDERLYING AN NFT?**

This chapter explores what are the IP rights of an NFT and the underlying artistic or literary work, along with the ownership of said IP.

NFTs inherently provide many features compared to that of already existing digital works, whether it is a photograph clicked by a photographer, a digital art created by a visual artist, music by a musician. Minting all of the above mentioned into NFT confers upon them many rights and protections, but also exclusivity. The Mona Lisa is a very famous painting, one can even argue it to be the most famous painting as many writers always refer to it when making any comment regarding any art. If there were more than one Mona Lisas made, perhaps even more than ten, its value would have dropped extensively. Such is the scenario with NFTs. Many can simply obtain a duplicate copy of the Mona Lisa, but there will always only be one original.<sup>231</sup>

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<sup>229</sup> Fowler, A. and Pirker, J., 2021, October. Tokenfication-The potential of non-fungible tokens (NFT) for game development. In Extended Abstracts of the 2021 Annual Symposium on Computer-Human Interaction in Play (pp. 152-157). <https://dl.acm.org/doi/abs/10.1145/3450337.3483501>

<sup>230</sup> Choi, S.W., Lee, S.M., Koh, J.E., Kim, H.J. and Kim, J.S., 2021. A Study on the elements of business model innovation of non-fungible token blockchain game: based on 'PlayDapp' case, an in-game digital asset distribution platform. *Journal of Korea Game Society*, 21(2), pp.123-138. <https://www.koreascience.or.kr/article/JAKO202113759910660.page>

<sup>231</sup> Thaddeus-Johns, J. (2021) What are NFTs, anyway? One just sold for \$69 million. *New York Times*. <https://www.nytimes.com/2021/03/11/arts/design/what-is-an-nft.html> [Accessed 20 February, 2021].

Every digital item essentially can be replicated, duplicated exactly as it is. That is its nature. But when any digital item is attached to a block chain technology and smart contracts, it is next to impossible to create a duplicate. The certificate of authenticity of an NFT is like no other.<sup>232</sup>

NFTs clearly have many applications so far, not many have been used extensively to solve the real-world problems. Copyrights, Patents and Trademarks being one of them. NFT can hugely benefit the IP world. Applying for a patent and trademark or contesting for a copyrighted material in courts is a very tedious and time-consuming process. Its registration can take months and even years in some cases and the litigation resulting in any violation of its terms of use can result in the loss of lots of time and money. NFT can be used as a step in reducing these issues with a proper mechanism. In the case of Copyrighted materials, such as any online digital creation, photographs, digital arts, cinematic videos, music and audio, or even text, all iterations can be minted into an NFT granting them the protection and declaration of ownership of the creations, and this protection can sustain until a formal protection under the relevant laws has been obtained, and even then, NFT will only further bolster the protection provided by laws.<sup>233</sup> In case of a copyright infringement or a digital image, an NFT to prove the originality and ownership can prove critical to establishing the facts and granting necessary protection and damages. In case of patents, the minting of NFT of said technology can enable the creator interim protection of some sort while the application is pending with the authorities. In the current world, time is of such short nature that losing even one or two years in litigation for IP claims can virtually render such technology obsolete in the process.

Another aspect of NFTs in the world of IP is that it can enable buying, selling, and also licensing of IP easier and safer.<sup>234</sup> NFTs being part of the block chain technology, which is a public ledger which is impossible to forge, can prove of paramount importance in establishing ownership, originality, and uniqueness. Patent, trademark, and copyright holders will benefit from such innovations. NFTs also allow tracking ownership and exchanges of hands by way of smart contracts embedded in them, which allows the NFT creator to enable automatic

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<sup>232</sup> Choudhary, V.V., 2022. Non Fungible Token (NFT): Delve Into the World of NFTs Crypto Collectibles and How It Might Change Everything?.

<sup>233</sup> Vanherpe, J. and Janssens, M.C., 2021. Non-Fungible Tokens and Copyright: crypto-buyer beware.... <https://lirias.kuleuven.be/3476693?limo=0>

<sup>234</sup> Goanta, C., 2020. Selling LAND in decentraland: the regime of non-fungible tokens on the ethereum blockchain under the digital content directive. In *Disruptive Technology, Legal Innovation, and the Future of Real Estate* (pp. 139-154). Springer, Cham. [https://link.springer.com/chapter/10.1007/978-3-030-52387-9\\_8](https://link.springer.com/chapter/10.1007/978-3-030-52387-9_8)

royalty payment collection every time the NFT changes ownership. Patent holders and Copyright owners will especially benefit from such technology as it would make it immensely easier to track the IP licensing and ownership changes. Every NFT can be compounded into an IP portfolio along with other IPs especially in the case of patents and can be together minted as an NFT and each investor would automatically receive their royalty payments without the need for any kind of manual excavation and tracking.

### **Do NFTs grant IP rights on their own?**

The short answer is no. An NFT is simply a tokenisation that allows for any digital item to be identified on a public ledger on the block chain technology that is virtually un-editable. By creating or minting an NFT, a person is simply attaching a token on the block chain to said digital item. For example, a person can simply take a photograph clicked by another person and mint it into an NFT as their own. The copyright would still subsist with the original photographer and not with the NFT owner. The original photographer can claim the copyrights of the photograph through legal means, and there are certain provisions in NFT technology that enable and adhere to court orders.<sup>235</sup> But this does prove to be an issue that NFTs being so rigid and final in their nature, it would be a double-edged sword to fight where if the copyright infringed upon has been minted into an NFT by any other person than the owner, the process of claiming it would be difficult under current provisions of law.

NFTs can only aid Intellectual property rights at the moment. The current laws around the world have not yet accustomed themselves to the developments of block chain, NFT and smart contract technologies. This issue is not of grave concern when it comes to patents, as the process of registration of patents is of compulsory nature if one intends to gain protection of the law for it.<sup>236</sup> NFTs only aid the patent process in ascertaining its originality and ownership during the patent registration process and do not form as conclusive proof as to the same. Whereas, when it comes to copyrights and trademarks, it acts as a certificate of authenticity and ownership attached to the digital asset.

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<sup>235</sup> Çağlayan Aksoy, P. and Özkan Üner, Z., 2021. NFTs and copyright: challenges and opportunities. *Journal Of Intellectual Property Law and Practice*, 16(10), pp.1115-1126. <https://academic.oup.com/jiplp/article-abstract/16/10/1115/6307085>

<sup>236</sup> Guadamuz, A., 2021. The treachery of images: non-fungible tokens and copyright. *Journal Of Intellectual Property Law and Practice*, 16(12), pp.1367-1385. <https://academic.oup.com/jiplp/article-abstract/16/12/1367/6449489>

NFT and copyright have especially developed a niche bond to solve the digital asset ownership dilemma. Copyright holders have always been worried about the unauthorised use of their digital works as it directly eats into the revenue that can be generated through them. Without any technological means to stop the consumption of copies made without the licence of the creator, consumers of the works would never resort to obtaining a licensed copy. The digital technology that is currently at large, which is mainly a peer-to-peer network through the centralised web (internet), does not provide any means of making ownership tags of digital assets.<sup>237</sup> The application of copyright laws when it comes to digital artwork is considerably difficult compared to non-digital works. The digital world allows for copies to be used for commercial purposes and to generate revenue with almost nothing but a few clicks and has a wide reach which the creator of the artwork cannot possibly monitor all the time, and even if such an instance is encountered, it would be unfeasible, extremely tedious as well as time consuming.

One good example of copyrights in NFTs is the case study of ‘Cryptokitties’. Cryptokitties is the first block chain project that utilizes the ERC-721, which is an Ethereum based, established itself as an online gaming platform which allows players to create (breed) digital cats that the player owns, and then they can buy, sell, trade said cats using the methods provided by the platform. The unique feature of this platform is the fact that any digital item created, bought or traded as an NFT retains its value in other platforms as well. Each Cryptokitty is an individual NFT owned by the players and can be used across other platforms that support the same standard as ERC-721. A Cryptokitty NFT is basically a standalone digital artwork. Each Cryptokitty is unique in its properties.<sup>238</sup>

The question of copyright also arises in this system. What if somebody creates an NFT system similar to that of Cryptokitties? For example, Cryptokittens, which has very similar properties to that of the Cryptokitties gaming platform, and the Cryptokittens that are minted are extremely similar to Cryptokitties. Just by minting it into an NFT does not absolve the creators of any copyright infringement liabilities. They would still be encroaching upon the rights of the Cryptokitties platform creators and the NFT holders of the Cryptokitties. This question

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<sup>237</sup> Ante, L., 2021. Non-fungible token (NFT) markets on the Ethereum blockchain: Temporal development, cointegration and interrelations. Available at SSRN 3904683. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3904683](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3904683)

<sup>238</sup> Evans, T.M., 2019. Cryptokitties, cryptography, and copyright. *AIPLA QJ*, 47, p.219. <https://www.sciencedirect.com/science/article/pii/S1544612321001781>

can only be answered by the Copyright legislations and how they deal with this technology of NFTs.

## **CURRENT LEGAL FRAMEWORK**

This chapter aims to understand and analyse the current legal framework regarding NFTs and the block chain technology vis-a-vis IP laws.

Around the world, there are variations of the laws around copyright. The main purpose of copyright laws has always been to incentivize creation of artistic and literary works. In India, Section 13 of the Copyrights Act, 1957<sup>239</sup> states that copyright subsists in literary works, dramatic works, musical works, artistic works, cinematograph films and sound recording. And as per Section 17<sup>240</sup>, the author or the creator is the first owner of the copyright subsisting in it (except when the employer has employed the author and it is created within the scope and course of employment, the copyright lies with such employer). These provisions in India aim to promote creation of such works by enabling the author a monetary protection. Disabling other persons from illicitly using another person's copyrighted work, and providing injunctions, or damages for infringing said rights.

Another aspect of Copyright laws has been to always promote progress in the arts and sciences and the spread of knowledge. All systems of copyright protection in the world are similarly set up, with some variations with respect to the given goals in the legal frameworks. IP rights in some or the other way have always been a threat to the free transfer of knowledge and access to information and knowledge.<sup>241</sup> One circumvention to enable free transfer of knowledge has been to introduce the notion of 'fair use'. This allows fair use of IP rights that are protected to be used to further disseminate knowledge and information only, but not for commercial use. These are some of the key elements in UNESCO's mandate which stated that the main challenge posed by the Information Society is that of balancing a coherence between the legal framework for the protection of the creators' interest, with that of the fundamental

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<sup>239</sup> The Copyright (Amendment) Act, 1992. S. 13.

<sup>240</sup> Ibid, S. 17.

<sup>241</sup> Fisher, K., 2019. Once Upon a Time in NFT: Blockchain, Copyright, and the Right of First Sale Doctrine. *Cardozo Arts & Ent. LJ*, 37, p.629. [https://heinonline.org/hol-cgi-bin/get\\_pdf.cgi?handle=hein.journals/caelj37&section=29&casa\\_token=D8xkuC4U9cwAAAAA:X-SCmCCQbqzhV2XHHyZ6EfO1XfionlYTZY4EXdKjrWI6VNu5S30cwFvpWuG1cpz xuWSU7IR64Wy](https://heinonline.org/hol-cgi-bin/get_pdf.cgi?handle=hein.journals/caelj37&section=29&casa_token=D8xkuC4U9cwAAAAA:X-SCmCCQbqzhV2XHHyZ6EfO1XfionlYTZY4EXdKjrWI6VNu5S30cwFvpWuG1cpz xuWSU7IR64Wy)

rights and freedoms of the public at large. In this day and age of digitalisation- Cryptocurrencies and NFTs, this system for balancing is in dire need of a makeover.

Currently there is no separate legislation regarding NFTs specifically. Even the Cryptocurrency and Regulation of Official Digital Currency Bill, 2021<sup>242</sup> has not been put up for deliberation in the last winter session of the parliament. Nevertheless, this bill does not mention NFTs in particular and heavily relays the government's intention to ban all private cryptocurrencies. However, in the new Budget that was introduced, any gains made from cryptocurrencies and digital assets in India would be taxed at 30%. No deductions would be allowed except the cost of acquisition of such digital assets. This essentially means that any gains made from NFTs would be taxed at 30%.

NFTs being merely tokens in the block chain of an underlying digital asset, the question of whether such NFT carries inherently the right of copyrights along with the ownership, and time and again, the answer by experts has been that NFTs would not carry copyrights with them. It is essential that the owner of the copyright of an NFT also transfers or licences the copyrights to a buyer or user of said NFT if they intend to use such copyrights of the underlying asset. These NFTs owned by the buyers or licensors are protected under the Copyright Act, meaning the buyer simply cannot abuse the copyrights of the NFT. Any unauthorised reproduction or distribution is also protected under S. 14 of the Act<sup>243</sup>. The reason NFTs are complicated for the copyright act to impede upon is the fact that NFTs have the ability to form smart contracts in which further sale and distribution can be marked and automatic royalty payments can be made to the original creator of the NFT. Any contravention of the copyright act would definitely attract the provisions and penalties of the act, but it is extremely difficult at the moment to control the block chain technology and NFTs as there is no current mechanism to allow for intrusion.

NFTs are traded on a global network, and the issue of jurisdiction once an NFT has crossed international borders is still at large. There is a dire need for international coherence on the subject of NFTs, their regulation as well as IP protection of each country and its citizens. NFTs may be classified as 'intangible assets' under the FEMA (Foreign Exchange

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<sup>242</sup> Cryptocurrency and Regulation of Official Digital Currency Bill, 2021

<sup>243</sup> Supra note 16.

Management Act).<sup>244</sup> If done so, it still poses further complications as this classification of intangible assets requires the location of such assets to be clear. But NFTs are recorded and edited on the global ledger and exist on every system that is part of the block chain regardless of the location. This makes it extremely difficult to associate a location with the NFT. The location of the buyer of NFT may be noted, but NFTs are easily traded on the network, and it would be hard to keep track of such change of hands and location.

### **DRAWING A COMPARISON WITH THE NFT AND IP LAWS IN USA, UK AND OTHER RELEVANT COUNTRIES.**

It is important to look at and analyse the legal framework in other countries and how the learnings can be applied to the Indian scenario.

NFTs are part of a public ledger that is internationally spread across borders. It is a barrier for all the nations since block chain technology is practically inevitable. Even in India, with the introduction of the Crypto bill, it is attempting to make all private cryptocurrencies illegal in nature, meaning that NFT technology would also be rendered essentially illegal as the standards followed are currently majorly part of the Ethereum network.

In the UK, the copyright law, Copyright Designs and Patents Act, 1988<sup>245</sup> (CDPA) requires in writing any assignment of copyrights by or on behalf of the assignor. To translate and apply that to NFT, it would mean that, by way of smart contracts, copyrights within an NFT, of the underlying digital asset, may be assigned through the NFT itself. But the law does not explicitly state that this would be counted as the requirements being fulfilled. If the courts interpret that these do not fulfil the requirements of the act, then such assignment of copyrights within an NFT would be nullified.

However, the European commission, which is generally an eager legislator to act as a pioneer for legal change, seems to have exempted, or excluded NFTs from their newest regulation attempt under MiCA (Markets in Crypto Assets Regulation). This new development leads to

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<sup>244</sup> The Foreign Exchange Management Act, 1999.

<sup>245</sup> Copyright Designs and Patents Act, 1988.



a gap in regulation and does not solve any legal complications.

The gaps in the legislations regarding Trademarks, and especially Copyrights are very similar to that of India. In India the Crypto bill aims to completely eliminate all private cryptocurrencies, which would essentially make NFTs illegal as well. The budget made all income from crypto assets taxable at a 30% rate. There is clearly ambiguity in the intentions of the government whether to legalise crypto assets and if so, to what extent. Block chain Technology is inevitable. Any attempts made to stop its development will only hamper oneself and moreover, render all block chain activities into the black-market which would feed into the ever-burning pit of money-laundering and funding of illegal activities.

In the US, the law relating to NFTs, and copyrights is more established compared to that of Europe and India. Wherein the creator of the Digital asset is the owner of the IP rights attached to it. IP rights, especially copyright, exist independent of that of its NFT. Similar to the selling of any physical copy of almost any type of artwork. The copyright does not automatically transfer with the sale and trade of NFTs. Ownership of copyrights is provided solely to the owner under 17 USC § 106<sup>246</sup>, which provides the right to reproduce, derivate further works, distribution, displaying of the work and also performance of the works. The question posed here as well is whether the minting of an NFT on an existing digital work, can automatically grant the NFT copyright protection as well? Would the owner of such an NFT hold the copyrights of the underlying asset?<sup>247</sup>

The US law regarding copyrights states that creation of NFT can be categorised as a copy or even a derivative work based upon pre-existing works. Although the NFT does not carry the digital artwork in itself and it is merely a code or hash that exists on a public ledger, this interpretation allows the creators of the digital artwork further protection from illegal distribution, or reproduction- meaning persons who are not the owners of the copyright of a digital asset should not be permitted to mint an NFT of it. In 17 USC § 101<sup>248</sup> classifies any work based upon pre-existing works, art reproduction may be recast, transformed, or adopted, as a copy or a derivation of the original work. Under US law, it is only the copyright holder

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<sup>246</sup> 17 USC § 106

<sup>247</sup> Guadamuz, A., 2021. The treachery of images: non-fungible tokens and copyright. *Journal Of Intellectual Property Law and Practice*, 16(12), pp.1367-1385. <https://academic.oup.com/jiplp/article-abstract/16/12/1367/6449489>

<sup>248</sup> Supra Note. § 101.

and their licensees (within their scope) who may have the authority to transform any digital artwork into an NFT.

This approach would solve the question of persons other than the creator of the digital work, or the owner of the copyright and the licensee (to a certain limit) minting NFTs. Such NFTs would fall under copyright infringement ab-initio and would count as an illegal reproduction, or derivation of the original digital asset. From this point onwards, it would be easier for the copyright holder to claim infringement upon the illicit NFT minted by such an unauthorised person.

An example to show this mechanism in use would be the case of Larva Labs (one of the most famous NFT creators- they also created the CryptoPunk project which is a 10,000 unique character collection formed into NFTs) submitting their DMCA takedown (Digital Millennium Copyright Act<sup>249</sup>) request to the NFT platform foundation for an online display of CryptoPunk NFTs by Ryder Ripps as their own work. The dispute is ongoing; however, the arguments are based on the above notion that NFTs are basically a reproduction or derivation of the original artwork, and any unauthorised copy, including minting an NFT, would amount to infringement of the copyrights of the underlying assets.

## **SUGGESTIONS TO THE CURRENT LAWS GOVERNING NFTS, BLOCKCHAIN TECHNOLOGY, AND IP RIGHTS AND PROTECTIONS.**

This chapter aims to provide suggestions in- The Cryptocurrency and Regulation of Official Digital Currency Bill, 2021 and current IP laws such as The Copyright Act, 1957 along with the IT Act, 2000<sup>250</sup>.

The current direction of the world in general is to wait and watch how the development of NFTs occurs. The speed at which block chain technology is developing is unprecedented and incomprehensible. Governments of each country have been scrambling to regulate this massive piece of technology that knows no bounds. Block chain technology has many

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<sup>249</sup> The Digital Millennium Copyright Act of 1998.

<sup>250</sup> The Information Technology Act, 2000.

complications and challenges that are new to us. The whole concept of block chain is that it forms a chain of blocks of information through all the network systems that are part of it throughout the world. There is no such thing as geographical limitation for block chain. Naturally, the first issue that pops up is jurisdiction. How will the countries operate and regulate a technology that itself knows no singular location? Purely on the basis of transactions it is to be determined.

When it comes to IP protection, there are international as well as local legislations in place that have sufficed until now. With the advent of Block chain into the world of digital works through NFT, the complications of Copyright and Trademark protection are newly posed. NFTs are mere codes and hashes that refer to another object, whether it be an image, video, or audio. The ownership and trade, buying or selling of NFTs is currently done on Online NFT marketplaces that are part of the block chains. NFTs are unique as they render any image, audio, video created by a person or organisation to be original, unique and authentic. An artist can create a digital art and mint an NFT on that digital art, it would give authenticity and a certificate of ownership of that particular NFT and the underlying art.

The issue always arises when the question of the rights of the underlying assets are concerned. An image whether it is digital or on paper, has inherent rights in it that lie with the creator. The creator of an image has the copyrights on that particular asset. Now that same artist can create an NFT out of the digital asset and bolster his/her rights as it would provide protection against other illicit persons claiming the artwork to be their original work. The same can be misused as well. A person who happens to be in possession of a digital asset that was created by someone else can mint it into an NFT and claim it as their own. The rights of the creator of such asset are infringed. The only resolution to the owner of the copyright of such asset is to file a claim citing infringement and seek either an injunction from further reproducing the asset, derivations, duplicating, or even displaying such asset, and also claim damages for such infringement. This process, however, is very tedious, time consuming and infeasible.

There are several ways in which IP rights protection can be made when it comes to NFTs:

1. **Updating Legislations:** The current legislations in place around the world have yet to fully recognise the potential of NFTs and the block chain technologies. In India, the Crypto bill merely discusses a potential ban on all private cryptocurrencies and creation of a digital currency based on the value of rupee. It does not engage into the

need for legislation regarding the NFT technology. The budget, which taxes all digital asset gains at 30% rate, is simply an attempt to disincentivize persons from diving into this unregulated and uncertain market.

In the USA, the legislation regarding the copyright can be interpreted to define NFTs of digital works as a mere duplication, distribution, derivative work, or display of the underlying artwork, which makes any unauthorised minting of NFTs violative of the creator's copyrights ab-initio. This approach may work in the short term, however, the growth of NFT in the current world is at a pace unimaginable and it will fall short of implementation when the claims arrive in large numbers.

## 2. Legalising NFTs, cryptocurrencies and block chain:

The first step in the right direction would be to legalise all ventures of NFTs, cryptocurrencies and any form of block chain technology all across the world. The fear of governments that NFTs, cryptocurrencies and block chain technologies will be misused to launder money and fund illicit and illegal activities, has to pave the way for regulation and legislation. Only by legalisation can the governments benefit from such technology as it provides revenue and reduces money laundering. The legalisation of such technology also means that other legislations connected to it can also benefit from the same. Copyrights and Trademark legislations can only make provisions for NFTs and block chain protection once such technology has been legalised and regulated.

## 3. Creating an open access NFT library search tool:

Currently Google images can search for images based on predetermined images. This machine learning technology has already been in use and development since a long time and has been reliable. Every video on YouTube goes through a screening process to check if it infringes upon any existing copyright, which is why movies are not available on YouTube to watch freely. Such machine-learned technology can also be developed and used for NFT tracking and searching.

Each NFT that needs to be minted can be screened for similarity to an already existing NFT of digital work, whether it is an image, video or audio and sometimes even plain simple text. If there is an instance where an unauthorised user is trying to mint an

NFT on an existing asset or NFT, such existing NFT owner and its copyright owner can be notified through this automatic screening process and the owner or creator can initiate a takedown process for such infringing NFT.

There needs to be a proactive approach towards regulating NFTs, cryptocurrency and block chain technology. The world cannot hide behind the veil of ignorance anymore. It is high time that governments take steps to ensure the IP rights are protected against this new opportunity to prevent it from getting out of control.