

Brand Protection and Value Creation- Integration of IP into Business Strategies

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The Numbers

68 billion

Is the value of Coke
as a Brand

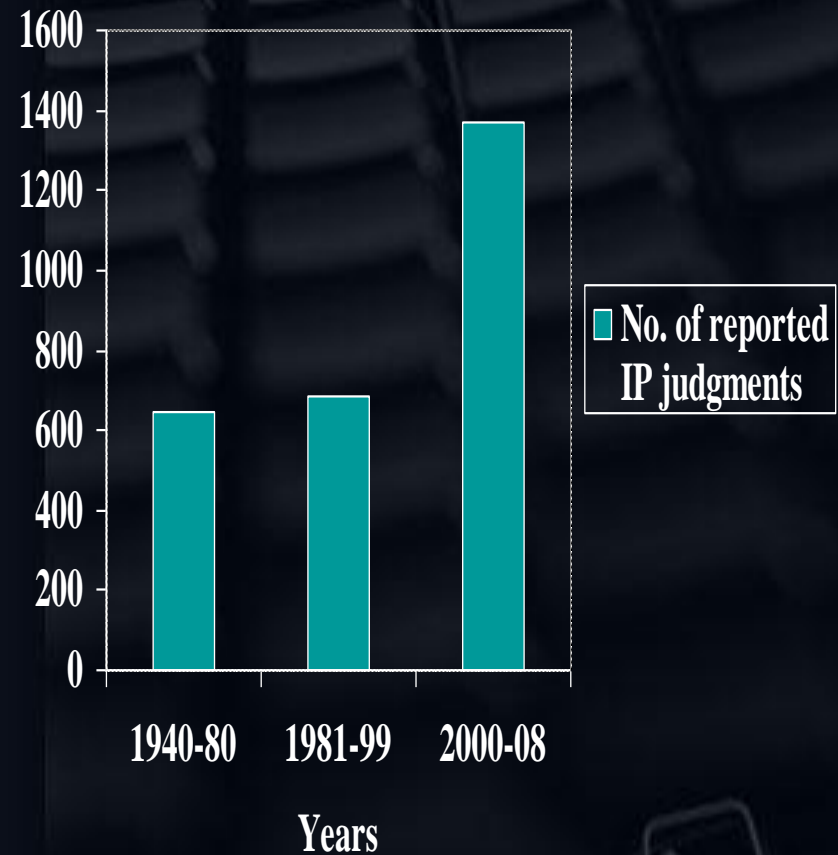
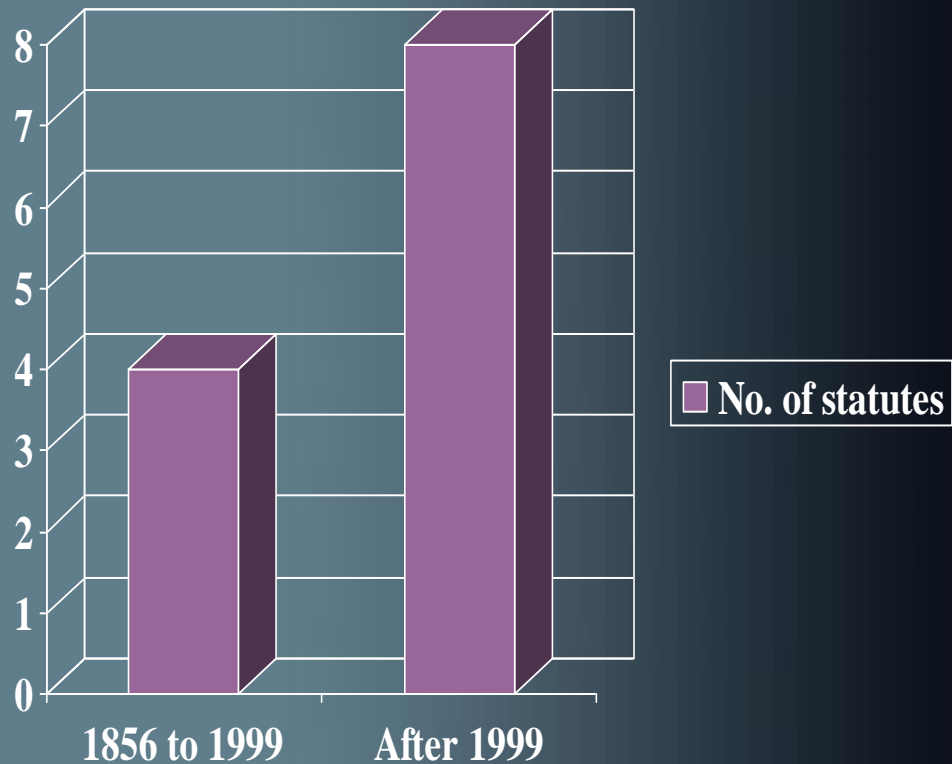
Microsoft
is valued at

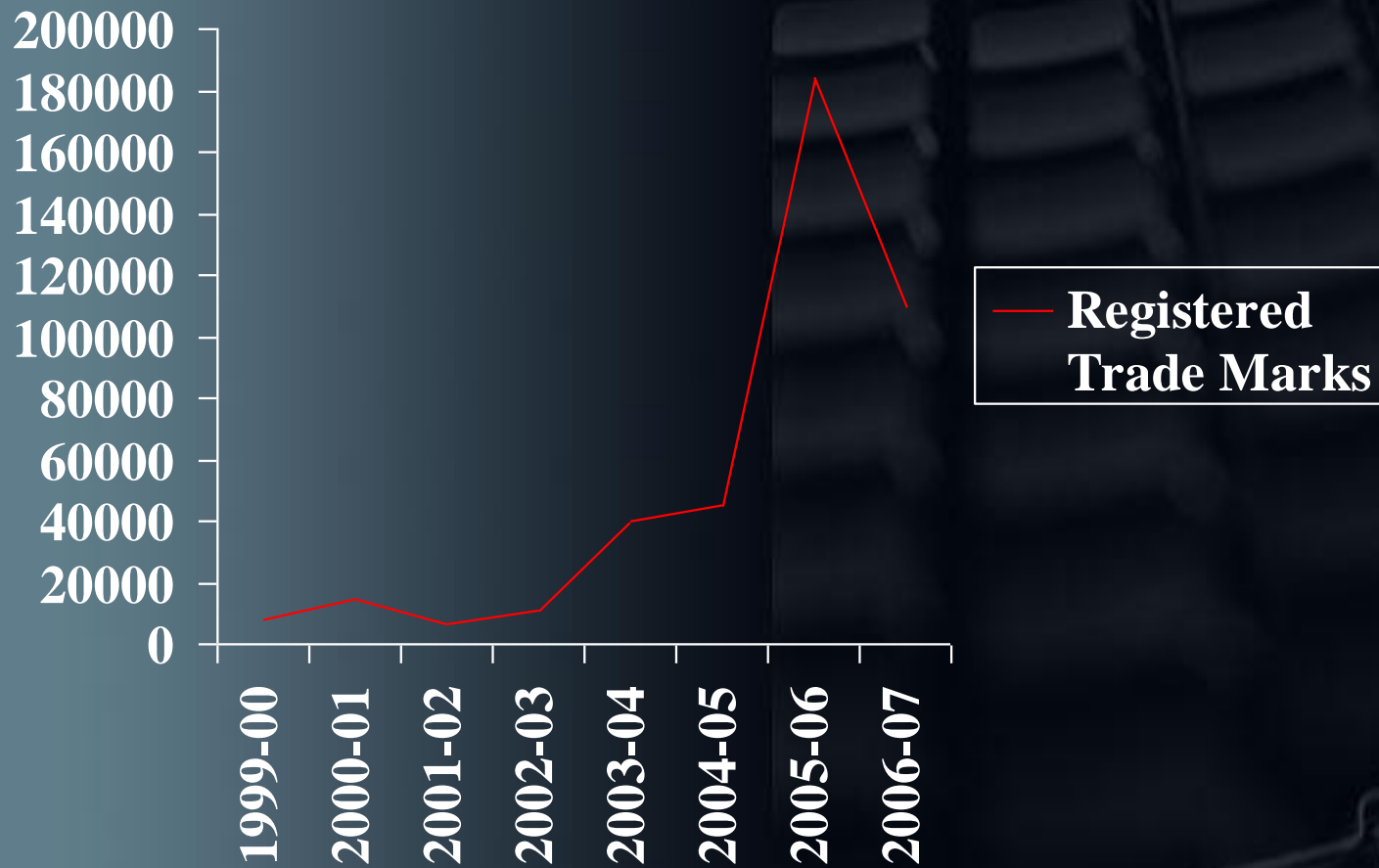
60 billion

Top 10 Brands In The World

Brand	Value in US\$Billions
IBM	53
GE	47
Intel	36
Nokia	26
Walt Disney Co.	26
Mc Donalds Corp	26
Toyota	25
Altria Group	21

Indian IP Laws on the rise





Trademarks

- *Section: 2(zb) 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 the goods , their packaging and combination of colors;*
 - Distinctiveness
 - Identity
 - Representation
 - Eg. LIPTON, TATA, COKE

Trade Mark Registration In India

Process of Registration

- The application filed in the office of the Trade Mark Registrar. India signatory to *Paris Convention in 1998* hence application can claim Convention priority.
- Upon acceptance of the application, it is advertised in the Trade Mark Journal. Application may be accepted, subject to amendments, then the same need to be made.
- In case of an opposition following the advertisement or re-advertisement of the application, the Registrar holds a hearing of the parties in which the respective evidences are examined.
- An appeal from the decision of the registrar, if it is not favorable to the applicant, lies to the Appellate Board situated in Chennai.

Application For Registration

- **Who can file:** Any person proprietor of a trade mark used or proposed to be used by him can apply for a registration.
- **Where is it filed:** with the **Registrar Of Trade Marks** within whose territorial limits the principal place of business of the applicant is located. If none of the applicants have a principal place of business in India, then the appropriate office is the one within whose jurisdiction the place mentioned in the address for service in India falls.
- **Appropriate forms and specific requirements:**
 - **Form TM-1** for a trade mark for a specification of goods or services included in any one class.
 - **Form TM-51** for a trade mark for different classes of goods and services.
 - **Form TM-61** for inclusion of specification of goods or services in excess of 500 characters.

The forms are to be filled in triplicate and accompanied by five representations of the trade mark.

Convention Priority

- India ratified the **Paris Convention** on 3rd December 1998 and hence it is possible to file an application for registration of a trade mark in India claiming Convention priority. Reciprocal rights are available to Indians who file in other Convention countries. The right of priority means that on the basis of a regular application for trade mark registration filed by an applicant in one of the Convention countries, the same applicant or his successor in title may, **within six months**, have certain rights when applying for protection in all the other member countries.
- On filing an application using forms **TM-2** or **TM-52**, accompanied by a certified copy of the Convention application, the trade mark is registered as of the date on which the application was made in the Convention country.

Advertisement Before Acceptance

- Issue of application number within a month of filing the application.
- Examiner conducts search and identify if there exist, same or similar registrations or pending applications.
- An Examination Report is generally issued within 9-12 months of the filing of the application - reply to the Examination Report to be filed within a month.
- Examining Officer calls the applicant/agent for the applicant for a hearing during which the applicant presents his case before the Examining Officer.
- If all the concerns of the Examining Officer are addressed and resolved to his/her satisfaction she/he will pass an order for **Advertisement Before Acceptance (ABA)**. i.e advertisement in the **Trade Marks Journal**.
- The mark is open for opposition for the next 3 months (an additional 1 month is granted if requested, at the discretion of the Registrar, within the first 3 months). If no oppositions are filed, the mark proceeds towards registration

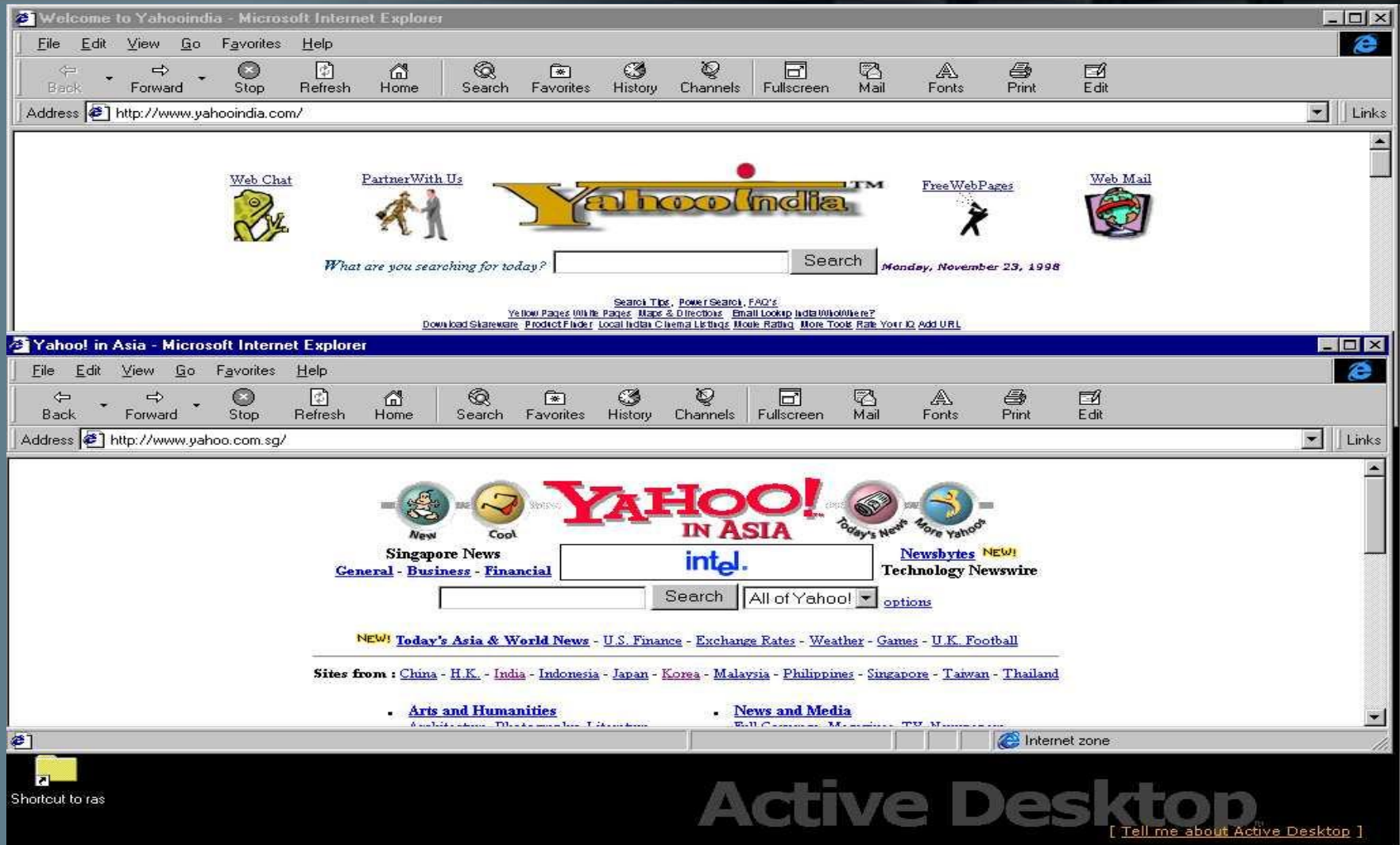
Opposition To Registration

- A notice of opposition may be filed using form **TM-5** within three months (or an additional one month upon request).
- The person opposing need not be a prior registered trade mark owner. Even a customer, a purchaser, or a member of the public likely to use the goods may object to the registration of a trade mark on the grounds of possible deception or confusion.
- The applicant can file a counter statement with the Registrar using form **TM-6** within two months of the notice. Both parties submit their evidence to the Registrar who may also hold a hearing of the parties.
- The Registrar decides subject to what conditions and limitations, if any, the registration is to be permitted. In making such a decision, the Registrar may take into account a ground of objection even if it has not been relied upon by the opposition.
- An appeal from the Registrar's decision lies to the Appellate Board.

Duration, Removal And Restoration Of The Trade Mark

- **Duration:** The registration of the trade mark is for a period of ten years, dating back to the date of application, renewable for another period of ten years.
- **Removal:** The trade mark may be removed from the register if the conditions for renewal are not fulfilled.
- **Restoration:** If the trade mark has been removed from the register for non-payment of prescribed fee, it may be restored, after six months and within one year from the expiration of the last registration, on filing an appropriate form and prescribed fee.

Cyber squatting in India: the Yahoo! Case



WHAT IS A DESIGN ?

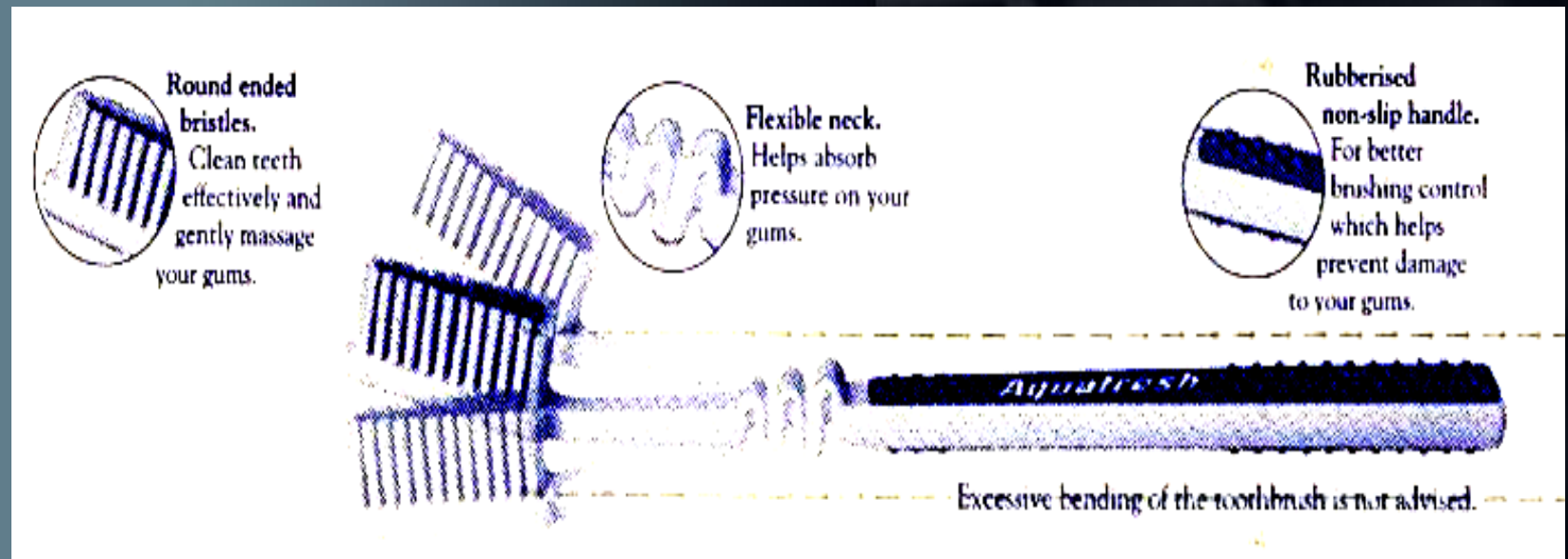
- Design refers to features of
 - shape, configuration
 - pattern or ornamentation
 - composition of lines or colors
 - as applied to an article, by any industrial process (manual, mechanical or chemical)
- Design is limited to visual appeal of the article : functional features not protectable

ACQUAFRESH CASE

- SmithKlineBeecham Vs. Hindustan Lever Ltd
- SmithKline's case:
 - Plaintiff manufacturing toothbrushes 'ACQUAFRESH FLEX' and 'ACQUAFRESH FLEX N' DIRECT'
 - Unique design head shape, S-shaped connecting portion between head and handle of brushes
 - S-shaped region aesthetic and functional: zig-zag region gives flexibility to brush
 - Both designs registered in India

ACQUAFRESH CASE

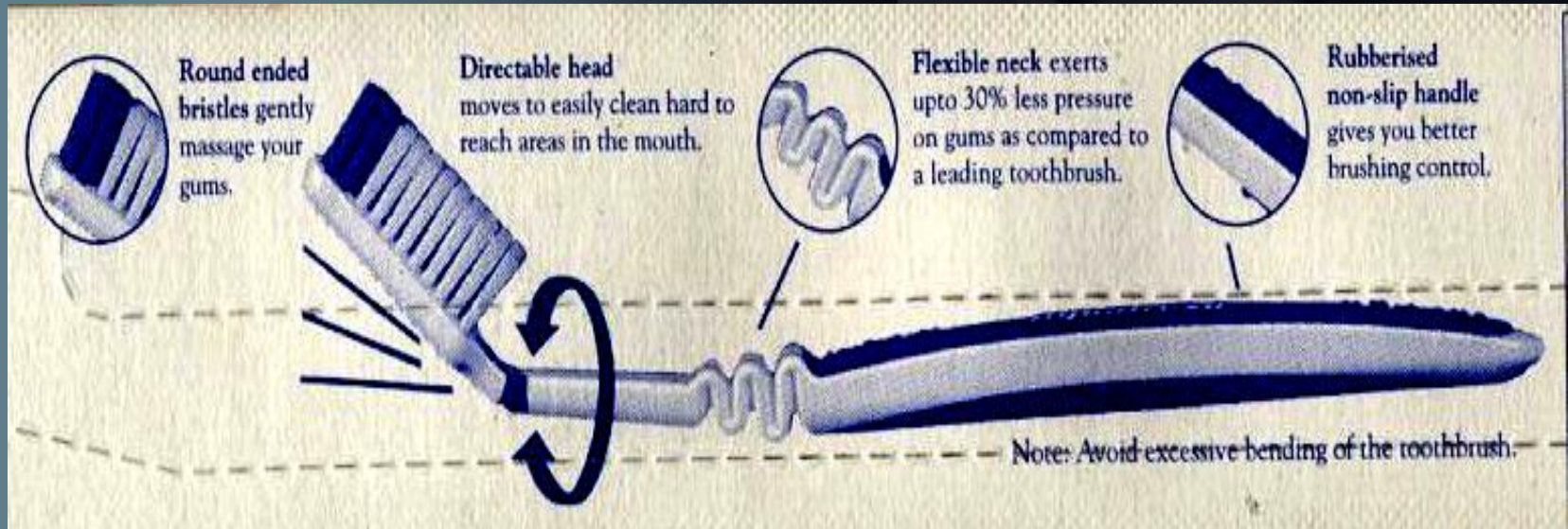
THE PLAINTIFF'S 'ACQUAFRESH':



ACQUAFRESH CASE

THE PLAINTIFF'S

'ACQUAFRESH FLEX N' DIRECT':



ACQUAFRESH CASE

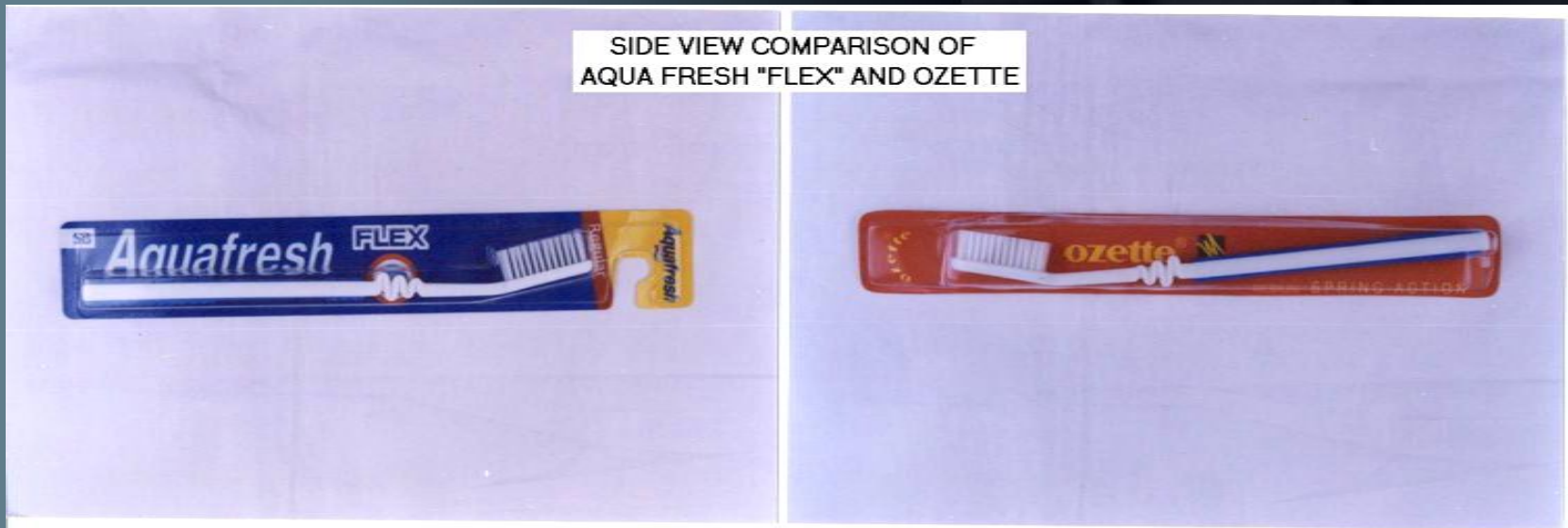
DEFENDANT'S BRUSH: 'PEPSODENT'

SIDE VIEW COMPARISON OF AQUA FRESH "FLEX N DIRECT" AND PEPSODENT POPULAR



ACQUAFRESH CASE

DEFENDANT'S BRUSH: 'OZETTE'



ACQUAFRESH CASE

■ WHAT THE COURT HELD

- all advertisements describe plaintiff's brush as
 - most flexible
 - S-shaped folds resilient - lending flexibility
- Plaintiff's assertion incorrect that S-shaped feature of brush is aesthetic
- Dominant features are functional
- No case made out for injunction by Plaintiff

Copyright

- You have a copyright on the creation.
- Registration optional – establishes a prima facie evidence of ownership
- Developing company is the owner.
- Gives an exclusive right to sell, export, use, license, adapt, issue copies, give on commercial rental
- Period for grant of protection is 60 years
- Employee creates or write or composes work automatically vest in employer

RIGHTS UNDER COMMON LAW

- Common law provides for certain protection against unfair competition, disclosure of confidential information, trade secrets and passing off. These are generally regulated by contracts between the parties as well. The law continues to evolve with changing circumstances and commercial requirements.
- Courts are open to international standards and laws of other countries, so far they are applicable in Indian circumstances.

**I have some IP rights
—
what do I do with
it???**

TRANSACT

ENFORCE

LICENSE/SALE OF IP

- IP laws in India provide for assignment, franchise and licensing of Intellectual Property Rights by private agreements.
- Law prescribes only basic requirements as far as instruments of transfer are concerned.
- The instruments should comply with other laws such as foreign collaboration laws, stamp duty law, notarization and signing, registration (where required) and taxation.

Licensing

Software is always sold in a license to use form

The Microsoft logo, consisting of the word "Microsoft" in a white, sans-serif font, centered within a solid blue rectangular background.The Microsoft .NET logo, featuring the word "Microsoft" in a small font above the ".NET" text, which is rendered in a stylized, multi-colored font.The Microsoft Windows logo, featuring the four-pane window icon in its characteristic colors (red, green, blue, yellow) to the left of the word "Windows" in a bold, black, sans-serif font.The Microsoft Office logo, featuring the four-pane window icon in its characteristic colors to the left of the word "Office" in a bold, black, sans-serif font.

Franchising

Franchising is the most popular tool for IPR use around the world



Examples Of Financial Benefits From IP Assets

- **GIK Worldwide, a San Francisco based company raised U.S. \$ 17 million using its patents as collateral.**
- **Songwriting duo and performers Nicholas Ashford and Valerie Simpson's copyrights to 247 songs were the backing for a \$25 million bond issue by the Pullman Group in 1999.**

ENFORCEMENT AND LITIGATION

Civil

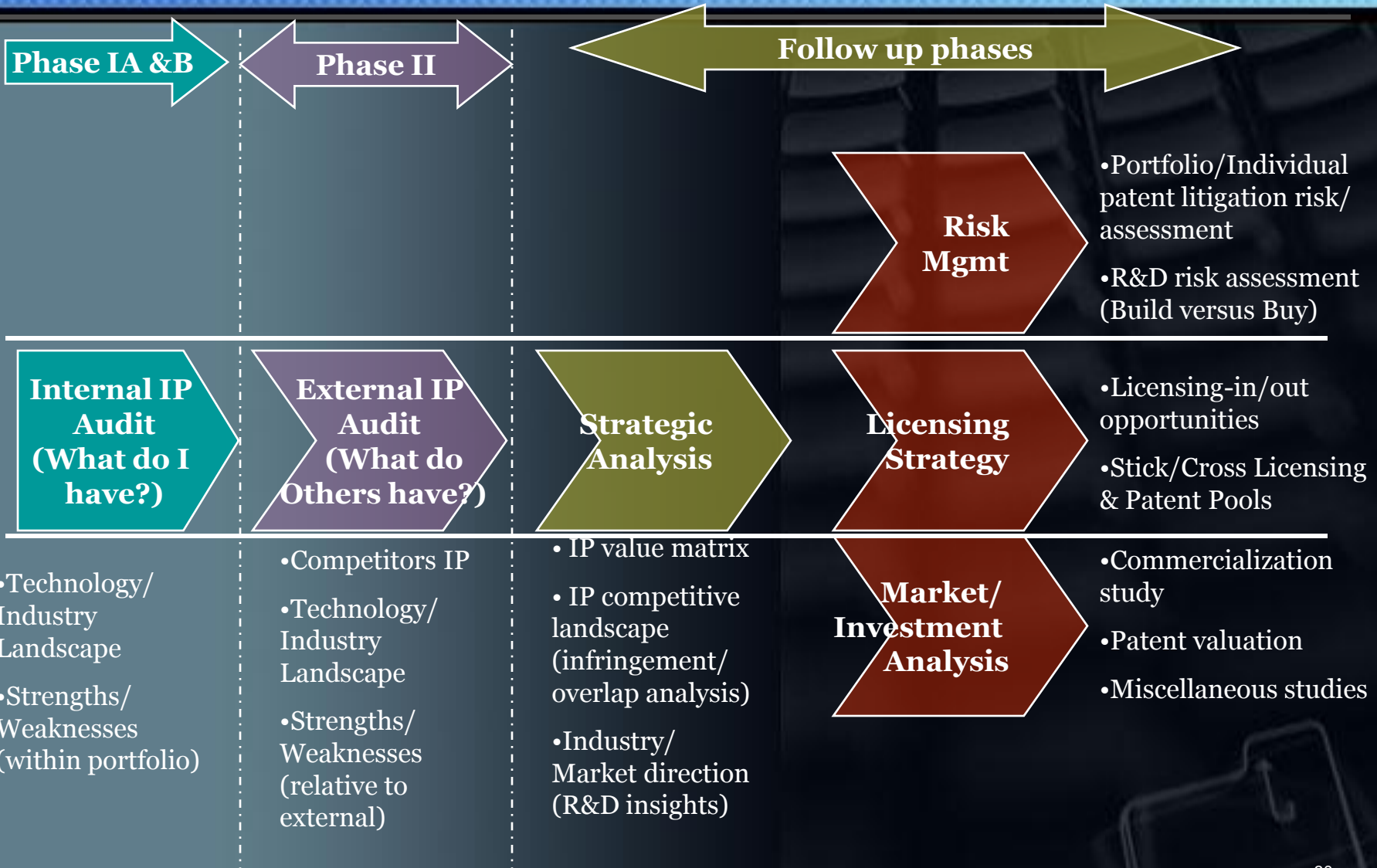
- Injunction/ stay
- Damages can be claimed
- Accounts and handing over of profits
- Appointment of local commissioner by the court for custody/ sealing of infringing material / accounts
- Interim Injunction :-
 - Ex-Parte
 - After Hearing

Criminal

- Available only under copyright and trademark law
- Infringement of copyright: cognizable and non-bailable offence



Portfolio Approach



Some Prudent IP Practices

- Identify your IP - focus on chief revenue generator (Key IP)
- Build protection systems
 - By Statute
 - registration and enforcement procedures
 - statutorily recognised right
 - enforcement procedure - Anton Pillar Orders, injunctive action, penal & civil action, suit for damages
 - By Contract
 - Employment Agreements + NDA

Some Prudent IP Practices

- **Build protection systems**
 - **By Policy & Practice**
 - **Trade Secret Policy - well published**
 - **Data Security Policy & Practice**
 - **Inventions log & inventory**
 - **IP Log & Inventory - TM, Copyrights, Trade Secrets, Trade Marks**
 - **Periodic Audits**

Some Prudent IP Practices

- Invest in IP protection strategy and regime
 - Identify your key IP
 - Chart out how you want to protect it, commercialise it
 - use a licensing regime
 - build and sell
 - Chart out your roadmap
 - Use professional advice to assist strategy and implementation
 - “Protection is better than cure”
- Clear and precise documentation of all IP

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