

Intellectual Property advocacy in the fields of:

- IP Infrastructure
- IP Valuation
- M & A
- IP Policy
- Technology Transfer
- Innovation Research
- Patent Law
- Licensing
- Data Management
- Copyright
- Collaborations
- Balance for Rights & Obligations

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Editorial...

Intellectual Property practice at IP-INDIA has been a pleasure and increasingly smooth over the years. However, the status of the appellate body, the Intellectual Property Appellate Board (IPAB) has been in a limbo for years with no one caring to put this tribunal back to work. It is indeed surprising, that the non-functioning of IPAB has not received any attention from the powers-to-be. We had sought the intervention of all who matter to remedy this problem and received no response.

Concurrently, very large numbers of appeals and revocation petitions have been piling up at the IPAB without providing the appellants with any acknowledgement. Aggrieved appellants have been approaching the High Courts, with writ petitions seeking relief. In a few cases, the High Court has intervened and asked the patent office for re-hearing of grant and rejections. The lawyer representative of the government had assured the High Courts that the Technical members as well as judicial members are being appointed. Many dates and deadlines have been missed and no action was taken either by the government or by the Courts. It is in this context that the Learned Judge Pratibha Singh of the Delhi High Court has come up with the latest and most awaited order seeking the views of the Government on the near “dead” status of the IPAB. Hopefully, this order should awaken and alert the Government into response and needful action.

INTELLECTUAL PROPERTY APPELLATE BOARD – CURRENT STATUS

As mentioned above, the recent order passed by Justice Pratibha Singh of the Delhi High Court, in the case of *Novartis AG v. Union of India & ors WP(C) 11346/2019*, provides that a notice be sent to the Ld. Additional Solicitor General and the Secretary of the Department for Promotion of Industry and Internal Trade (DPIIT) to inquire into the details of the functionality and status quo of the Intellectual Property Appellate Board. Present-day, there are unfortunately no judicial members functioning in the IPAB and there is only one technical member for plant varieties. Further, there are no technical members for Patents, Trademarks or Copyrights nor has the appointment of Chairman or Vice-Chairman taken place.

The Intellectual Property Appellate Board (IPAB) was constituted by the Indian Government on September 15, 2003 under the Trade Marks Act, 1999 to hear and adjudicate appeals against the decisions of the Registrar under the Indian Trade Marks Act, 1999 and the Indian Geographical indications of Goods (Registration and Protection) Act, 1999.

The IPAB was empowered to hear and adjudge the appeals made against the orders or decisions made by the Patent Controller, effective from April 2, 2007. Consequently, all pending appeals before the Indian High Courts under the Patent Act were transferred to the IPAB.

The Bench of the IPAB composes of a Chairperson and a Technical Member having expertise in the respective law or Intellectual Property field. The IPAB was constituted as there was a need for an expert tribunal to arbitrate issues that are technical in nature. IPAB though set up with the noble aim of speedily disposing off IP matters, has had several hiccups. It was ascertained that the Patent related matters were heard by the IPAB only until the Technical Member retired i.e. on May 4, 2016. Similarly, the Trade Mark and Copyright matters were on a standstill due to the retirement of the Technical Members from December, 2018. In the meantime, the part time chairman also retired.

The vacancies not being filled up are the major cause of the pendency of cases and non-functionality of the IPAB. Further, the binding condition in Section 84 under the Trade Marks Act, 1999 is an impediment for the IPAB. It states that a Bench of the IPAB “shall” consist of one Judicial Member and one Technical Member. Thus, it was mandatory to have a quorum of at least two members, which made it difficult for the IPAB to dispose of matters.

An astounding approximate of 3,900 cases (may even exceed 4,000) are pending for adjudication before the IPAB. As per the report provided by International Federation of Intellectual Property Attorneys (FICPI), the break-up of the pending cases was as under on an earlier date.

S. No.	Subject of Cases	Approx. No. of Cases Pending
1.	Trade Marks	2626
2.	Patents	617
3.	Copyright	691
4.	Geographical Indications	01

It was in the case of *Mylan Laboratories Limited Vs Union Of India & Ors W.P.(C) 5571/2019*, that the issue of the non-functionality of the IPAB came to light. The court relying on *Election Commission of India v Dr.Subramaniam Swamy, 1996 4 SCC 104, M/s Kwalitiy Restaurant and Ice Cream Co. v The Commissioner of VAT, Trade and Tax Department, (2012) 194 DLT 195 (DB), Talluri Srinivas v Union of India, Ministry of Corporate Affairs, 2018 SCC OnLine Del 7765 and Bharat Bijlee Limited v Commisioner of Trades and Taxes, (2016) 231 DLT (CN) 2 (DB)* held in *Mylan Laboratories Limited* case supra, that the doctrine of necessity be invoked and the IPAB should proceed to hear urgent matters and, the orders passed should not be considered invalid on the ground of lack of quorum.

The term of Justice Manmohan Singh, the chairman of IPAB had expired on September 21, 2019 following which there was no fresh appointment made to continue further proceedings. In a matter at the Delhi High Court, it was ordered that the Chairman of the IPAB should continue until a fresh appointment is made.

Justice Midha further observed that “*If the term of the Chairman of IPAB is not extended till the fresh appointment is made; the IPAB would be shut down on 22nd September, 2019 which would violate the valuable right to access to justice.... This Court is concerned about the violation of the valuable right of access to justice. This Court is of the view that guidelines are necessary for proper functioning of the Tribunals. However, considering that the framing of guidelines and continuation of the Chairman to IPAB till the fresh appointment, are in the nature of PIL, it would be appropriate to send this matter to PIL Bench. Subject to the order of the Hon’ble the Chief Justice, list before the PIL Bench on 20th September, 2019.*”

For reasons which cannot be elaborated here, in the Governments own justifiable wisdom, no extension of tenure to Justice Manmohan Singh was granted. Consequently, the IPAB has become completely non-functional without any needful actions from the government, defeating the purpose for which it was established. Hence, the key challenge before the Government is to bring back the functionality of the IPAB as soon as possible not only to reduce the pendency before the appellate board, but also restore credibility to the relevant promises of trademarks, patents, copyrights and geographical indications.

Latest Amendments of the Patents Rules, 2003 and the Design Rules, 2001

The Patents Rules, 2003 and the Design Rules, 2001 have been time and again amended by the Central Government. The latest draft for amendment with respect to the above mentioned Rules have been published for review and suggestions on October 25, 2019.

Prior to the amendment in the Patent (2nd Amendment) Rules, 2019, an individual and/or start up and/or small entity were liable to pay different fees for official purposes. However, the recent draft amendment aims at harmonising such fees paid by an individual and/or start up and/or small entity. The above amendment has been replicated in Draft Designs (Amendment) Rules, 2019.

Additionally, it may be noted that under the Draft Patent (2nd Amendment) Rules, 2019, the proviso in sub-rule 5 of Rule 24 lays down that the start up / small entity can apply for expedited examination. The request of expedited examination is to be permitted, irrespective of whether it ceases to be a start-up/ small entity.

The Draft Designs (Amendment) Rules, 2019 provides an explanation for the term “start up”. It means an entity in India, recognised as a start up by a competent authority under the Startup India initiative.

Further, as per the new Draft Designs (Amendment) Rules, Rule 10 clause (1) states that articles shall be classified as per current edition of “International Classification for Industrial Designs (Locarno Classification)” published by World Intellectual Property Organization (WIPO).

Draft Patents (2nd Amendment) Rules, 2019:

http://ipindia.nic.in/writereaddata/Portal/Images/pdf/213319_2_Patent.pdf

Draft Designs (Amendment) Rules, 2019:

http://ipindia.nic.in/writereaddata/Portal/Images/pdf/213355_1__Design.pdf