

**DIRECTOR'S MESSAGE**



Intellectual property management is the most dynamic concept of the modern era of science, technology and knowledge based business organization. Although there are different connotations of IP management such as intellectual capital management, human capital management and intangible asset management but broadly it's meaning converges towards IP commercialisation, IP valuation and IP audit. IP commercialisation has several aspects including IP leveraging and IP financing. The traditional mode of IP financing was limited to licensing of patent or copyright and thereby earning royalty or direct sale by way of assignment. The modern approach includes IP auctioning through online established auctioneers and through IP exchanges with the help of technology market and technology trading exchange. IP securitisation

is gradually gaining recognition in the banking field and also by the private investment funds. IP is used as collateral by pledging patents, trademark or copyrights similar to tangible assets such as real estate, equipments and inventory.

Altitude Capital Partners is a US\$250 million private investment fund which invests in IP asset and IP focused companies. The credit lending institutions classify the IP assets into two categories: 1) Cash flow assets and 2) Assets with implicit value which is generally based on customers' list and database. The cash flow assets are generally identified in film and music industry and its span is expanding in biotechnology and software industries. The legal framework for IP securitisation varies from country to country but United Nations Commission on International Trade Laws (UNCITRAL) and International Chamber Of Commerce are working out a common legal framework for such securitisation. Generally a legal mortgage is created whereby the lender becomes the IP owner or sometimes an assignment of license is executed in favour of the lender which is licensed back to the debtor. There have been successful instances of such licensing of copyrights of songs and music whereby the artists and the credit institutions have helped each other in IP leveraging through IP securitisation.

IP valuation is one of the most important aspects of IP financing. The IP valuation is generally done for the purposes of taxation, securitisation, sale, licensing and for determination of the price of shares in case of initial public offerings. German Institute of Standardisation has laid down the principles of proper patent valuation in its document PAS 1070 (SAB). International Chamber of Commerce has also suggested for a Patent Valuation Committee for developing an International Standard for IP valuation as per ISO standard. IP taxation is also a critical area in case of transfer of technology to determine transfer pricing in case of licensing and assignment involving arm's length transactions.

IP due diligence and IP audit are the tools which help transfer of technology by way of licensing or assignment or in case of mergers and acquisitions. The process of IP due diligence is highly technical and is carried out by experts who have the knowledge of different IP laws and who are well versed with the intricacies of the technologies involved in the transfer. Adequate compliance of IP audit and due diligence avoid future litigations and establishes the genuinity of the transaction by holding legal title of the transferor. IP audit is important not only in case of transfer of technology but also for proper IP portfolio management.

IP asset management thus comprises several important aspects from identification of IP, its protection, commercialization, leveraging, valuation, and audit to IP analysis with the help of competitive intelligence for the survival and growth of business entities in the present era of knowledge and globalised world.

ITAG has chosen IP asset management as its niche area and the present effort to organize the international conference on IPR at the beginning of the year 2009 in the country its maiden attempt to disseminate knowledge in this field for the emerging Indian economy. We wish that we shall be able to empower business entities through their intellectual property rights.

**Dr. D R Agarwal**

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## IPR NEWS - INDIA

### BILL TO PROTECT IPR IN PUBLIC FUNDED RESEARCH

The Protection and Utilisation of Public Funded Intellectual Property Bill 2008, a bill to protect IPR in public funded research was introduced by Science and Technology Minister Kapil Sibal in the Rajya Sabha. The objective of the proposed legislation is to ensure access to such innovation by all stakeholders for public good.

Bill seeks to provide for a funding agreement between the government and the recipient before release of grant for research and development. It also seeks out to block public disclosure, publication and exhibition of the public funded intellectual property.

The bill, if passed would enhance awareness about intellectual property issues, especially in universities, academic and research institutions.

### HC REVOKES ROCHE'S PATENT

Madras High Court has set aside Roche's patent on its drug, valganciclovir on procedural grounds after being granted. Valganciclovir received patent in the year 2007.

Indian Network for People Living with (INP+) and Tamil Nadu Networking People with HIV/AIDS (TNNP+) filed a petition challenging the Indian Patent Office's decision of granting a patent without being heard the pre-grant opposition filed by them. Under the Indian law, if an opponent requests a hearing, the patent office is required to provide the opponent an opportunity to be heard. However, this opportunity wasn't provided to the petitioners. The court held that Indian patent office failed to comply

with the patent law and remanded the matter back to the Patent Controller.

Valganciclovir is a treatment for cytomegalovirus in AIDS patients as well as patients who have received organ transplant. Roche charges around Rs 1000 per tablet and a patient who has to undergo a treatment course of approximately four months for CMV retinitis in India would have to pay over Rs 2.5 lakh which makes it unaffordable to common man. Later on Cipla launched its generic version in the domestic market at a price of Rs 245 for a tablet. An infringement suit seeking injunction was filed by Roche in the High Court of Bombay against Cipla. The fate of this proceeding remains to be seen as the patent is now revoked.

### PATENT APPLICATION TO MAKE THERMOPLASTIC POLYESTER BY RELIANCE

Reliance Industries Ltd (RIL) has approached the Controller General of Patents, Designs and Trademarks for a process patent to make thermoplastic polyester. Reliance Industries (RIL) is also engaged in the business of petroleum. Claims were published in the latest Patent Office Journal giving public notice. The present invention has been developed at the Reliance Technology Centre, Raigarh. According to the company, the polyester formed by this process results in an increased rate of solid state polymerisation and a reduced rate of polymer crystallisability. Thermoplastic polyester is used basically in textile manufacturing. RIL's manufacturing division at Naroda, Ahmedabad, is one of the largest and most modern textile complexes in the world.

## IPR NEWS - AROUND THE WORLD

### SCT ON NON-TRADITIONAL MARKS, TRADEMARK OPPOSITION PROCEDURES AND INDUSTRIAL DESIGNS

WIPO's Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) concluded on December 5, 2008. The meeting was attended by 72 member states, 4 intergovernmental organizations and 8 non-governmental organizations. SCT addressed issues on non-traditional marks, trademark opposition procedures to industrial designs, and new areas of work.

SCT had identified a number of areas of convergence concerning requirements for the representation and description of "non-traditional marks" such as three-dimensional marks, color marks, sound marks, movement marks, hologram marks or position marks.

The SCT also reiterated its agreement on areas of convergence relating to trademark opposition procedures. These procedures provide third parties an opportunity to object the registration of a trademark either before or after it has been registered with a trademark office.

The SCT also explored a range of topics relating to industrial design law and practice in its review of a comprehensive survey based on responses from over 70 member states. The next meeting of the SCT is scheduled to take place in Geneva in June 2009.

### SINGAPORE TREATY TO BE EFFECTIVE ON 2009

"The Singapore Treaty" which sets standards for trademark registration procedures will come into force on March 16, 2009 subsequent to its ratification by Australia on December 16, 2008. This is the tenth ratification of the Singapore Treaty on the Law of Trademarks.

Apart from standardizing procedural aspects of trademark registration and licensing, the treaty enables owners of trademarks and national trademark authorities to take advantage of efficiencies in using modern communications technologies to process and manage evolving trademark rights. It recognizes developments in the branded goods industry and marks a new approach to secure investment in product differentiation.

The Treaty establishes trademark office administration rules applicable to all types of trademarks, taking into

## IPR NEWS - AROUND THE WORLD Contd...

account the advantages and potential of electronic communication facilities, while recognizing the varying needs of both developing and developed nations.

The Singapore Treaty was adopted by WIPO member states in Singapore on March 28, 2006.

### DISPUTE BETWEEN STANFORD UNIVERSITY AND SIR ALLEN STANFORD

Stanford University- one of America's most prestigious universities has filed a law suit against Sir Allen Stanford for using Stanford name alleging that the Stanford tournaments infringe its trademark. The university claims, the use of the Stanford name represents "intentional and bad faith conduct" and is causing confusion in the market place. Stanford University is an established presence on the American college sports scene with high-profile basketball, volleyball and athletics teams. If the university's action is successful, it could force Stanford to change the name of his multi-million-dollar cricket tournaments or pay substantial damages.

### UK GOVERNMENT COMMENCES WORK TO EXPLORE COPYRIGHT RULES

The Strategic Advisory Board for Intellectual Property Policy (SABIP) is to play a key role in assessing UK's copyright rules. It is a non-departmental public body which

provides strategic independent advice to Government on intellectual property policy.

SABIP has appointed a Copyright Expert Panel which comprises of five leading experts on copyright. SABIP also plans to consult and engage with stakeholders as widely as possible.

Joly Dixon, SABIP's Chairman said, "Our intention is to examine the basics of the copyright framework as we consider its strengths and weaknesses in the context of a rapidly changing environment. We plan to ask questions and stimulate debate as we seek to build the evidence base for longer term policymaking in this area."

### REFUSAL OF FEDERAL CIRCUIT TO BIOPATENT

A pharmaceutical process patent for 'evaluating and improving the safety of immunization schedules' were held to be invalid. The decision was based on the decision in *In re Bilski* which changed the test for concluding patent eligible matter in US. US Court of Appeals for the Federal Circuit, held that 'In light of our decision in *In re Bilski*, we affirm the district court's grant of summary judgment that these claims are invalid under 35 U.S.C. 101. Dr. Classen's (inventor's) claims are neither related to a particular machine or apparatus' nor do they 'transform a particular article into a different state or thing.'

## GLIMPSES OF JUDGMENTS ON IPRS

### IN RE TRICOM MEDIA HOLDINGS, INC. DECIDED ON DECEMBER 18, 2008

#### Facts:

Tricom Media Holdings, Inc., filed an application to register the mark 24 HORAS USA on the Principal Register for goods identified as "newspapers, magazines, namely, general feature magazines" in International Class 16. English translation of the word "horas" is "hours" and a statement to that effect has been submitted by the applicant. The examining attorney refused to register the mark on the basis that it resembles the previously registered mark 24HOURS for "magazine dealing with night time human interest stories and sources of goods and services" in the same class which is likely to cause confusion. Applicant appealed to the Trademark Trial and Appeal Board.

#### Analysis:

TTAB considered two keypoints, the similarities between the marks and the goods and/or services. TTAB reviewed the marks as a whole and concluded that both the marks have nearly identical meaning and create the same commercial impression. TTAB also found that both the applicant's goods and the registered goods are nearly identical as they both cover magazines. They are of the opinion that there is an overlapping in the content of the respective magazines because "general feature magazines encompass subjects such as human interest, stories and sources for goods and services."

#### Decision:

The refusal to register the mark under Section 2(d) of the Trademark Act is affirmed.

## FORTHCOMING EVENT AT ITAG



8-9 JANUARY 2009  
HOTEL TAJ BENGAL, KOLKATA, INDIA

#### International Speakers:

**Alan J. Kasper:** Senior partner, Sughrue Mion, PLLC, USA

**Chid S. Iyer:** Partner, Sughrue Mion PLLC, USA

**John F Rabena:** Partner, Sughrue Mion, PLLC, USA

**Michael R. Dzwonczyk:** Partner, Sughrue Mion PLLC, USA

**Mainak (Miku) H. Mehta:** Partner, Sughrue Mion PLLC, Tokyo, Japan

**Thayne Forbes:** Joint Managing Director, Intangible Business Limited, London, UK

**Welcome Address:** Mr. Sanjay Budhia, President, Indian Chamber of Commerce.

**Opening Remarks:** Mr. V. Ravi, Controller General, Patent, Trademark & Design, Govt. of India

**Guests of Honour:** Ms. Beth Payne, Hon'ble Consul General, U.S. Consulate General, Kolkata  
Mr. M. K. Agarwal, Managing Director, GATI Ltd., India

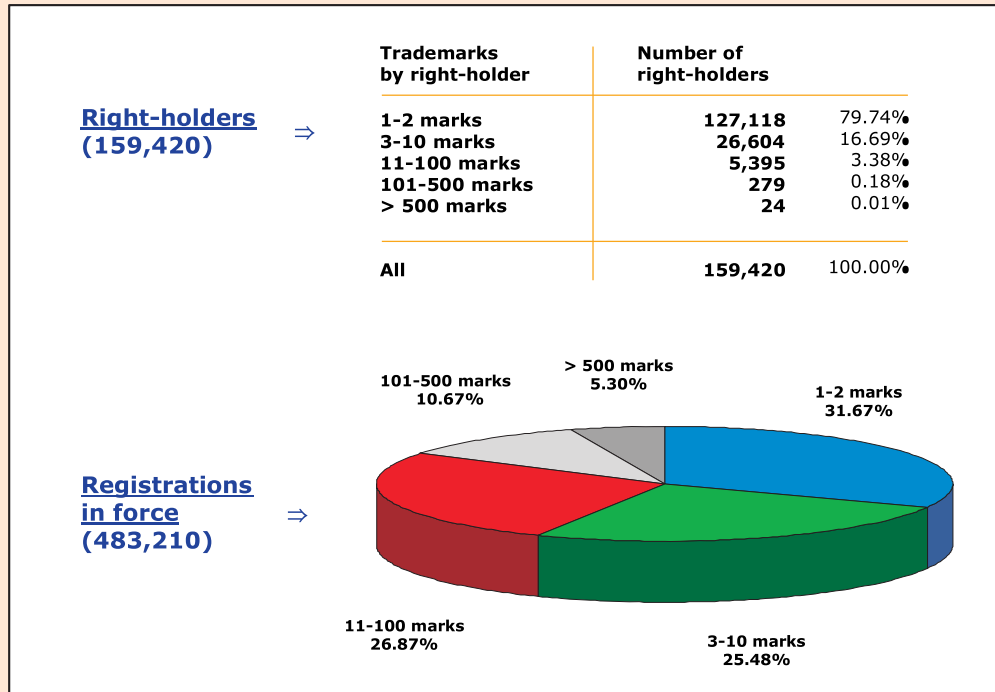
**Keynote Address:** Dr. D. R. Agarwal, Director, ITAG Business Solutions Ltd., Kolkata

**Theme Address:** Mr. Alan J. Kasper, President Elect, American Intellectual Property Law Association (AIPLA), USA

## SNAPSHOT

### Trademarks in Force in the International Register

On December 31, 2007



Source: Summary Report for the year 2007 of Madrid System for the International Registration of Marks.



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An ISO 9001:2000 & 27001:2005 Organisation

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“To steal ideas from one person is plagiarism, to steal ideas from many is research.” - Werner von Braun