

## Review Article

**Intellectual Property Rights (IPRs) and Mechanisms for Intellectual Property Protection (IPP): A Review**

DOGRA RAHUL\*, DHIMAN VIJAY, GUPTA NIPUN

Department of Pharmaceutical Sciences, Amar Shaheed Baba Ajit Singh Jujhar Singh Memorial College<sup>1</sup> of Pharmacy, Bela, Ropar, Punjab, INDIA**ARTICLE DETAILS***Article history:*

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**ABSTRACT**

We have experienced a growing importance of intellectual capital and intangible assets and an increased tendency for firms and public institutions to privatize, by the use of patents or copyrights, their knowledge assets and creative expressions. Because control over the use of an intellectual property right (IPR) requires ownership or a licence, the growing importance of knowledge-based assets and creative expressions has been accompanied by recognition that patents and copyrights represent strategic assets for those who own and control them. It is therefore not surprising that, in recent years, the pace at which individuals, firms and the public sector are using IPRs to privatize knowledge-based assets and creative expressions has been accelerating. This trend has been enhanced by the view of many industry, government and international agencies that the privatization of the intellectual capital and knowledge-based assets of individuals and firms provides many advantages (for example, competitive advantage), and we have seen an increased enforcement of IPR regimes worldwide. Protection of undisclosed information is least known to players of IPR and also least talked about, although it is perhaps the most important form of protection for industries, R&D institution and agencies dealing with IPR. Undisclosed information generally known as trade secrets or confidential information includes formula, pattern, compilation, programme, device, method, technique or process. Protection of undisclosed information or trade secret is not really new to humanity; at every stage of development people have evolved methods to keep important information secret, commonly by restricting the knowledge to their family members.

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**INTRODUCTION**

The term intellectual property refers broadly to the creations of the human mind. Intellectual property rights protect the interests of creators by giving them property rights over their creations. The Convention Establishing the World Intellectual Property Organization (1967) gives the following list of subject matter protected by intellectual property rights <sup>[1,2]</sup>:

- Literary, artistic and scientific works.
- Performances of the performing artists, phonograms, and broadcasts.
- Inventions in all fields of human endeavour.
- Scientific discoveries, Industrial designs.
- Trademarks, service marks, commercial names and designations.
- Protection against unfair competition.

- All other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

Intellectual property relates to items of information or knowledge, which can be incorporated in tangible objects at the same time in an unlimited number of copies at different locations anywhere in the world. The property is not in those copies but in the information or knowledge reflected in them.

Intellectual property rights are also characterized by certain limitations, such as limited duration in the case of copyright and patents.

The Importance of protecting intellectual property was first recognized in the Paris Convention for the Protection of Industrial Property in 1883 and the Berne Convention for the Protection of Literary and Artistic Works in 1886.

**\*Author for Correspondence:**

Email: rahuldogra89@gmail.com

Both treaties are administered by the World Intellectual Property Organization (WIPO). Countries generally have laws to protect intellectual property for two main reasons<sup>[3,4]</sup>.

One is to give statutory expression to the moral and economic rights of creators in their creations and to the rights of the public in accessing those creations.

The second is to promote creativity, and the dissemination and application of its results, and to encourage fair trade, which would contribute to economic and social development.

### **Mechanisms for Intellectual Property Protection**

Different ways to protect all creations of mind<sup>[5]</sup>:

- 1) Patents
- 2) Copyright
- 3) Trademark
- 4) Industrial designs
- 5) Layout designs of integrated circuits
- 6) Geographical indications
- 7) Trade secrets

#### **1) Patents**

A patent is an exclusive right granted by the state for an invention that is new, involves an inventive step and is capable of industrial application. It gives its owner the exclusive right to prevent or stop others from making, using, offering for sale, selling or importing a product or a process, based on the patented invention, without the owner's prior permission<sup>[1]</sup>. A patent is a powerful business tool for companies to gain exclusivity over a new product or process, develop a strong market position and earn additional revenues through licensing. A patent is granted by the National Patent Office of a country or a Regional Patent Office for a group of countries. It is valid for a limited period of time, generally for 20 years from the date of filing of the patent application, provided the required maintenance fees are paid on time. A patent is a territorial right, limited to the geographical boundary of the relevant country or region. In return for the exclusive right provided by a patent, the applicant is required to disclose the invention to the public by providing a detailed, accurate and complete written description of the invention in the patent application. The granted patent and, in many countries, the patent application is made public via publication in an official journal or gazette<sup>[3,6]</sup>.

#### **Why should you consider patenting your inventions?**

Key reasons for patenting inventions include<sup>[4]</sup>:

- Strong market position and competitive advantage.
- Higher profit or returns on investment.
- Additional income from licensing or assigning the patent.
- Access to technology through cross-licensing.
- Access to new markets.
- Positive image for your enterprise.
- Enhanced ability to obtain grants and/or raise funds at a reasonable rate of interest.
- A powerful tool to take action against imitators and free riders.

#### **What can be patented?**

An invention must meet several requirements to be eligible for patent protection. These include<sup>[1,7]</sup>:

- Consists of patentable subject matter.
- Novelty (New characteristics which are not "prior art").
- Non-obviousness (An inventive step not obvious to one skilled in the field).
- Is capable of industrial application (Utility requirement).
- Is disclosed in a clear and complete manner in the patent application (Disclosure requirement).

#### **What is patentable subject matter?**

The following are examples of some of the areas that may be excluded from patentability<sup>[3, 6, 7]</sup>:

- Discoveries scientific theories and Aesthetic creations.
- Schemes, rules and methods for performing mental acts.
- Mere discoveries of substances as they naturally occur in the world.
- Inventions that may affect public order, good morals or public health.
- Diagnostic, therapeutic and surgical methods of treatment for humans or animals.
- Plants and animals other than microorganisms, and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes.
- Computer programs.

### **Processing an application for Patent**

The steps taken by a patent office to grant a patent vary but broadly speaking; follow a similar pattern<sup>[7, 4]</sup>:

- 1) *Formal examination*: The patent office examines the application to ensure that it complies with the administrative requirements or formalities (e.g., that all relevant documentation is included and the application fee has been paid).
- 2) *Search*: In many countries, the patent office conducts a search to determine the prior art in the specific field to which the invention relates. The search report is used during the substantive examination to compare the claimed invention with the prior art.
- 3) *Substantive examination*: The aim of the substantive examination is to ensure that the application satisfies the patentability requirements. Not all patent office check applications against all the patentability requirements and some only do so upon request within a specified time. The results of the examination are sent in writing to the applicant (or his attorney) so as to provide an opportunity to respond to and/or remove any objections raised during the examination. This process often results in the narrowing of the scope of the claims.
- 4) *Publication*: In most countries, the patent application is published 18 months after the first filing date. In general, patent office also publishes the patent once it is granted.
- 5) *Grant*: If the examination process reaches a positive conclusion, the patent office grants the patent and issues a certificate of grant.
- 6) *Opposition*: Many patent offices provide a period during which third parties may oppose the grant of a patent, for example, on the basis that the claimed invention is not new. Opposition proceedings may be pre-grant and/or post-grant, and are possible within the specified time limits (Fig. 1).

### **How long does it take to obtain patent protection?**

The time taken for a patent office to grant a patent varies significantly from office to office and between fields of technology and may range from a few months to a few years, generally between 2 to 5 years. Some patent offices have established a procedure for accelerated grant that can be requested by applicants in specific circumstances<sup>[8, 5]</sup>.

### **From what date is your invention protected?**

Your rights effectively begin on the date of grant of your patent, as you can only take legal action against unauthorized use of the invention by third parties once it has been granted. In some countries, you may sue infringers after the grant, for infringement that occurred between the date of publication of the patent application (generally 18 months after the first application has been filed) and the date of grant. Typically, you may claim reasonable compensation for use between publication and grant. But this is not the case in all countries<sup>[5, 8]</sup>.

### **Why apply for patents abroad?**

Patents are territorial rights, which means that an invention is only protected in the countries or regions where patent protection has been obtained. In other words, if you have not been granted a patent with effect in a given country, your invention will not be protected in that country, enabling anybody else to make, use, import or sell your invention in that country. Patent protection in foreign countries will enable your company to enjoy exclusive rights over the patented invention in those countries. In addition, patenting abroad may enable your company to license the invention to foreign firms, develop outsourcing relationship, and access those markets in partnership with others<sup>[2, 7]</sup>.

### **When should you apply for patent protection abroad?**

The date of your first application for a given invention is called the priority date and any subsequent applications in other countries filed by you within 12 months (i.e., within the priority period) will benefit from the earlier application and will have priority over other applications for the same invention filed by others after the priority date. It is highly advisable to file your foreign patent applications within the priority period. After the expiration of the priority period and until the patent is first published by the patent office (generally 18 months after the priority date) you will still have the possibility to apply for protection for the same invention in other countries, but you can no longer claim priority of your earlier application. Once the invention has been disclosed or published, you may be unable to obtain patent protection in foreign countries, due to loss of novelty<sup>[7]</sup>.

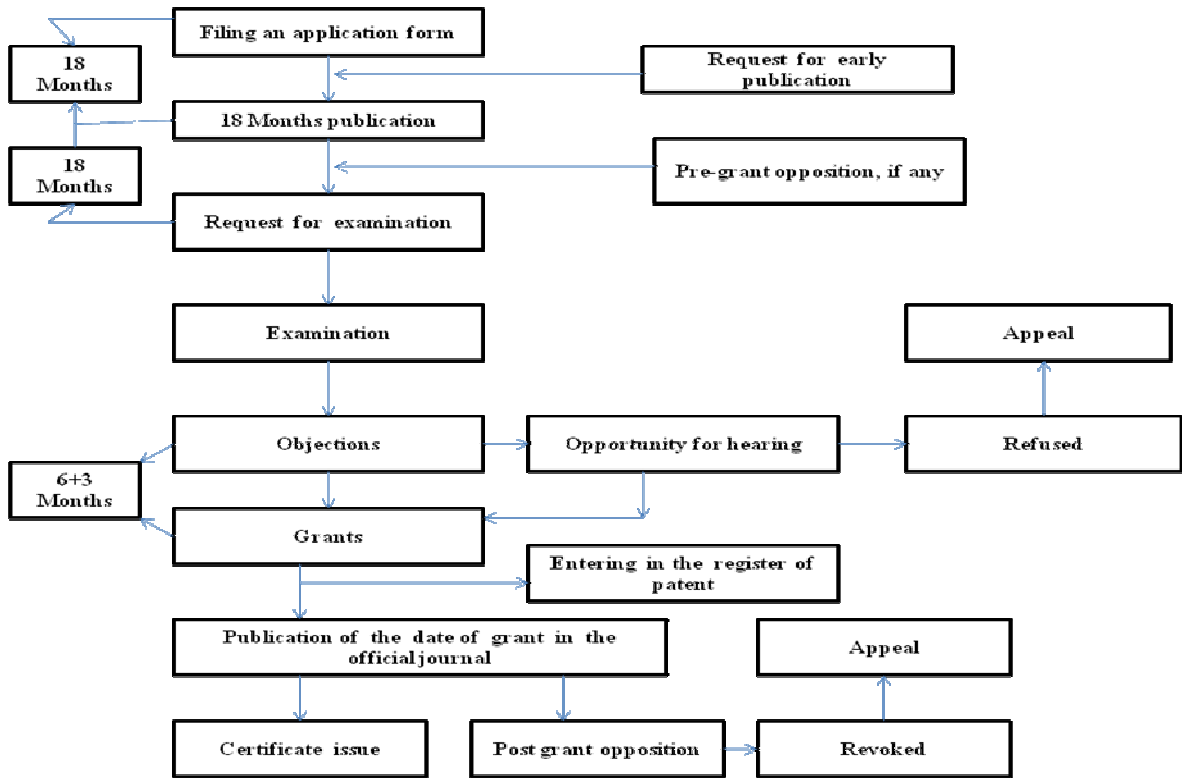


Figure 1: Patent granting process in India<sup>[5]</sup>

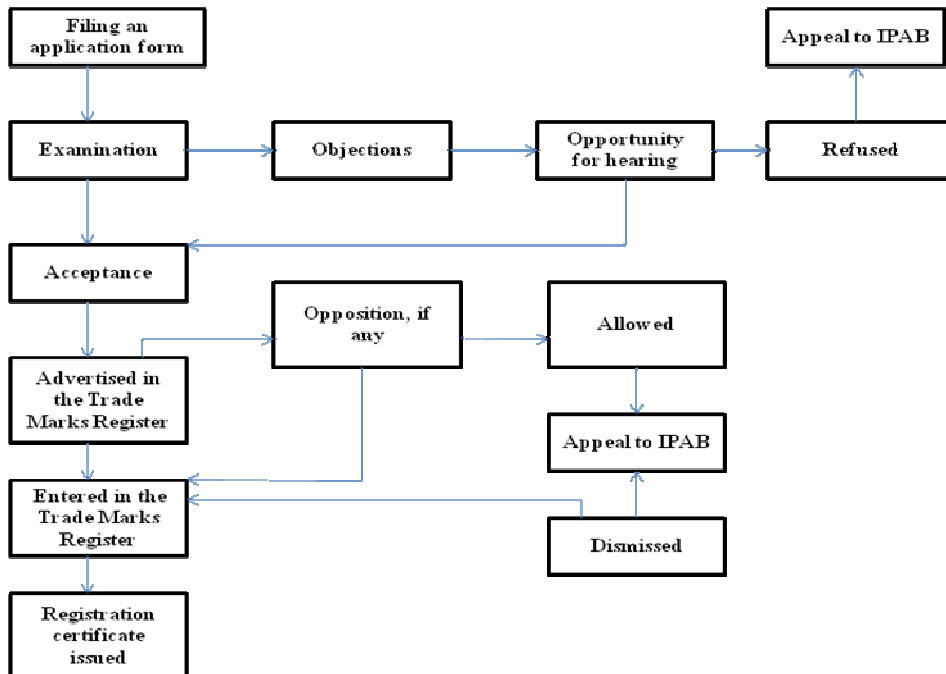


Figure 2: Trademark registration process in India<sup>[5]</sup>

### **How do you apply for patent protection abroad?**

There are three main ways of protecting an invention abroad<sup>7</sup>:

*The national route:* You may apply to the national patent office of each country of interest, by filing a patent application in the required language and paying the required fees. This path may be very cumbersome and expensive if the number of countries is large.

*The regional route:* When a number of countries are members of a regional patent system, you may apply for protection, with effect in the territories of all or some of these, by filing an application at the relevant regional office.

The regional patent office are<sup>6, 7</sup>:

- The African Intellectual Property Organization (OAPI) ([www.oapi.wipo.net](http://www.oapi.wipo.net))
- The African Regional Intellectual Property Organization (ARIPO) ([www.aripo.wipo.net](http://www.aripo.wipo.net))
- The Eurasian Patent Organization (EAPO) ([www.eapo.org](http://www.eapo.org))
- The European Patent Office (EPO) ([www.epo.org](http://www.epo.org))
- The Patent Office of the Gulf Cooperation Council ([www.gulf-patent-office.org.sa](http://www.gulf-patent-office.org.sa))

*The international route:* If your company wants to have the option of protecting an invention in any number of member countries of the Patent Cooperation Treaty (PCT), then you should consider filing an international PCT application. To be eligible to do so, you must be a national or resident of a PCT Contracting State or, your business must have a real and effective industrial or commercial presence in one of these countries. By filing one international application under the PCT, you may simultaneously seek patent protection for an invention in the more than 125 member countries of the PCT. This application may be filed either at your national or regional patent office and/or at the PCT receiving office at the World Intellectual Property Office (WIPO) in Geneva, Switzerland.

### **National and Regional Patent Offices<sup>4</sup>**

- African Organization for Intellectual Property (OAPI) [www.oapi.wipo.net](http://www.oapi.wipo.net)
- African Regional Industrial Property Organization (ARIPO) [www.aripo.org](http://www.aripo.org)
- Austria [www.patentamt.at](http://www.patentamt.at)
- Australia [www.ipaustralia.gov.au](http://www.ipaustralia.gov.au)
- Brazil [www.inpi.gov.br](http://www.inpi.gov.br)
- Canada [www.cipo.gc.ca](http://www.cipo.gc.ca)
- China [www.sipo.gov.cn](http://www.sipo.gov.cn)

- China: Hong Kong (SAR) [www.info.gov.hk/ipd](http://www.info.gov.hk/ipd)
- France [www.inpi.fr](http://www.inpi.fr)
- Germany [www.dpma.de](http://www.dpma.de)
- India [www.patentoffice.nic.in](http://www.patentoffice.nic.in)
- Indonesia [www.dgip.go.id](http://www.dgip.go.id)
- Italy [www.minindustria.it](http://www.minindustria.it)
- Japan [www.jpo.go.jp](http://www.jpo.go.jp)
- Kenya [www.kipo.ke.wipo.net](http://www.kipo.ke.wipo.net)
- Malaysia [www.mipc.gov.my](http://www.mipc.gov.my)
- Mexico [www.impi.gob.mx](http://www.impi.gob.mx)
- Netherlands [www.bie.minez.nl](http://www.bie.minez.nl)
- Nepal [www.ip.np.wipo.net](http://www.ip.np.wipo.net)
- New Zealand [www.iponz.govt.nz](http://www.iponz.govt.nz)
- Republic of Korea [www.kipo.go.kr](http://www.kipo.go.kr)
- Russian Federation [www.rupto.ru](http://www.rupto.ru)
- Singapore [www.ipos.gov.sg](http://www.ipos.gov.sg)
- Spain [www.oepm.es](http://www.oepm.es)
- Switzerland [www.ige.ch](http://www.ige.ch)
- Thailand [www.ipthailand.org](http://www.ipthailand.org)
- United Kingdom [www.patent.gov.uk](http://www.patent.gov.uk)
- United States of America [www.uspto.gov](http://www.uspto.gov)

The patent system in India is governed by the patents act 1970 (No. 39 of 1970), patents amendment act, 2005 and the patent rules 2003. The patent office is a subordinate office under the department of industrial policy and promotion, ministry of commerce and industry, government of India.

## **2) Copyright**

Copyright relates to artistic creations, such as books, music, paintings and sculptures, films and technology-based works such as computer programs and electronic databases. In most European languages other than English, copyright is known as author's rights. The expression copyright refers to the main act which, in respect of literary and artistic creations, may be made only by the author or with his authorization. That act is the making of copies of the work. The expression author's right refers to the creator of the artistic work, its author. It thus underlines the fact, recognized in most laws, that the author has certain specific rights in his creation which only he can exercise (such as the right to prevent a distorted reproduction). Other rights (such as the right to make copies) can be exercised by other persons, for example, a publisher who has obtained a license from the author<sup>9, 10</sup>.

### **Work Protected By Copyright**

The list of the following examples of such works are<sup>8, 11, 12</sup>:

- Books, pamphlets and other writings.
- Lectures, addresses, sermons.
- Dramatic or dramatico-musical works.
- Choreographic works and entertainments in dumb show.
- Musical compositions with or without words.
- Cinematographic works to which are assimilated works expressed by a process analogous to cinematography.
- Works of drawing, painting, architecture, sculpture, engraving and lithography.
- Photographic works, to which are assimilated works expressed by a process analogous to photography.
- Works of applied art, illustrations, maps, plans, sketches and three dimensional works relative to geography, topography, architecture or science.
- Translations, adaptations, arrangements of music and other alterations of a literary or artistic work, which are to be protected as original works without prejudice to the copyright in the original work.
- Collections of literary or artistic works such as encyclopaedias and anthologies which, by reason of the selection and arrangement of their contents, constitute intellectual creations, are to be protected as such, without prejudice to the copyright in each of the works forming part of such collections.

### ***Rights Protected***

The rights owner of a work can prohibit or authorize<sup>[12, 13]</sup>:

- Its reproduction in various forms, such as printed publications or sound recordings.
- The distribution of copies, its public performance.
- Its broadcasting or other communication to the public.
- Its translation into other languages.
- Its adaptation, such as a novel into a screenplay.

### ***Duration of Copyright***

Copyright does not continue indefinitely. The law provides for a period of time during which the rights of the copyright owner exist. The period or duration of copyright begins from the moment when the work has been created, or, under some national laws, when it has been expressed in a tangible form. It continues, in general, until sometime after the death of the author. The purpose of this provision in the law is to enable

the author's successors to benefit economically from exploitation of the work after the author's death. In many other countries, the duration of copyright provided for by national law is as a general rule the life of the author plus not less than 50 years after his death. The Berne Convention also establishes periods of protection for works such as anonymous, posthumous and cinematographic works, where it is not possible to base duration on the life of an individual author. There is a trend in a number of countries toward lengthening the duration of copyright. The European Union, the United States of America and several others have extended the term of copyright to 70 years after the death of the author.

The national copyright office established under the provision of the copyright act, 1957. The office provides registration facilities for all types of works indicated in the act and is headed by a registrar of copyrights. Any person who knowingly infringes or abets the infringement of the copyright in the work commits a criminal offence under section 63 of the copyrights act<sup>[11, 12]</sup>.

### **3) Trademark**

A trademark is any sign that individualizes the goods of a given enterprise and distinguishes them from the goods of its competitors. This definition comprises two aspects, which are sometimes referred to as the different functions of the trademark, but which are, however, interdependent and for all practical purposes should always be looked at together. In order to individualize a product for the consumer, the trademark must indicate its source. This does not mean that it must inform the consumer of the actual person who has manufactured the product or even the one who is trading in it. It is sufficient that the consumer can trust in a given enterprise, not necessarily known to him, being responsible for the product sold under the trademark<sup>[8]</sup>.

The function of indicating the source as described above presupposes that the trademark distinguishes the goods of a given enterprise from those of other enterprises, only if it allows the consumer to distinguish a product sold under it from the goods of other enterprises offered on the market can the trademark fulfil this function. This shows that the distinguishing function and the function of indicating the source cannot really be separated. For practical purposes one can even simply rely on the distinguishing function of the trademark<sup>2</sup> and define it as: "Any

visible sign capable of distinguishing the goods or services of an enterprise from those of other enterprises" [14, 15].

#### **Benefits of registering a Trademark** [15-17]

The registration of a trademark confers upon the owner, the exclusive right of the use of the registered trademark, so by using the symbol (R) in relation to the goods or services in respect of which the mark is registered and seek the relief of infringement in appropriate courts in the country. The exclusive right is however subject to any conditions entered on the register such as limitation of area of use etc. Also where two or more persons have registered identical or nearly similar mark due to special circumstances, such exclusive right does not operate against each other (Fig. 2).

#### **Signs which may serve as Trademark**

The following types and categories of signs can be imagined<sup>[8]</sup>:

- **Words:** This category includes company names, surnames, forenames, geographical names and any other words or sets of words, whether invented or not, and slogans.
- **Letters and Numerals:** Examples are one or more letters, one or more numerals or any combination thereof.
- **Devices:** This category includes fancy devices, drawings and symbols and also two dimensional representations of goods or containers.
- **Coloured Marks:** This category includes words, devices and any combinations thereof in colour, as well as colour combinations and colour as such.
- **Three-Dimensional Signs:** A typical category of three-dimensional signs is the shape of the goods or their packaging.
- **Audible Signs (Sound Marks):** Two typical categories of sound marks can be distinguished, namely those that can be transcribed in musical notes or other symbols and others (e.g. the cry of an animal).
- **Olfactory Marks (Smell Marks):** Imagine that a company sells its goods (e.g. writing paper) with a certain fragrance and the consumer becomes accustomed to recognizing the goods by their smell.

#### **4) Industrial Designs**

Industrial design refers to the ornamental and aesthetic aspects of a product. Industrial designs protect the aesthetic aspects (shape, texture, pattern, and colour) of an object, rather than the technical features. In a legal sense, industrial design refers to the right granted in many countries, pursuant to a registration system, to protect the original ornamental and non-functional features of an industrial article or product that result from design activity<sup>[2]</sup>.

#### **Benefits of Industrial Design**<sup>[18]</sup>

- It makes a product attractive and appealing.
- Owner obtains an exclusive right to prevent its unauthorized copying and imitation by others.
- Design rights benefit not only the owner but also the consumer because new designs are encouraged and the economy grows by the expansion of products with varieties.
- Contributes to fair return on investment made in creating and marketing a product.
- Increase the commercial value of a company and its products.

#### **What can be registered**<sup>[10, 18]</sup>

- It should relate to the ornamental or new shape, surface pattern, lines or color with aesthetic look.
- Applicable to any product reproducible by industrial means.
- Not include modes or principles related to construction, operations, or mechanical concepts.
- The design should be new or original, not previously published (Fig. 3).

#### **Nature of the Rights**

The right to prevent others from exploiting an industrial design usually encompasses the exclusive right to do any of the following things for industrial or commercial purposes<sup>1, 11</sup>:

- Make articles to which the design is applied or in which the design is embodied.
- Import articles to which the design is applied or in which it is embodied.
- Sell, hire or offer for sale any such articles.

In some laws, the exclusive rights of the proprietor also extend to preventing another from stocking any articles to which the design has been applied or in which it is embodied. While this right is sometimes considered as excessive in that it deals only with preparatory

acts, it is on the other hand often included in order to facilitate the enforcement of a proprietor's rights, since it may often be easier to locate a stock of infringing articles than to apprehend a person in the act of selling or offering for sale such articles.

As opposed to copyright, where the subject matter of the right is the work which is created by the author and which is thus defined by the author, the subject matter of the rights of the proprietor of an industrial design are defined by the design which has been registered. However, it is usual to provide that the proprietor's rights extend not only to the unauthorized exploitation of the exact design which has been registered, but also to the unauthorized exploitation of any imitations of such a design which differ from the registered design only in immaterial respects.

The industrial design act, 2000 is administered by the controller general of patents, design & trademarks.

#### ***Duration of Rights*<sup>[3, 5, 10]</sup>**

The term for an industrial design right varies from country to country. The usual maximum term goes from 10 to 25 years, often divided into terms requiring the proprietor to renew the registration in order to obtain an extension of the term. The relatively short period of protection may be related to the association of designs with more general styles of fashions, which tend to enjoy somewhat transient acceptance or success, particularly in highly fashion-conscious areas, such as footwear or clothing.

#### **5) Layout designs of integrated circuits**

The layout- designs of integrated circuits are creations of the human mind. They are usually the result of an enormous investment, both in terms of the time of highly qualified experts, and financially. There is a continuing need for the creation of new layout-designs which reduce the dimensions of existing integrated circuits and simultaneously increase their functions<sup>21</sup>. The smaller an integrated circuit, the less the material needed for its manufacture, and the smaller the space needed to accommodate it. Integrated circuits are utilized in a large range of products, including articles of everyday use, such as watches, television sets, washing machines, automobiles, etc., as well as sophisticated data processing equipment<sup>[2, 10]</sup>.

***Integrated Circuit*** means a product, in its final form or an intermediate form, in which the

elements, at least one of which is an active element, and some or all of the inter-connections are integrally formed in and/or on a piece of material and which is intended to perform an electronic function<sup>[18]</sup>.

***Layout Design (Topography)*** means the three-dimensional disposition, however expressed, of the elements, at least one of which is an active element, and of some or all of the interconnections of an integrated circuit, or such a three-dimensional disposition prepared for an integrated circuit intended for manufacture<sup>[18]</sup>.

#### ***Duration of Rights*<sup>[3, 9]</sup>**

TRIPS Agreement of the World Trade Organization (WTO), subject to the following modifications: The term of protection is at least 10 (rather than eight) years from the date of filing an application or of the first commercial exploitation in the world, but members may provide a term of protection of 15 years from the creation of the layout-design, the exclusive right of the right-holder extends also to articles incorporating integrated circuits in which a protected layout-design is incorporated, in so far as it continues to contain an unlawfully reproduced layout-design, the circumstances in which layout designs may be used without the consent of right-holders are more restricted, certain acts engaged in unknowingly will not constitute infringement.

#### **6) Geographical Indications**

Geographical Indications (GIs) identify the specific geographical origin of a product, and the associated qualities, reputation or other characteristics (Fig. 4). They usually consist of the name of the place of origin. For example, food products sometimes have qualities that derive from their place of production and local environmental factors<sup>3</sup>. The geographical indication prevents unauthorized parties from using a protected GI for products not from that region or from misleading the public as to the true origin of the product. A geographical indication is a sign used on goods that have a specific geographical origin and possess qualities or a reputation that are due to that place of origin. Agricultural products typically have qualities that derive from their place of production and are influenced by specific local factors, such as climate and soil. Whether a sign functions as an indication is a matter of national law and consumer perception. Geographical indications may be used for a wide variety of



agricultural products, such as "Tuscany" for olive oil produced in a specific area of Italy, or "Roquefort" for cheese produced in a certain region of France. The use of geographical indications is not limited to agricultural products. They may also highlight particular qualities of a product, which are due to human factors found in the place of origin of the products, such as specific manufacturing skills and traditions. That place of origin may be a village or town, a region or a country. An example for the latter is Switzerland or Swiss, which is widely perceived as a geographical indication for products that are made in Switzerland, in particular for watches<sup>[2, 5, 19]</sup>.

In December 1999, Parliament passed the geographical indications of goods (registration and protection) act, 1999. This act seeks to provide for the registration and protection of geographical indications relating to goods in India. The act is administered by the controller general of geographical indications. The geographical indications registry is located at Chennai<sup>[5]</sup>.

### **Benefits**

Geographical indications are protected in accordance with national laws under a wide range of concepts, such as laws against unfair competition, consumer protection laws, promotes economic prosperity of producers, laws for the protection of certification marks or special laws for the protection of geographical indications or appellations of origin. In essence, unauthorized parties may not use geographical indications if such use is likely to mislead the public as to the true origin of the product. Applicable sanctions range from court injunctions preventing the unauthorized use, to the payment of damages and fines or, in serious cases, imprisonment<sup>[5, 19]</sup>.

### **Duration of rights**

The registration of a geographical indication is for a period of 10 years. Renewal is possible for further periods of 10 years each. If a registered geographical indication is not renewed, it is liable to be removed from the register<sup>[5]</sup>.

## **7) Trade Secrets**

Trade secrets consist of commercially valuable information about production methods, business plans, clientele etc. They are protected as long as they remain secret by laws which prevent

acquisition by commercially unfair means and unauthorised disclosure<sup>[1]</sup>.

If a company has information that is secret or confidential (not in public domain), and it derives economic advantage over its competitors because of its proprietary nature (in view of its competitive edge in the marketplace), then such information is considered to be a trade secret. This is so, provided the company has taken all reasonable measures, under the circumstances, to keep it confidential or secret.

A trade secret is information that<sup>[20]</sup>:

- Is not generally known to the relevant portion of the public.
- Confers some sort of economic benefit to its owner (where this benefit must derive specifically from the fact that it is not generally known and not just dependent on the value of the information itself).
- Is the subject of reasonable efforts to maintain its secrecy?

Some factors to be considered in determining whether given information is a trade secret. These factors are<sup>[21]</sup>:

- Extent to which information is known outside the business.
- Extent to which it is known by employees and others involved in the business.
- Extent of measures taken to guard secrecy of information.
- Value of information to a business and its competitors.
- Amount of effort or money spent in collecting or developing information.
- Ease or difficulty with which information could be properly acquired or duplicated by others.

### **Advantages of trade secret protection**

- No registration costs.
- No requirement of disclosure or registration.
- No limitation of time.
- Immediate effect.

In the case of inventions that may be patentable the **disadvantages** of protecting such inventions as trade secrets are: <sup>[22,23]</sup>

- If the secret is embodied in an innovative product, others may be able to reverse engineer it, discover the secret, and thereafter be entitled to use it.
- Trade secret protection only protects against improper acquisition, use or disclosure of confidential information.

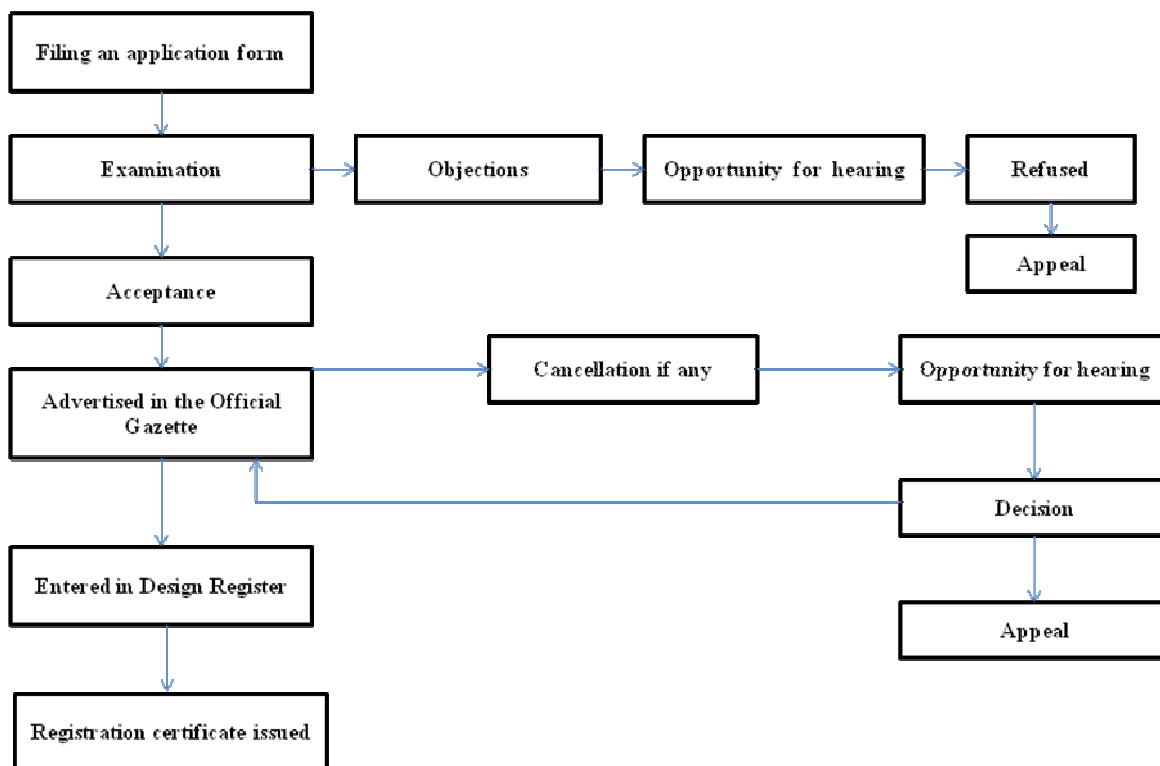


Figure 3: Industrial design registration process in India<sup>[5]</sup>

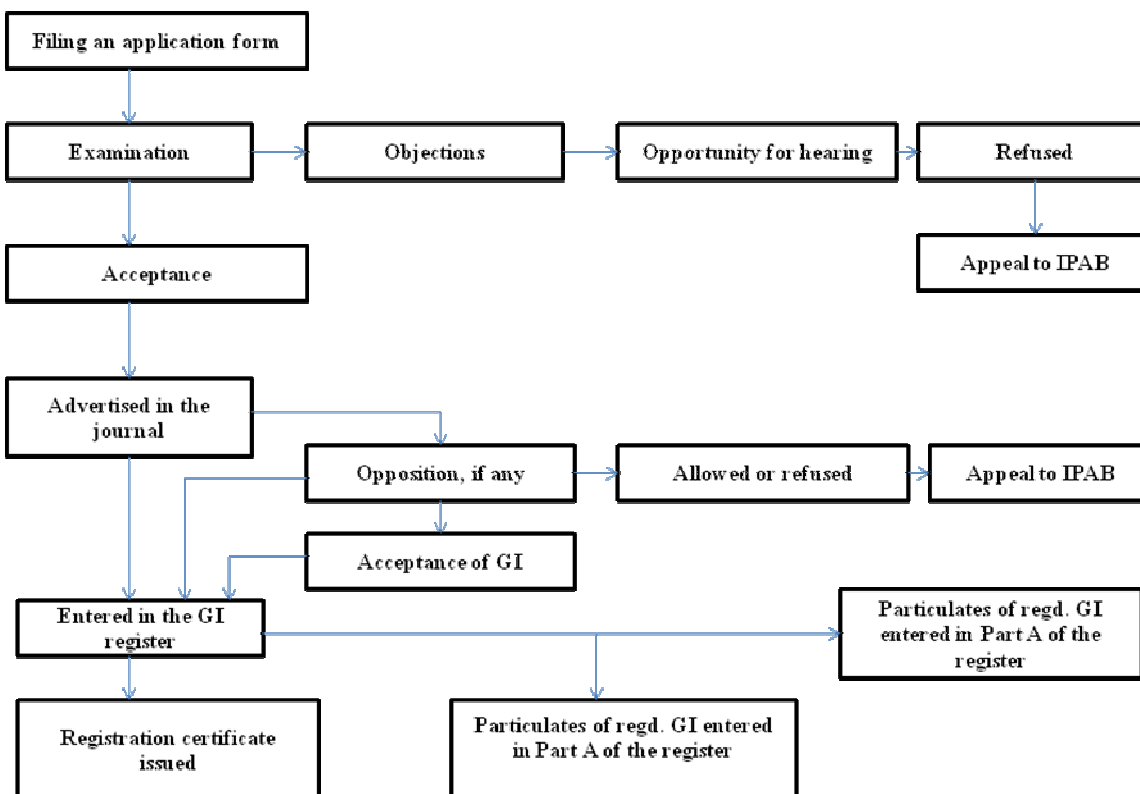


Figure 4: Geographical indications registration process in India<sup>[5]</sup>

- If the secret is disclosed, anyone may have access to it and use it at will.
- A trade secret is difficult to enforce, as level of protection is considerably weaker than for patents.
- Another person may patent someone else's trade secret if the same invention has been developed by legitimate means.

## CONCLUSION

It is very well settled that IPP plays a vital role in the modern economy. It has been conclusively established that the intellectual labour associated with the innovation should be given due importance so that public good emanates from it. There has been a quantum jump in the research and development costs with an associated jump in investments required for putting a new technology in the market place. The stakes of the developers of technology have become very high, and hence, the need to protect the knowledge from unlawful use has become expedient, at least for a period, that would ensure recovery of the R&D. IPP is a strong tool, to protect investments, time, money, effort invested by the inventor/creator of an IP, since it grants the inventor/creator an exclusive right for a certain period of time for use of his invention/creation. Thus IPR, in this way aids the economic development of a country by promoting healthy competition and encouraging industrial development and economic growth.

The above article is intended to provide an introduction for non-specialists or newcomers to the subject of industrial property. It explains in layman's term the principles underpinning industrial property rights. It describes the most common forms of industrial property including patents, industrial designs, trademarks and geographical indications. It outlines the means by which creators can seek protection for their industrial property. Detailed legal or administrative guidance on how, for example, to apply for protection or to deal with infringement of industrial property rights, is not deeply covered in this article, but can often be obtained from National Intellectual Property Offices. The further information can be obtained by useful websites given in this article for readers requiring greater depth.

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