

amicus

An e-newsletter from Lakshmikumaran & Sridharan, New Delhi, India

May, 2013 / Issue-22

Contents

Article

Patent of Addition 2

Ratio Decidendi 4

News Nuggets 6



May
2013

Article

Patent of Addition

By Anupama Ravindran & Sribindu Chivukula

Introduction

After arriving at an invention, it is often the case that there is an improvement or modification of the invention. The improvements or modifications may happen as a natural process of improving an invention, or as a result of feedback received from the market or the industry. In such cases, where the invention is already protected by a patent, the improvement or modification over the original patented product or process may be protected by a “patent of addition” in India.

History

The Patents Act, 1970 (‘the Act’) is largely based on the recommendations of the Justice N. Rajagopala Ayyanger Committee (Ayyangar Committee). In its report titled “Report on the revisions in the patent law”, the Ayyangar Committee suggested addition of a clause to enable applications for patents of addition, in line with Section 26 of the UK Patent Act, 1949. In the UK, the Lord Swan Committee (1948), while making recommendations for the UK Patent Act 1949, stated that the purpose of patent of addition was *to provide sufficient measure of relief to applicant who have failed to draft their claims in a way to adequately cover their invention, by giving them an opportunity to rectify the claims they have made, in cases where the circumstances permit this*. Under this recommendation, the applicant may have been allowed to rectify his/her claims by filing a patent of addition, to cover the variations of the main application and could potentially allow applicants to amplify the scope of invention in the

patent of addition. The recommendations in the Ayyangar Committee Report reproduce Section 26 of the UK Patent Act.

Salient features of patent of addition

Sections 54, 55 and 56 of the Act are specific provisions that govern patents of addition. A patent of addition is an application made for a patent in respect of improvement or modification of the invention described or disclosed in the main application for which the patentee has already applied for or has obtained a patent. The applicant has to be same for the main invention and the improvement / modification and the language of the provision suggests that if the improvement / modification involves an additional applicant, a patent of addition may not be pursued. A patent of addition should either be on the same date or a date later than the date of filing of the main application. Therefore, in principle, a patent of addition can be filed even after the grant of the main application.

In addition, where the improvement or modification over the main application is a subject of an independent patent, and if the patentee is the same in respect of both the inventions, the Controller may, on request by the patentee, revoke the independent patent and grant the same as a patent of addition.

There are no special rules governing the priority date of patents of addition and hence, the default rule will apply - the date of filing of the patent of addition will be considered as the priority date, subject to other provisions in the Act.

In case of patent of addition, Rule 13(3) of the Patents Rules states that each such patent of addition shall include a reference to the main patent or the application for the main patent and also include a definitive statement that the invention is an improvement or modification of the invention claimed in the complete specification of the main application.

Novelty and inventive step for a patent of addition

According to Section 56 of the Act, a patent of addition cannot be invalidated, or revoked on the ground only that the invention claimed in the complete specification of the patent of addition does not involve an inventive step in view of the main application. This was clearly well established in the case of *Ravi Kamal Bali v. Kala Tech and Others* [Bombay High Court, Order dated 12th Feb 2008] where the Bombay High Court dismissed the defendant's argument that patent of addition can only be granted if it has an inventive step over the main application. Nonetheless, Section 56(2) clarifies that the disclosure in the main application/patent shall be considered in determining the novelty of the patent of addition.

This serves as a useful *ex ante* test for an applicant – if there appears to be a serious risk that a later modification/improvement will lack inventive step when compared to the basic invention, the applicant may choose to file such modification / improvement as a patent of addition.

Term of patent and renewal fee

Section 55 of the Act states that the term of a patent of addition shall be equal to that of the main application and shall remain in force as long the main application is in force and expire along

with that of the main application. This limitation in the term is balanced by the fact that no separate renewal fee has to be paid for a patent of addition. In the situation that the main application is revoked, the patent of addition may, upon request by the patentee, become an independent patent for the remainder of the term and shall continue to remain in force as an independent patent.

Is it possible to file a PCT application for a patent of addition?

Section 54 of the Act only refers to an application being made for a modification / improvement and does not limit itself to any specific kind of application. Under Section 7(1A) of the Act, an international application filed under the Patent Co-operation Treaty (PCT) shall be deemed to be an application filed in India, if a corresponding application has been filed in India. Under Section 138(4) of the Act, an international application filed under the PCT designating India “*shall have the effect of filing an application for a patent under Section 7, 54... , as the case may be,...*”. Form-1, which is the common form to be filed for seeking a patent in India, has a separate section referring to patents of addition. Clearly, under Indian law, a patent of addition can be filed in the form of a domestic application or an international application.

This conclusion is supported by a reading of the PCT as well. Article 2 of the PCT defines the meaning of application as follows:

“**application**” means an application for the protection of an invention; references to an “application” shall be construed as references to applications for patents for inventions, inventors' certificates, utility certificates, utility models, **patents or certificates of addition**, inventors' certificates of addition, and utility certificates of addition.

This definition covers patents of addition as well. If an applicant wishes that the international application be treated as a patent of addition, or a continuation in part or other forms of protection in the designated state, he may indicate in the request for national phase entry for that application as required. However, it needs to be carefully considered whether the special privilege granted to patents of addition in India is followed in other countries where the PCT is being prosecuted.

Patent of addition in other countries

While several countries have abolished the concept of granting patents for improvements or modifications over the main invention, some countries including India, Australia and the U.S. still continue with the practice. The U.S Continuation in Part (CIP) application is similar to the Indian patent of addition concept, since improvements or modifications over an existing patent application may be made while the patent application is still pending for grant. In a CIP application, claims may have varying priority dates based on the priority date of the first application in which the subject matter was disclosed. Nonetheless, the patent shall

expire twenty years from the filing date of earliest application from which benefit is claimed, similar to a patent of addition.

Conclusion

Patent of addition can be useful for protecting products or processes, and their improvements and variations in India. These will serve a useful purpose in covering improvements/modifications that were left out in the main patent. In addition, where significant objections are raised that the modification / improvements lack inventive step in view of the main invention, patent of addition provides a useful avenue through which such improvements / modifications may still be protected. The patentee need not even pay renewal fee for such patents of addition. These advantages are balanced by the fact that the term of a patent of addition cannot exceed that of the main patent. Once again, this approach seems another mechanism under the Act to prevent “evergreening” of closely related inventions.

[The authors are respectively Senior Manager and Patent Analyst, IPR Division, Lakshmikumaran & Sridharan, Bangalore]

Ratio Decidendi

Patents – Test of non-obviousness satisfied when invention is more useful and efficient than closest prior art

The Indian Intellectual Property Appellate Board has upheld the validity of Bajaj’s patent IN 189097. Arising from a revocation petition filed by LML in the Delhi High Court for invalidating the ‘097 patent of Bajaj, the IPAB has looked into the merits of the patent in great detail before acknowledging the novelty and non-obviousness of the claimed invention. In order to achieve better fuel efficiency and reduced fuel emission for scooters with two-

stroke engines, the patent had provided a reed valve placed in the space available between the crankcase and the carburetor housing of the intake system in such a manner that the shape of monocoque chassis, positioning of engine and transmission on one side of the vehicle were not disturbed. The IPAB rejected the anticipation ground of LML as it did not cite any document which had all the essential features of the invention but instead relied on different documents/specifications put together in the form of mosaic of citations which was not sufficient to prove anticipation. Further, it was

held that the introduction of reed valve was not a mere workshop modification and that one cannot adopt known (or off the shelf) design/shape of reed valve and its mounting arrangement to any or all types of intake systems. The impugned patent was considered as an inventive improvement over the closest prior art, which made the invention more useful and efficient. The Board also rejected the ground of mere arrangement or rearrangement or duplication of known devices under Section 3(f) and held that even though all the parts were known, the combination function was different, as the conventional functions of the individual parts would not suggest the increase in the efficiency and reduction of emission.

The IPAB also rejected the LML plea claiming that the subject matter was not sufficiently disclosed under Section 10 (4) of the Act, in the absence of any evidence to the contrary from LML. [*LML Limited v. Bajaj Auto Limited* – IPAB Order dated 2-5-2013 in TRA/3/2007/PT/DEL].

Trademarks – Twin test of prior use and confusion relevant

Granting a break to Nestle, Intellectual Property Appellate Board (IPAB) has allowed their application for registration of mark “Kit Kat” used in respect of wafer chocolates and cereals while denying same to M/s. Kit Kat Foods India Ltd. in respect of their products *chanachur*, ice cream, etc. Dwelling on the twin test of prior use and possibility of confusion, the IPAB in its Order dated 22-4-2013 considered export sale invoice in 1987 for the purpose of prior use or first sale by Nestle as opposed to Kit Kat Food Product’s use, as per their application, from 1991. It noted that Societe Des Produits Nestle S.A. was using the trade mark in respect of wafer chocolates since 1935 outside India, and in 1942

the mark was registered for goods falling in class 30. It was also noted that confusion would only be by subsequent use of the trademark by Kit Kat Food Products and hence provisions of Section 11(1)(a) were not attracted.

Identicalness of the marks and similarity of the goods and the trade channels were also noted by the Board, while it observed that products of both the companies were often purchased by small children and hence there was every possibility of confusion when the class of customers, which is the test to determine deceptive similarity, is considered. Kit Kat Foods had contended that mark used for *chanachur* was derived from the word ‘chit chat’ as the goods were snack items which were taken during a chat. Finally, relying on Supreme Court Judgment in the case of *Milment Oftho Industries*, it was held that Nestle had their mark used outside India and their rights are to be protected. [*Societe Des Produits Nestle S.A. v. Registrar of Trade Marks* – IPAB Order dated 22-4-2013 in OA/58/2005/TM/KOL and OA/2/2007/TM/KOL].

Trademarks – Reputation overrides prior registration application

Intellectual Property Appellate Board has upheld the opposition of Jaguar Cars Ltd. with respect to registration of trademark “JAGUAR” in relation to watches by a Swiss company. It held that the reasoning that the Swiss company was the prior applicant for watches for the impugned mark in India, even if factually correct, is an artificially constructed and laboured justification to sneak the impugned mark into the register, considering the fact that the appellant (Jaguar Cars) was the prior registrant in India for auto products. It also held that being a prior applicant in respect of watches is no ground to dismiss a valid opposition. The Board

took notice of the reputation of the appellant's mark which is a luxury brand with extensive exposure over the years in India and world over. It was also held that changing market realities not only lead a similarity or relatedness between goods or services that would not have been considered as similar or competitive a century ago, but also contribute to the creation of new categories of confusion like confusion of business affiliation, initial interest confusion, post-sale confusion etc.

Argument of classification under different class was also rejected by the Board, while it held that classification is only an administrative tool for the registry for search purpose and is not a fail proof test to eliminate likely market confusion. The Board further rejected the Deputy Registrar's test of manufacturing facilities in India which the latter had used to draw inference of non-use. [*JAGUAR Cars Limited v. Manufacture Des Montres Jaguar S.A.* – IPAB Order dated 30-4-2013 in OA/21/2008/TM/KOL].

Patent exhaustion does not apply to reproductions

The US Supreme Court has held that patent exhaustion does not permit a farmer to reproduce patented seeds through planting and harvesting without the patent holder's permission. In the

instant case, the farmer had bought soyabean seeds (not meant for planting) and used them for cropping eight times. As per the terms of the license, he was not allowed to raise more than one crop from the genetically modified seed bought from the company (patent-holder) or to save seeds for replanting.

The plants grown by the farmer exhibited the trait of resistance to the herbicide glyphosate. The Supreme Court agreed with the lower court that this amounted to replicating the patent technology. It did not find force in the argument that since the seeds had been bought from the grain elevator authorised to sell them, the patent holder could no longer control use of the article. In planting, weeding out plants which were not resistant and tending them, he had 'made' an infringing article. The seeds could not be said to have replicated themselves, by natural process.

The court emphasised that boundaries of patent exhaustion must be so drawn that the patentee retains an undiminished right to prohibit others from making the thing his patent protects. It however observed that the holding may not apply to every situation involving a self-replicating product. [*Bowman v. Monsanto Co*, US Supreme Court Order dated 13-5-3013]

News Nuggets

Test of Endurance

An Indian company seeking to register 'Endurance' as a trademark for tyres, online marketing and replacement services failed to endure scrutiny by the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM). The General Court dismissed its

appeal holding that it was similar to an existing Community mark 'Endurance' in respect of same class of goods. The appellant-company's contention was that the relevant public would be comprised of English and French speaking consumers (car-owners) who could differentiate between the words. However, the court agreed

with the lower authorities that endurance was not a basic English word which would be understood by every European consumer.

Understanding ‘use in commerce’

The US Trademark Trial and Appellate Board (the Board) recently considered a petition for cancellation of trademark ‘Treasurynet’. Both parties operated in financial services sector and understandably sought to use the mark to identify their services. The prior registered party used Treasurynet as an intranet site (database) which could be accessed by the employees

to retrieve information sought by customers. It was not accessible to public/customers in general and was never advertised. The only proof advanced by the party was a brochure printed by a third party which mentioned services provided by it in connection with the intranet. The Board found that the employees did not derive any benefit or improving of skills which could be applied ‘outside’ in commerce. Holding that Treasurynet was merely the name of a tool used to access information and not a service mark, the Board ordered cancellation of the mark on ground of abandonment.

Disclaimer: *IPR Amicus* is meant for informational purpose only and does not purport to be advice or opinion, legal or otherwise, whatsoever. The information provided is not intended to create an attorney-client relationship and not for advertising or soliciting. Lakshmikumaran & Sridharan does not intend to advertise its services or solicit work through this newsletter. Lakshmikumaran & Sridharan or its associates are not responsible for any error or omission in this newsletter or for any action taken based on its contents. The views expressed in the article(s) in this newsletter are personal views of the author(s). Unsolicited mails or information sent to Lakshmikumaran & Sridharan will not be treated as confidential and do not create attorney-client relationship with Lakshmikumaran & Sridharan. This issue covers news and developments till 15th May, 2013. To unsubscribe, e-mail Knowledge Management Team at newsletteripr@lakshmisri.com

www.lakshmisri.com