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EDITORIAL NOTE

Intellectual Property is the key driver to propel the economic growth of a nation. Hence, understanding IP gains utmost significance not only from a business point of view but also from a socio-economic perspective. We as nationals of any country should be vigilant in protecting and defending our IP rights. However, there are multiple issues and challenges that need discussions, and reforms. The IP Press Law Review (IPPLR) is an initiative of The IP Press to extend our objectives of spreading awareness on the issues concerning intellectual property rights and related laws. It aims to promote study and research in the field of intellectual property laws in the form of academic literature. This issue reflects some of the key concerns of the Intellectual property regime both under national and international parlance. It is envisioned to embody some of the most brainstorming insights that help readers to grasp the discourse around contemporary developments in the field of Intellectual Property Law. Throughout the year, the editorial board has reviewed the papers with multiple rounds of editing to ensure quality and standard.

This issue presents intriguing issues and challenges pertaining to intellectual property law in the national as well as the international regime. The first paper encapsulates the protection of personality rights under Intellectual property laws and briefly presents the status of multiple jurisdictions. The second paper discusses a pertinent issue of protection of fictional characters that have been a cause of concern in many disputes. The author discusses the theoretical framework and analyses various tests laid down by the judiciary.

The third paper explores religion as a subject and object of the trademark. The author determines the legality of the trademark of religious symbols for private companies and religious organisations. The fourth paper presents a policy discussion on the overlap between trademark and functionality doctrine. The fifth submission deals with the congruence of intellectual property assets in combination and corporate restructuring wherein the author states that IP has immense power to help businesses to grow and hence its valuation becomes an important aspect of commercialization of IP. The sixth paper demonstrates how open-ended section 57 of the Copyright Act, 1957 is which leads to ambiguity. The author asserts reforms in the current provision of moral rights. The seventh paper discusses the recent dissolution of the intellectual property appellate board in the backdrop of the Tribunal Reform Bill, 2021. The eighth paper discusses the relevance of IP Due diligence and suggests quarterly checks and steps carry out the due diligence process to combat the closing down of businesses and lifelong losses. The ninth paper presents analyses of the patent denials in the biotechnology sector and their impact on the industry. The tenth paper presents an interesting analysis of trademarkability of non-conventional trademarks due to hindrances of graphical representation and discusses multiple judgements of the European courts. The last two items present an analysis of two landmark cases, one Monsanto case and two, Phonpe v. Bharatpe trademark tussle.

Happy reading!

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MONSANTO CO. V. STAUFFER CHEMICAL CO: THE EXPERIMENTAL USE
EXCEPTION

*Anusrita Ranjan**

1. INTRODUCTION

Patents are granted to inventors to protect their rights, from others selling, making, and using the product or its process. However, the right of a patent is not always absolute. The experimental use exception is a common law exception to the patent-holder's exclusive right of use.⁴⁹ Essentially, the exception allows researchers to use inventions that have already been patented, for the purpose of conducting trials and research, while the license remains with the patent holder. In this paper, the author attempts to explain the curious case of the experimental user exception through *Monsanto Co. v. Stauffer Chemical Co* in the United Kingdom. The paper also delves into a comparative analysis of the exception in India and its application.

2. FACTS

The case of *Monsanto Co. v. Stauffer Chemical Co* revolves around the nuances and nature of the experimental use exception. The Monsanto Company was a leading producer of chemical and agricultural products, based out of the United States of America. Stauffer Chemical Company was a chemical company, also from the USA, which was in the business of production of herbicide. The plaintiffs, Monsanto had filed an injunction against Stauffer, the defendants to prohibit the use or sale of the allegedly infringing herbicide, Touchdown. The defendants relied on section 60(5) of the Patents Act of the United Kingdom to conduct “experimental” trials with the already infringing herbicide. The Court held that the exception could not apply if the patented product was used for testing or evaluating a different product or process.⁵⁰

The primary objective of the experimental use exception is to accelerate growth in the field and further development in the country, while also protecting the inventor's patent rights. The motive behind such an exception is to strike a balance between the rights of the inventor and producer and

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⁴⁹ Janice M Mueller, “No Dilettante Affair: Rethinking the Experimental Use Exception to Patent Infringement for Biomedical Research Tools” (2001) 76 WASH. L. REV. 1, 19-21.

⁵⁰*Monsanto Co. v. Stauffer Chemical Co.* (1985) (RPC 515).

other players, so that a disadvantageous monopoly does not arise in the market. However, it is just as important to implement the exception in the country's law, carefully, to not cause detriment to the very essence of patents. It is a widely accepted concept in patent law all around the world. The United Kingdom statutes have prescribed experimental use exception in section 60 (5) of the Patents Act of 1977. Section 60 of the Act allows for a statutory provision of direct and indirect patent infringement. Section 60(5)(b) of the Act essentially states that activities with an experimental objective, relating to the matter of the invention, will be exempt from the aforementioned infringement. The section was laid down to bring the patent laws of United Kingdom in accordance with the provisions and statutes of the European Patent Convention, which, however, does not have a specific provision regarding the exception. It is also important to understand the significance of Article 31(b) the Community Patent Convention (CPC) 1975, from which the exception originally stemmed from. It lays down that any act done, which relates to the subject matter, for the sake of experimentation would not infringe a patent.⁵¹

3. JUDGEMENT

The Monsanto case is considered to have paved the way for United Kingdom's patent laws on the topic of experimental use exception. The case laid down conditions in which a trial can be considered an experiment. The Court restricted the scope of the exception by narrowing down the definition of the term "experiment". "Trials carried out in order to discover something unknown or to test a hypothesis or even in order to find out whether something which is known to work in specific conditions can fairly, in my judgment, be regarded as experiments."⁵²The case of Monsanto established a test which held that experimental use exception would only cover acts that sought to create or produce new information but it is not applicable for activities that seek to verify already existing evidence. The Court was also cognizant of the fact that the motive behind a trial could be for various reasons and it would be difficult to ascertain and said it was up to the courts to decide upon, based on the evidence produced by the defendants.⁵³ However, if the trial was executed to show the utility of a product to a third party, it would not be regarded as done for an

⁵¹Aditya Nagarsheth, "Experimental Use Exception: An International and Comparative Overview", (2004), Journal of Intellectual Property Rights, Vol19, pp 549-556.

⁵²*Monsanto Co* (n 2).

⁵³ Kevin Iles, *A Comparative Analysis of the Impact of Experimental Use Exemptions in Patent Law on Incentives to Innovate*, Nw. J. Tech. & Intell. Prop. 61 (2005) <<https://scholarlycommons.law.northwestern.edu/njtip/vol14/iss1/3>> accessed 13 Oct 2021.

experimental purpose. The execution of the field trials on Stauffer's premises was protected by Section 60 (5) (b) of the Act since its main objective was to discover something unknown, despite having a commercial end goal. The Court held any experimentation observed on Stauffer's premises was covered by section 60(5)(b) of the Patents Act of 1977. But activities conducted by Stauffer elsewhere "in order to amass information to satisfy a third party" would not have been covered by exception of experimental use. Additionally, the activities or trials can have a combined objective of both experimental and commercial but the predominant one has to be experimental. The subject matter of the patented invention is also significant as the experiment conducted should be on the specific subject matter.

The Court finally observed that Stauffer's field trials with the herbicide were conducted in order to prove to a third party that a product works which could not be considered "for experimental purposes", rendering it to be infringing of the patent.⁵⁴ The Court also subscribed to the fact that an experimental trial with a commercial goal in view can be considered a defence. However, it not necessary for all trials to have a commercial purpose that makes it an exception. Hence, the exception may be applicable to commercial entities as well. However, with Stauffer's appeal, the application of section 60(5) was upheld. The Court of Appeals observed that any activity by a company would have a commercial goal and that it did not defeat the experimental use exception.⁵⁵

4. APPLICABILITY OF THE JUDGEMENT IN INDIA

The Monsanto case has been pivotal in cementing the United Kingdom's stance on the experimental use exception. In Indian law, the idea of the experimental use exception is still growing. Section 107 and 47 are the provisions in Indian law, the Patents Act of 1970 that go into the exception. Any experiments conducted to collect information for regulatory purposes will most likely profit from the exception. However, a level of ambiguity is prevalent in these sections as the Act does not have set definitions for terms such as "research" and "experiment"⁵⁶ In contrast to the stricter conditions set out in the UK's patents laws, Indian laws seem much wider and more open to interpretation. "The interpretation of "experimental use" or "scientific research" is

⁵⁴*Monsanto Co* (n 2).

⁵⁵ *ibid.*

⁵⁶ Biplab Lenin and Harsha Rohatgi, "Exceptions and Limitation of Patent Rights and its Enforcement in India", (2015), Journal of Intellectual Property Rights, vol 20, pp 297-304 <http://docs.manupatra.in/newsline/articles/Upload/68811C66-E206-4E36-AB5A-415E9B19395B.pdf>.

exceptionally broad and is very general and there is not much clarity in this context.”⁵⁷ Indian laws also do not attempt to create any distinction between commercial and non-commercial objectives to the research. Section 107A of the Patent Act of 1970 holds the exception for certain acts which are not considered to be patent infringement. This section is considered India’s Bolar exemption. The Bolar exemption, in simple words, allows researchers and manufacturers to experiment with patented products and produce them in restricted quantities to further enable research. However, this mainly relates to the pharmaceutical sector and its products. The defence under section 47(3) of the Patents Act of 1970 is only applicable if it can be proven that the subject matter is restricted to experimental activities or research, without a commercial objective. In India, science and its growth are still considered to be at a nascent stage, due to which the country’s laws are also constructed with a very broad understanding to accelerate research. The current broad exception might turn out to be prudential, taking into consideration the Indian economy. A wide interpretation of the exception might give a significant boost to foreign investment, especially from countries which do not have the exception like the United States of America.⁵⁸ Presently, India’s liberal approach to the exception seems to be a push in the right direction, enabling the growth of research and technology in the country, as opposed to developed countries with a stricter application.

⁵⁷Shamnad Basheer and Prashant Reddy, “The 'experimental use' exception through a developmental lens”, (2010) IDEA: The IP Law Review, 50 (4), SSRN: <http://ssrn.com/abstract=2216850>.

⁵⁸*Monsanto Co* (n 2).