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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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**JUSTIFYING THE DISSOLUTION OF
THE INTELLECTUAL PROPERTY APPELLATE BOARD
IN THE BACKDROP OF THE TRIBUNAL REFORM BILL, 2021**

*Anirudha Sapre and Madhav Deepak**

ABSTRACT

It is no secret that the Indian Judiciary is overburdened. Around twenty thousand Indian Judges trying to handle millions of cases has led to massive delays in delivering sound and fair verdicts. This burden on the Courts had led to the Government trying to find more effective ways of delivering Justice at a speedy rate. The most significant solution to this problem was the establishment of quasi-judicial bodies called Tribunal which dealt with matters in specific fields of law. Tribunals could ensure an alternate way of dealing with cases without burdening the Higher Judiciary, as well as include professionals who had expertise in these specific fields, thereby reducing long-drawn litigations. The Intellectual Property Appellate Board (IPAB), set up in 2003, was one of the Tribunals to be shut down under the Tribunal Reforms Ordinance, 2021. In its seventeen years of existence, the IPAB has divided opinions among academicians and professionals alike. Some have argued that its existence has helped Intellectual Property professionals in ensuring cheaper and faster disposal of cases, while others have accused it of red-tapism and administrative problems. This paper attempts to analyse whether the IPAB has succeeded in being an efficient organization capable of delivering justice. This paper also studies whether the proposed shutting down of the IPAB is justified or not. Lastly, this paper will attempt to predict the future of Intellectual Property litigation in India, and whether the IPAB should be replaced by another quasi-judicial body.

Keywords: IPAB, Tribunal, Trademark, copyright, high courts.

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1. OVERVIEW OF THE INDIAN TRIBUNAL SYSTEM

“Justice delayed is Justice denied”

Nowhere does this maxim hold more meaning than in India. This delay in verdicts has not only resulted in significant monetary for many parties involved in the litigation process, but has also reduced the faith of the common man in the judiciary. A survey of litigants showed that more than 60% of the respondents believed that the delay in their own cases was due to the judge not passing orders quickly enough.¹ In order to reduce pressure on the common law courts and to secure speedy disposal of cases in various forums relating to service matters, revenue, claims by and against the government and certain other matters of special importance in the context of psycho-economic development and progress, some quick means of adjudicating cases in various forums had to be evolved and the result has been the growth of Tribunals.² The 42nd Constitutional Amendment added a new chapter incorporating new provisions, namely article 323-A and 323-B of the Constitution, which took out adjudication of the matters specified there in from the jurisdiction of common law civil courts and the original side of High Courts and placed them before specified tribunals.³ Article 323-B gave the Central and State Legislatures the power to establish Tribunals to adjudicate disputes relating to Taxation, Foreign exchange, import and export, labor, land reforms, intellectual property (IP), urban property, elections to Parliament and state legislatures, food and rent and tenancy rights.⁴

A ‘Tribunal’ is an administrative body established for the purpose of discharging quasi-judicial duties.⁵ An Administrative Tribunal is neither a Court nor an executive body.⁶ It stands somewhere midway between a Court and an administrative body.⁷ The Tribunals have the power to adjudicate over a wide range of subjects that impact everyday life and function as an effective mechanism to

¹Alok Prasanna Kumar, ‘Delayed Justice: When Justice Arrives Too Late’, (*LiveMint*, 7 June 2016), <<https://www.livemint.com/Politics/AaR91YL6KuVo3ZcN3q3JfO/Delayed-justice-When-judgement-day-arrives-too-late.html>> accessed 13 October 2021.

²R.C Saxena, *Adjudication by Tribunals: Landmark in Field of Natural Justice*, 37 *Journal of the Indian Law Institute* 222, 223 (1995).

³*ibid.*

⁴The Constitution of India 1950, art 323.

⁵ Law Commission of India, *Assessment of Statutory Frameworks of Tribunals in India*, Report No. 272 (Issued on October, 2017).

⁶Law Commission of India (n 5).

⁷*ibid.*

ameliorate the burden of the judiciary.⁸ Tribunals, comprising of Judges and technical experts, can provide their expertise in niche areas of law, and can speed up the litigation process by identifying relevant evidence and interpreting the law faster than normal courts.

The Administrative Tribunals Act was passed in 1985, under Article 323A; section 28 of this Act provided for the exclusion of jurisdiction of all courts, except that of the Supreme Court under Article 136.⁹ One controversial characteristic of this Act was the constitutionality of section 28. As judicial review is part of the basic structure of the Constitution, excluding it from a legislature was not looked at favourably by professionals at that time. This was also accepted by the Constitution Bench of the Supreme Court in *S. R Sampath Kumar v. Union of India*¹⁰, but the Court added that the creation of alternate institutional mechanisms, which were as effective as the High Courts, would not be violative of the basic structure.¹¹ The administrative Tribunals under the Act were recognized as effective substitutes to the High Courts. However, there remains a healthy division of responsibilities between Tribunals and High Courts. Over the last 50 years, the High Courts have decided substantial questions of law in tax references appeals and revisions made against orders passed by Tribunals.¹² Questions of fact are concluded before the tribunals and the High Courts are concerned only with questions of law, which usually involve the interpretation of a statute or a document.¹³

However, the Tribunal system is not perfect. It is laden with several problems, like: -

- Appointment and Removal of Members: - Tribunal chairpersons are appointed after consulting the Chief Justice of India, and members are typically recommended by a selection committee.¹⁴ The Tribunal, Appellate Tribunal and other Authorities (Qualifications, Experience and other Conditions of Service of Members) Rules, 2017, gave the Centre the power to “make rules to provide for qualifications, appointment, term of office, salaries and

⁸Law Commission of India (n 5).

⁹ Arun Roy V. & Vishnu Jerome, *Administrative Tribunals in India - A Welcome Departure from Orthodox*, 12 Student ADVOC. 60,65 (2000).

¹⁰*S. R Sampath Kumar v Union of India* AIR 1987 SC 386.

¹¹Roy & Jerome (n 9).

¹²Arvind P. Datar, ‘The Tribunalisation of Justice in India’, (2006) ACTA JURIDICA 288, 293.

¹³*ibid.*

¹⁴ Arijit Ghosh, Diksha Sanyal, Raunaq Chandrashekhar, ‘Reforming the Tribunals Framework in India: An Interim Report’, (Vidhi Centre for Legal Policy, April 2018) <<https://vidhilegalpolicy.in/research/2018-6-11-reforming-the-tribunals-framework-in-india-an-interim-report-1/>> accessed 13 Oct 2021.

allowances, resignation, removal and the other terms and conditions of service” for judges appointed to 19 tribunals. This included the IPAB.¹⁵ Due to this, the judicial independence of Tribunals has been compromised.

- High Pendency Rate of cases: - Despite the system being swift sounds good in theory, things have not exactly turned out that way. As of 2017, the pendency rate across Tribunals was worryingly high at 94%¹⁶. This is a result of systematic issues such as high percentage of failed hearings, and leniency in case of delay in filing and being absent during a hearing.¹⁷
- Judicial Review: - As mentioned before, time and again the issue of Judicial Review turns its head and stirs up controversy. In the case of *L Chandrakumar v. Union of India*¹⁸, the Supreme Court pointed out two main problems with directly approaching the Supreme Court in case of appeals. One was that the direct appeal was too costly for litigants, and the other was that it increased the burden on the Supreme Court. The Court suggested that an appeal of a decision of the Tribunal on question of law could be entertained at a Division Bench of the High Court, which shared the same territorial jurisdiction with the Tribunal.¹⁹

Hence, a broad overview of the Tribunal system shows that even though Tribunals are relied on, they have failed to meet the purpose for which they were formed. The burden on Courts remains more or less the same. The costs of maintaining these Tribunals have also been a talking point. In the end, a well-functioning Tribunal system would not attract such scrutiny, and would vastly improve the disposal rate of cases. If it does not work well enough, its existence could be called into question, which is what has happened with the Intellectual Property Appellate Board.

2. THE TRIBUNAL REFORMS BILL, 2021.

Before we study the IPAB more closely, it is important to understand what the Tribunal Reforms (Rationalization and Conditions of Service) Bill, 2021 (“the Bill”), aims to achieve, and its short-term and long-term consequences not just for the IPAB, but for all the Tribunals affected.

¹⁵Prashant Reddy, ‘Has the Government Signed the Death Warrant for the Judicial Independence of 19 Tribunals’, (*Scroll.in*, 5 June 2017) <<https://scroll.in/article/839588/has-the-government-signed-the-death-warrant-for-the-judicial-independence-of-19-tribunals>> accessed 13 October 2021.

¹⁶Law Commission of India (n 5).

¹⁷Ghosh, Sanyal & Chandrashekhar (n 14) 19.

¹⁸*L Chandrakumar v Union of India* AIR 1997 SC 1125.

¹⁹*ibid*.

The Bill was introduced in the Lok Sabha on 13th February 2021 by Finance Minister Nirmala Sitharaman.²⁰ The Bill was passed as The Tribunal Reforms (Rationalization and Conditions of Service) Ordinance, 2021 (“the Ordinance”) on 4th April 2021²¹ as it could not get parliamentary approval and has resulted in the dissolution of tribunals constituted under nine acts, and their functions have been transferred to different Courts.²² The Tribunals apart from IPAB that were dissolved are as follows: -

- A. The Film Certificate Appellate Tribunal (FCAT): - The FCAT was set up under the Cinematograph Act, 1952.²³ The main responsibility of the FCAT was to hear appeals filed under Section 5C of the Cinematograph Act, by applicants for certification aggrieved by the decision of the Central Board of Film Certification (CBFC).²⁴ The FCAT has delivered verdicts on some of the most controversial films released in the past decade, some of them being praised and some criticized heavily. Verdicts were given on the release of films such as *Lipstick Under My Burkha* (2017), *Haraamkhor* (2015) and *Kaalakandi* (2018).²⁵ Dissolution of the FCAT means that appeals on the decision of the Central Board of Film Certification (CBFC) will be heard by the High Court, which has induced anger and frustration in the film industry.
- B. The Authority for Advance Rulings: -This authority, pursuant under the Customs Act, 1962²⁶, primarily dealt with customs related applications and pending cases regarding Central, Excise & Service tax, and had the authority on par to that of a Civil Court under the Code of Civil Procedure, 1908.²⁷ Under the new Ordinance, appeals before the tribunal shall be transferred to the High Court.

²⁰*The Tribunal Reforms (Rationalization and Conditions of Service) Bill, 2021*, PRS Legislative Research (February 13, 2021) <https://prsindia.org/billtrack/the-tribunals-reforms-rationalisation-and-conditions-of-service-bill-2021>.

²¹*Government Issues Tribunal Reforms Ordinance*, *The Hindu* (New Delhi, 7 April 2021) <<https://www.thehindu.com/news/national/govt-issues-tribunals-reforms-ordinance/article34262521.ece>> accessed 13 October 2021.

²²*ibid.*

²³ The Cinematograph Act 1952, s 5.

²⁴*Ektaa Malik, 'Explained: The Role and Significance of the Film Certification Tribunal, Now Abolished'*, *The Indian Express* (New Delhi, 8 April 2021) <<https://indianexpress.com/article/explained/the-role-significance-of-film-certification-tribunal-now-abolished-7263409/>> accessed 13 October 2021.

²⁵*ibid.*

²⁶ The Customs Act 1962, s 28(EA).

²⁷ The Customs Act 1962, s 28(L).

C. The Airport Appellate Tribunal (AAT): - The AAT was established under the Airports Authority of India Act, 1994²⁸, and dealt with claims related to eviction from airport premises, and had the power to hear appeals against the order of the Eviction Officer who had the power to evict persons in unauthorized occupation of airport premises.²⁹ The AAT, pursuant to the Finance Act, 2017, also acted as the Tribunal to hear appeals under the Control of National Highways (Land and Traffic) Act, 2002.³⁰ Under the Ordinance, matters relating to disputes arising from the disposal of properties left on airport premises by unauthorized occupants would be handled by the Central Government, and appeals against an order of the Eviction Officer would be heard by the High Court. Appeals filed under the provisions of the Control of National Highways (Land and Traffic) Act, 2002, would be heard by the Civil Courts.

3. THE INTELLECTUAL PROPERTY APPELLATE BOARD

The IPAB was the most controversial Tribunal that was dissolved under the Tribunal Reforms Ordinance. Founded in 2003 under the Trademarks Act, 1999³¹, the IPAB had jurisdiction equivalent to that of High Courts in IP matters. The IPAB had the power to hear appeals against the orders and decisions of the Registrars of Trademarks, Geographical Indications and Patents.³² Pursuant to the Finance Act of 2017, the IPAB was rationalized with the Copyright Board and, in 2018, with the PVPAT, and heard matters relating to disputes under the Copyright Act and the Protection of Plant Varieties and Farmer's Rights Acts.³³

A. Composition: -

The IPAB consisted of the Chairman, Vice-Chairman, and other Members of the Tribunal as the Central Government deemed fit.³⁴ The headquarters of the IPAB is situated in Chennai, with benches at Mumbai, Delhi, Kolkata and Ahmedabad. The qualifications of the Chairman of the

²⁸ The Airports Authority of India Act 1994, s 28(I) (1).

²⁹ Ghosh, Sanyal & Chandrashekhar (n 14) 71.

³⁰ The Control of National Highways (Land and Traffic) Act 2002, s 5(1).

³¹ The Trade Marks Act, 1999, s 83.

³² Alok Prassanna Kumar, Ketan Paul, 'State of the Nation's Tribunals: Part 2', (*Vidhi Centre for Legal Policy*, June 2014) <<https://vidhilegalpolicy.in/wp-content/uploads/2020/06/sTribunals-IPABFinalDraft.pdf>> accessed 13 October 2021.

³³ Pankhuri Agarwal, 'Copyright Board to Be Taken Over by The IPAB Under the Finance Bill, 2017, Passed by The Lok Sabha', (*SpicyIP*, 23 March 2017) <<https://spicyip.com/2017/03/copyright-board-to-be-taken-over-by-ipab.html>> accessed 13 October 2021.

³⁴ The Trade Marks Act 1999, s 84(1).

IPAB were that he/she had to be a sitting or retired Judge of a High Court, or should have, for at least two years, held the office of Vice-Chairman.³⁵ The Vice-Chairman of the IPAB was required to have held the office of a Judicial Member or a Technical Member for at least two years, or should have been a member of the Indian Legal Service holding a post of Grade I or higher for at least five years, in order to qualify for the post.³⁶ A Judicial Member of the IPAB was required to have been a member of the Indian Legal Service and should have held the post in Grade I of that Service for at least three years, or should have held a civil judicial office for at least ten years, in order to qualify for the post.³⁷ Lastly, a Technical Member of the IPAB was required to exercise the functions of a tribunal under the Trade Marks Act, or under the Trade and Merchandise Marks Act, 1958, or both, for at least ten years, and should not have held a position lower than the post of a Joint Registrar for at least five years, or should have been an advocate specializing in Trademark Law for at least ten years, in order to qualify for the post.³⁸

Pursuant to the Finance Act, 2017³⁹, the Central Government held all the power to make rules regarding the qualification of the Chairman, Vice-Chairman and Members of the Tribunal, thereby effectively overriding the qualifications laid down in the Trademarks Act.

Under the Trademark Act, the Chairman of the IPAB was appointed by the Central Government with the Appointment Committee of Cabinet (“ACC”), on the recommendation of the Chief Justice of India.⁴⁰ The ACC appointed the Vice-Chairman and the remaining members of the IPAB, and the selection of a suitable candidate for the post of Vice-Chairman was made by a Search-cum-Selection Committee, which was approved by the ACC.⁴¹ Under the Finance Act, the power to make appointments was fully given to the Central Government, and under the provisions the Act, the Tribunal, Appellate Tribunal and other Authorities (Qualification, Experience and other Conditions of Service of Members) Rules, 2017, was formed, which was struck down by the Supreme Court in 2019 in the case of *Roger Mathew v. South Indian Bank Ltd and Othrs.*⁴² The Constitution Bench of the Supreme Court, held the rules unconstitutional as being violative of

³⁵ The Trade Marks Act 1999, s 85(1).

³⁶ The Trade Marks Act 1999, s §85(2).

³⁷ The Trade Marks Act 1999, s 85(3).

³⁸ The Trade Marks Act 1999, s §85(4).

³⁹ The Finance Act 2017, s 184(1).

⁴⁰ Kumar & Paul(n 32) 22.

⁴¹ *ibid.*

⁴² *Roger Mathew v South Indian Bank Ltd and Ors*(2018) SCC Online SC 500.

principles of independency of the judiciary. It referred to its previous decision in the case of *Madras Bar Association*⁴³, where the Constitution Bench of the Supreme Court dealing with the validity and appointment of members to the National Company Law Tribunal (NCLT) under the Companies Act, 1956, held that the selection committee should comprise the Chief Justice of India or his nominee (chairperson, with a casting vote), a senior judge of the Supreme Court or Chief Justice of the High Court, and secretaries in the Ministry of Finance and Ministry of Law and Justice respectively.⁴⁴

The term of office for the Chairman and Vice-Chairman was five years, or till they attained the age of sixty-seven, whichever one came earlier. For the other members of the tribunal the maximum age limit was sixty-two.⁴⁵ Under the Finance Act, the age limit for the Chairman of the IPAB was increased to seventy-years, and for the other members of the IPAB, including the Vice-Chairman, the age limit was sixty-seven years.⁴⁶

B. Matters Handled by the IPAB: -

The IPAB had the jurisdiction to handle matters related not only to Trademark, but also matters related to Patents, Geographical Inventions, Copyright and Plant Varieties. It exercised all the powers of the appellate Court to go into the facts and the law in any given case and had the power to grant interim orders at the application and appeal stage, provided that the Court first explored the possibility of deciding the main matter expeditiously and had heard the other party on the matter.⁴⁷ As of 2021, the IPAB has disposed off around 3800 cases, with more than 3000 cases only relating to Trademarks.⁴⁸ Orders of the IPAB have been challenged in the High Court under Article 226 of the Constitution as well as in the Supreme Court.

The IPAB has suffered from a lot of criticism and scrutiny from the legal profession on its inefficiency, its lack of independence, and the appointments of the members of the Tribunal. Matters had only gotten worse for the IPAB with the passing of the Finance Act, 2017, and

⁴³*Madras Bar Association v Union of India* (2010) 11 SCC 67.

⁴⁴Rahul Unnikrishnan, 'Whither Tribunal Independence', *The Hindu* (New Delhi, 2 March 2020) <<https://www.thehindu.com/opinion/lead/whither-tribunal-independence/article30957940.ece>> accessed 13 October 2021.

⁴⁵The Trade Marks Act 1999, s 86.

⁴⁶The Finance Act 2017, s 184(1).

⁴⁷Kumar & Paul (n 32) 23.

⁴⁸'Disposal of Cases at IPAB: A Glance', (*Intellectual Property Appellate Board*, February 2021) <<https://www.ipab.gov.in/img/gallery/Performance-from-2004-onwards.png>> accessed 13 October 2021.

ultimately, the decision of dissolution of the Tribunal was seen as most favorable by the Government, along with large sections of the legal profession. The next part of this paper will analyse the causes of the dissolution of the IPAB, and the future for IP litigation in India.

4. JUSTIFYING THE DISSOLUTION OF THE IPAB

Before the inception of the IPAB, no questions were asked on whether a tribunal like this was even needed. The Government never held a discussion with the general public or the IP bar on whether such a tribunal was even required.⁴⁹ From its creation in 2003, the IPAB was riddled with problems like lack of independency and administrative issues.

A. Lack of Independency from the Centre: -

As observed by the Supreme Court in the *Madras Bar Association Case*⁵⁰, independence of the judiciary is a constitutional principle that is required to maintain the integrity of a quasi-judicial body, something that was always missing from the IPAB. Even in its name, the IPAB suffered from being confused as a statutory body (like the Central Board of Direct Taxes or a State level Labor Welfare Board which are not Tribunals but statutory bodies) and not a quasi-judicial body. The reason why the IPAB has been studied as a Tribunal is due to the case of *Union of India v. R Gandhi, President, Madras Bar Association*⁵¹, where the Supreme Court observed that that whenever the existing jurisdiction of High Courts is transferred to a tribunal, it is a judicial tribunal.⁵²

While appointing the members of the Tribunal, the only step where a member of the Judiciary was involved was in the appointment of the Chairman, where the Chief Justice's recommendation was taken into consideration. While the appointment of the Chairman was made in consultation with the Chief Justice of India, the appointment of other members of the Tribunal did not require consultation with the Chief Justice of India, and were appointed by the ACC.⁵³ Under Section 184 of the Finance Act, the appointment of members, salaries and allowances, appointment of staff

⁴⁹Prashant Reddy, Pranav Dhawan, 'The Case for Shutting Down the Intellectual Property Appellate Board (IPAB)', (*SpicyIP*, 15 April 2020) <<https://spicyip.com/2020/04/the-case-for-shutting-down-the-intellectual-property-appellate-board-ipab.html>> accessed 13 October 2021.

⁵⁰*Madras Bar Association* (n 43).

⁵¹*Union of India v R Gandhi, President, Madras Bar Association* (2010) 11 SCC 1.

⁵²Kumar & Paul (n 32) 24.

⁵³*ibid.*

members and clerks, everything came under the purview of the Central Government. In the case of Section 184, the powers in that provision go to the root of judicial independence because as established in *Shamnad Basheer v Union of India*⁵⁴, issues of appointment process and qualification criteria directly affect judicial independence of the IPAB.⁵⁵

The petition filed by Dr. Basheer challenged the constitutionality of the IPAB and exposed some deep-rooted problems that plagued the tribunal ever since its inception. The petition was filed in 2011, when the IPAB was under the control of the Department of Industrial Policy and Promotion (DIPP), Ministry of Industry and Commerce. The petition pointed out to how the DIPP in its Annual Report for 2010 listed the IPAB as one of its subordinate or allied organizations and how the DIPP handled all RTI queries pertaining to the IPAB despite the IPAB being a quasi-judicial authority in itself.⁵⁶ It also highlighted how the appointment and removal procedure for members of the Tribunal was completely different to that of High Court and Supreme Court Judges. The petition contended that Section 85 of the Trademarks Act was unconstitutional, as it failed to separate the judiciary from the executive.⁵⁷

The Madras High Court, in 2015, partially held the case in favor of the petitioner, and struck down certain sections of the Trademarks Act as unconstitutional. In particular, the Court stated: -

*“Apropos recommendation of search cum selection committee required to be approved by the appointment Committee of the Cabinet for the post of Vice-Chairman and other members, we hold that the said methodology is also totally unconstitutional as it impinges upon the independence of the judiciary.”*⁵⁸

In summation, the Court held Section 85(2)(b), which provided for the qualification to the post of Vice-Chairman by being a member of the Indian Legal Service for atleast five years, and Section 85(3)(a), which provided for the eligibility of a member of the Indian Legal Service that held the

⁵⁴*Shamnad Basheer v Union of India* W.P.No. 1256/2011.

⁵⁵Prashant Reddy, ‘Appointments and Independence of the IPAB after the Finance Act, 2017’, (*SpicyIP*, 3 May 2017) <<https://spicyip.com/2017/05/appointments-and-independence-of-the-ipab-after-the-finance-act-2017.html>> accessed 13 October 2021.

⁵⁶Prashant Reddy, ‘Madras High Court Admits Petitions Challenging the Constitutionality of the IPAB and Copyright Board’, (*SpicyIP*, 27 January 2011) <<https://spicyip.com/2011/01/breaking-news-madras-high-court-admits.html>> accessed 13 October 2021.

⁵⁷*Shamnad Basheer* (n 54) para 8.1.

⁵⁸*Shamnad Basheer* (n 54) para 9.5.

post of Grade I of that Service for at least three years for qualification for appointment to the post of a Judicial Member in IPAB, as unconstitutional.⁵⁹ The Court held that only a person who, in the post of Joint Registrar or above with the qualification of 12 years of practice at bar or 12 years' experience in a State Judicial Service with a degree in Law, along with other qualifications alone was to be considered to be appointed as a Technical member.⁶⁰

With regards to funding, the IPAB was completely dependent on the Ministry of Industry and Commerce, and often suffered from a lack of funding, which resulted in inefficiency in conducting timely hearings and other proceedings. A very detailed report by Justice Prabha Sridevan⁶¹, who served as the Chairman of the IPAB from 2011 to 2013, highlighted how the lack of funding from the Government affected the day-to-day affairs of the IPAB. The detailed study of the report shall be done under the next sub-heading.

B. Inefficiency and Delays: -

The IPAB has almost always operated in an inefficient manner, from handling of cases to appointment of its chairpersons. In its 17 years of existence, the IPAB has not had a Chairperson for a cumulative total of 1,130 days.⁶² In 2006, there was a gap of almost 9 months between the retirement of Justice Jagadeesan and appointment of Justice M.H.S. Ansari as the Chairman of the IPAB.⁶³ Similarly, there was a gap of another 9 months between the retirement of Z.S. Negi and the appointment of Justice Prabha Sridevan in 2011 and there was a delay of around a year and 8 months between the retirement of Justice K.N. Basha and the appointment of Justice Manmohan Singh in 2018.⁶⁴ This also resulted in the IPAB conducting zero hearings in the Chennai Bench for more than a year, which resumed only after Justice Singh was appointed.⁶⁵ At the time of resuming hearings, almost 630 cases were pending before the bench, as a result of the delay in appointing a Chairman.⁶⁶

⁵⁹Shamnad Basheer (n 54) para 10.

⁶⁰ibid.

⁶¹ Prashant Reddy, 'Justice Sridevan's Report Exposes the Central Government's Apathy Towards IPAB', (*SpicyIP*, 27 September 2011) <<https://spicyip.com/2011/09/justice-sridevans-report-exposes.html>> accessed 13 October 2021.

⁶² Reddy & Dhawan (n 49).

⁶³ ibid.

⁶⁴ Reddy & Dhawan (n 49).

⁶⁵ Sanjay Vijayakumar, 'Two Years On, IPAB Chennai Bench resumes hearing', *The Hindu* (New Delhi, 27 February 2018) <<https://www.thehindu.com/news/cities/chennai/two-years-on-ipab-chennai-bench-resumes-hearing/article22860928.ece>> accessed 13 October 2021.

⁶⁶ibid.

Aside from delays, there have also been instances where members of the Tribunal have been unqualified for the post. In 2011, one Mr. Syed Obaidur Rahaman, who had been appointed as a technical member for Trademarks of the IPAB, was found to have provided incorrect information on his application.⁶⁷ As per the application form for the post of Technical Member, IPAB all applicants were required to cite the judgments in which they have appeared because the Trade Marks Act, 1999 required the appointment of either former Trade Mark Registrars or advocates with extensive experience in Trade Mark Law.⁶⁸ Mr. Rahaman claimed to have appeared in *Lever v. Goodwin*, an English case dating back to 1887. In another instance, a technical member for trademarks was appointed despite objection from the then Vice-Chairperson of the IPAB to his appointment on the grounds that he lacked any substantial experience in trademark matters.⁶⁹ The selection of one Mr. Sanjeev Kumar Chaswal was objected to by the then Vice-Chairperson, Ms. Usha, who observed that the documents submitted by Chaswal did not demonstrate any significant dispute resolution experience pertaining to trademarks.⁷⁰ She noted that while he'd filed trademark applications, he had not appeared to have been party to any contentious proceedings involving trademarks.⁷¹ Ultimately, he was appointed, and even acted as the interim chair between in 2017 before the appointment of Justice Singh, and ultimately retired in December 2018.⁷²

The huge backlog of cases in the IPAB, due to positions being vacant, highlights another flaw in the system. In a writ petition before the Delhi High Court in 2019⁷³, the petitioner approached the High Court for an urgent hearing seeking the stay of a patent application, pleading that the IPAB not functioning led to the patent being granted and denying his right to file an appeal.⁷⁴ As a technical member is required to form a quorum to hear the cases under the Trademarks Act⁷⁵, many cases were pending before the IPAB, as the Court observed that no technical member had been

⁶⁷ Prashant Reddy, 'Major Irregularities in Mr. Rahman's appointment to the Intellectual Property Appellate Board', (*SpicyIP*, 11 March 2011) <<https://spicyip.com/2011/03/major-irregularities-in-mr-rahamans.html>> accessed 13 October 2021.

⁶⁸ *ibid.*

⁶⁹ Reddy & Dhawan (n 49).

⁷⁰ *Report on Chaswal's Appointment to the IPAB*, SpicyIp (July 2013) <https://spicyip.com/resources/ipab/2013/report%20on%20chaswal.pdf>.

⁷¹ *ibid.*

⁷² Reddy (n 61).

⁷³ *Mylan Laboratories v Union of India & Ors* WP(C) 5571/2019.

⁷⁴ Ranjan Narula, 'Trouble at the IPAB', (*World Intellectual Property Review*, 9 September 2019) <<https://www.worldipreview.com/contributed-article/ip-appellate-board-trouble-at-the-ipab>> accessed on 13 October 2021.

⁷⁵ The Trademarks Act 1999, s 84(2).

appointed for copyrights since inception of the IPAB, and the posts of technical member for patents and technical member for trademarks had been vacant since May 4, 2016 and December 5, 2018, respectively.⁷⁶ The Court observed that around 4000 cases were pending across all the benches of the IPAB. As of 2020, the case load is estimated to be around 2626 trademarks cases, 617 patents cases, 691 copyrights cases and 1 geographical indication case.⁷⁷ Justice Pratibha Sridevan, in her report to the Madras High Court, noted that at least 22,330 sq. ft. was required for proper functioning of the IPAB, instead of the space available to the tribunal which was a meagre 5500 sq. ft., which resulted in dysfunctionality of the Tribunal.⁷⁸ No major renovations were made on that report, and the IPAB continued to operate the same premises.

This dysfunctionality of the IPAB has also attracted international criticism. The Office of the United States Trade Representative (USTR), in its Special 301 Report for 2020⁷⁹, observed “India’s copyright royalty board, which has been folded into the Intellectual Property Appellate Board, is not fully functional, as technical members still need to be appointed”. India is currently on the “Priority Watch List”⁸⁰, which means that the U.S considers the IP enforcement in India as inadequate and concerning for its own investors.

The IPAB has also had cases where hearings were conducted without the adequate quorum that was required under the Trademark Act.⁸¹ In order to conduct hearings, one Judicial Member and one Technical member were required to be present.⁸² A cause list, dated January 7, 2019, revealed that 51 matters were listed for hearing before Justice Manmohan Singh without a Technical Member on the bench and similar hearings had occurred from December 12 to 21, 2018.⁸³ All this points out to the simple fact that at every stage, from judicial appointments to conducting hearings, the IPAB has been inefficient. Being called a “national embarrassment”, the IPAB posed a risk of overshadowing the positive developments happening across the country’s IP landscape and

⁷⁶ *ibid.*

⁷⁷ Reddy & Dhawan (n 49).

⁷⁸ Shammad Basheer (n 57).

⁷⁹ *Special 301 Report*, Office of the United States Trade Representative (April 2020).

⁸⁰ *ibid.*

⁸¹ Rishabh Mohnot, ‘IPAB Conducts Hearings and Passes Order despite Losing Quorum’, (*SpicyIp*, 30 January 2019) <<https://spicyip.com/2019/01/ipab-continues-to-pass-orders-and-conduct-hearings-despite-losing-quorum.html>> accessed on 13 October 2021.

⁸² The Trademarks Act 1999, s 84(2).

⁸³ *Special 301 Report* (n 80).

provided easy ammunition for critics of the country's IP system⁸⁴, and hence the decision to shut down the IPAB was justified.

5. OBJECTIONS TO THE DISSOLUTION OF THE IPAB

Although the majority of the legal fraternity has approved of the dissolution of the IPAB, some have objected to it on grounds that many of the shortcomings of the IPAB have been due to the apathy from the Government, and scrapping the IPAB to increase the case load on the Courts is not favourable. Some are of the view that the IPAB could still be a Tribunal capable of functioning efficiently and truly improving the IP landscape of India.⁸⁵ Some also believe that scrapping the only Tribunal specialized in hearing IP cases could hamper India's reputation as an IP jurisdiction, and that plans should be made to make the IPAB more efficient, and more independent, rather than shutting it down completely.⁸⁶ Also, considering that the IPAB is one of the few tribunals that has headquarters outside of Delhi, it could promote decentralization of Tribunals and could draw the best professionals and litigants to the state they're headquartered in.

Despite the shortcomings of the IPAB, it has always decided cases using the same line of reasoning that normal Courts would, and has delivered some remarkable judgements. In the case of *Novartis v. Union of India*⁸⁷, a two-judge bench of the IPAB rejected the patent application filed by the applicant for the anti-cancer drug Glivec in India. The patent application was filed in 1997, which was subsequently rejected by the Madras Patent Office.⁸⁸ The applicant then filed two writ petitions before the Madras High Court and Supreme Court respectively, and the Madras High Court transferred the petition to the IPAB. The IPAB carefully studied the patentability of the drug, and studied Section 3-d of the Patent Act, 1970, very carefully. Section 3-d states what cannot be an invention: -

⁸⁴ Jacob Schindler, 'The Indian Government Must Act Now to End IPAB Dysfunction.' (*IAM*, 7 December 2019) <<https://www.iam-media.com/copyright/saturday-opinion-india-ipab>> accessed 13 October 2021.

⁸⁵ Arun C Mohan, 'The Case for Keeping the IPAB Open', (*SpicyIP*, 17 April 2020) <<https://spicyip.com/2020/04/the-case-for-keeping-the-ipab-open.html>> accessed 13 October 2021.

⁸⁶ *Rethink Plan to Abolish Intellectual Property Appellate Board: Industry Groups*, ET Bureau (March 9, 2021) <<https://economictimes.indiatimes.com/news/economy/policy/rethink-plan-to-abolish-intellectual-property-appellate-board-industry-groups/articleshow/81403514.cms>> accessed 13 Oct 2021.

⁸⁷ *Novartis v. Union of India* AIR 2013 SC 1311

⁸⁸ Mohammed Suleman Palwala, 'A Study On: Novartis A.G v. Union of India', (*Mondaq*, 17 July 2019) <<https://www.mondaq.com/india/patent/826478/a-study-on-novartis-ag-v-union-of-india>> accessed 13 October 2021.

“The mere discovery of a new form of a known substance which does not result in the enhancement of the known efficacy of that substance or the mere discovery of any new property or new use for a known substance or of the mere use of a known process, machine or apparatus unless such known process results in a new product or employs at least one new reactant.”⁸⁹

The IPAB studied the components of the drug and found that it did not pass the test of Section 3-d, and that the invention was not a “cognitive leap” in the field of cancer drugs. It rejected the patent application and decided against Novartis, who filed a special leave petition in the Supreme Court in 2009, where after a long-drawn battle, the Supreme Court upheld the judgement of the IPAB. This verdict attracted a lot of international criticism, but was praised in India, as it prevented “ever-greening” of drugs, where drug companies made minor changes to attain patents and control the market.⁹⁰ This case also demonstrated the ability of the IPAB in understanding complex matters of law and making sound judgements, despite being plagued with structural issues.

Recently, in 2021, the IPAB delivered another landmark in the case of *Indian Performing Rights Society v. Entertainment Network India Ltd.*⁹¹ where the IPAB held that when a sound recording was broadcasted during a radio show, separate royalties were payable for both the sound recording and underlying works under Section 31D of the Copyright Act, 1957. This meant that if the radio played a song, the radio broadcaster had to pay royalties to both the music label who own the sound recording and the authors who owned the underlying literary and musical rights. The IPAB justified this decision by studying the 2012 amendments to the Copyright Act, 1957, that was formed to protect the rights of artists in getting royalties.⁹² These two judgements show that the IPAB was capable of providing important decision in fields of IP apart from Trademark, despite some procedural errors by the Technical Members of the Tribunal. The IPAB also has had a good track record in regards to its decision being appealed in the High Courts. According to a report by 2014, of the thirty-four cases that were appealed in the High Court, nineteen cases were upheld,

⁸⁹ The Indian Patent Act 1970, s 3(d).

⁹⁰ Patralekha Chatterjee, ‘Five Years After the Supreme Court’s Novartis Verdict’, (*Intellectual Property Watch*, 25 May 2018) <<https://www.ip-watch.org/2018/05/20/five-years-indian-supreme-courts-novartis-verdict/>> accessed 13 October 2021.

⁹¹ *Indian Performing Rights Society v Entertainment Network India Ltd.* OP (SEC-31-D)/4/2020/CR/NZ.

⁹² R.K Dewan & Co. ‘IPRS can Collect Royalties from FM Radio Stations’, (*Lexology*, March 2020) <<https://www.lexology.com/library/detail.aspx?g=866e16dc-ff02-49d7-9b2c-6a7383c54edf>> accessed 13 October 2021.

and fifteen appeals were allowed.⁹³ Given the reasons above, the move to shut down the IPAB was seen as unimaginative and unnecessary by some in the legal fraternity.⁹⁴

6. CONCLUSION

The IPAB may have been subject to harsh criticism, but a consensus amongst lawyers remains that the Indian Judiciary needs to place special emphasis on IP and needs to provide speedy disposal of IP cases. One of the methods that have been championed by luminaries like Justice Prabha Sridevan is the constitution of specialized IP benches in High Courts across India.⁹⁵ Following the example of tax benches across High Courts, IP benches could also be formed, with two sitting judges and a panel of experts who can provide assistance on different fields of IP.⁹⁶ Specialized benches could also be the best option as they wouldn't cost as much as Tribunals to maintain and could operate on Court premises, and as they fall within the jurisdictional control of the High Court, there would be less ambiguity in appeals and transfer of cases.⁹⁷ Additionally, reducing the qualifications to be a judge on this bench, and providing specialized IP training of judges, would help prevent long-lasting vacancies and ensure continuous functioning of the benches.⁹⁸

The formation of the IPAB changed the face of IP litigation in the country, but brought with it a lot of challenges and complexities. The dissolution of the IPAB was due to the fact that it failed to establish itself as a sustainable alternative to traditional courts, and after 18 years, the Government decided that the best course of action for a developing nation like India would be to stick to its Courts. For now, specialized benches seem to be the least costly, and most efficient method of dealing with IP cases in India.

⁹³Kumar & Paul (n 32) 38.

⁹⁴Bharucha & Partners, 'One Step Forward, Two Steps Back: The Tribunal Reforms Ordinance: An Intellectual Property Perspective,' (*Lexology*, 8 April 2021) <<https://www.lexology.com/library/detail.aspx?g=928fd74e-d72c-42bf-b3c9-e749baa5dd68>> accessed 13 October 2021.

⁹⁵Prabha Sridevan, 'Whose Tribunal Is It Anyway?' *The Hindu* (New Delhi, 15 November 2013) <<https://www.thehindu.com/opinion/op-ed/whose-tribunal-is-it-anyway/article5351733.ece>> accessed 13 October 2021.

⁹⁶Justice Prabha Sridevan on Govt's Proposal to Shut Down the IPAB and the Way Forward, (*SpicyIP*, 18 February 2021) <<https://spicyip.com/2021/02/justice-prabha-sridevan-on-proposal-to-shut-down-ipab-and-the-way-forward.html>> accessed 13 October 2021.

⁹⁷Shamnad Basheer, Jacques De Warra, 'Specialized Intellectual Property Court: Issues and Challenges', (*ICTSD-CEIPI* 67, March 2016) <https://www.ceipi.edu/fileadmin/upload/DUN/CEIPI/Documents/Publications_CEIPI___ICTSD/CEIPI_ICTSD_N__2.pdf> accessed 13 October 2021.

⁹⁸*ibid.*