

April, 2020

Pandemic Legal **i**ntelligence
Intellectual Property Rights vis-à- vis COVID - 19



Legal intelligence Series - COVID | XXXIV

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What does the economy need?

For an economy to grow and its consumer society to prosper, intellectual property serves as an underpinning factor for the country. To fight the present Pandemic, it is even more quintessential as it is a fundamental instrument to help nations fight together. **Globally, the pharmaceutical and biotechnological companies are striving their best to help find relief from the impact of the pandemic.**

However, amidst this international emergency, domestically as well as globally, there is a rise in dearth of intellectual property laws which is being affected by the outbreak of COVID – 19 **with regard to public health services, including instances of hurdles in R&D of drug and restricted access to medical equipments.**

To counter this pandemic, **there is an ardent need for Governments across the world to intervene and liberalise the IP restrictions for a short term for effective deployment of protective medical equipments for public health and safety.**



Dilemma of IP Holders

Whilst experts are battling to develop a cure, the claim of intellectual property rights for exclusive use of the cure poses a dilemma as **it is not considered the most rational thing to do at the moment.**

In an **open letter by Carlos Correa** addressed to organizations like WHO, WTO and WIPO, support is sought for WTO countries that invoke the 'security exception' contained in **Article 73** of the Agreement on Trade Related Intellectual Property Rights (TRIPS) Agreement, to take **'actions it considers necessary for the protection of its essential security interests'** in the wake of COVID-19 threat.



It is opined that invocation of exception under Article 73 will be warranted to procure medical products and devices or to use the technologies to manufacture them as necessary to address the present public health emergency. By suspension of enforcement of any IP right under Article 73(b) of TRIPS Agreement, an obstacle for the procurement or local manufacturing of the medical equipments and necessary devices to protect the population of the world will be outcasted.

Then arises the question of IP rights which are aimed to **aid the public by promoting technological advancement** in return of providing the inventor an exclusive right over the invention, though for a limited time.

However, these IP rights are at a standstill as IP Registry offices all over have limited their functioning and with regards to pharmaceutical, there is a bigger question about exclusivity rights.

Next question that bangs up is the rights of the existing IP holders in the present situation of pandemic and the concept of Compulsory Licensing and government use.



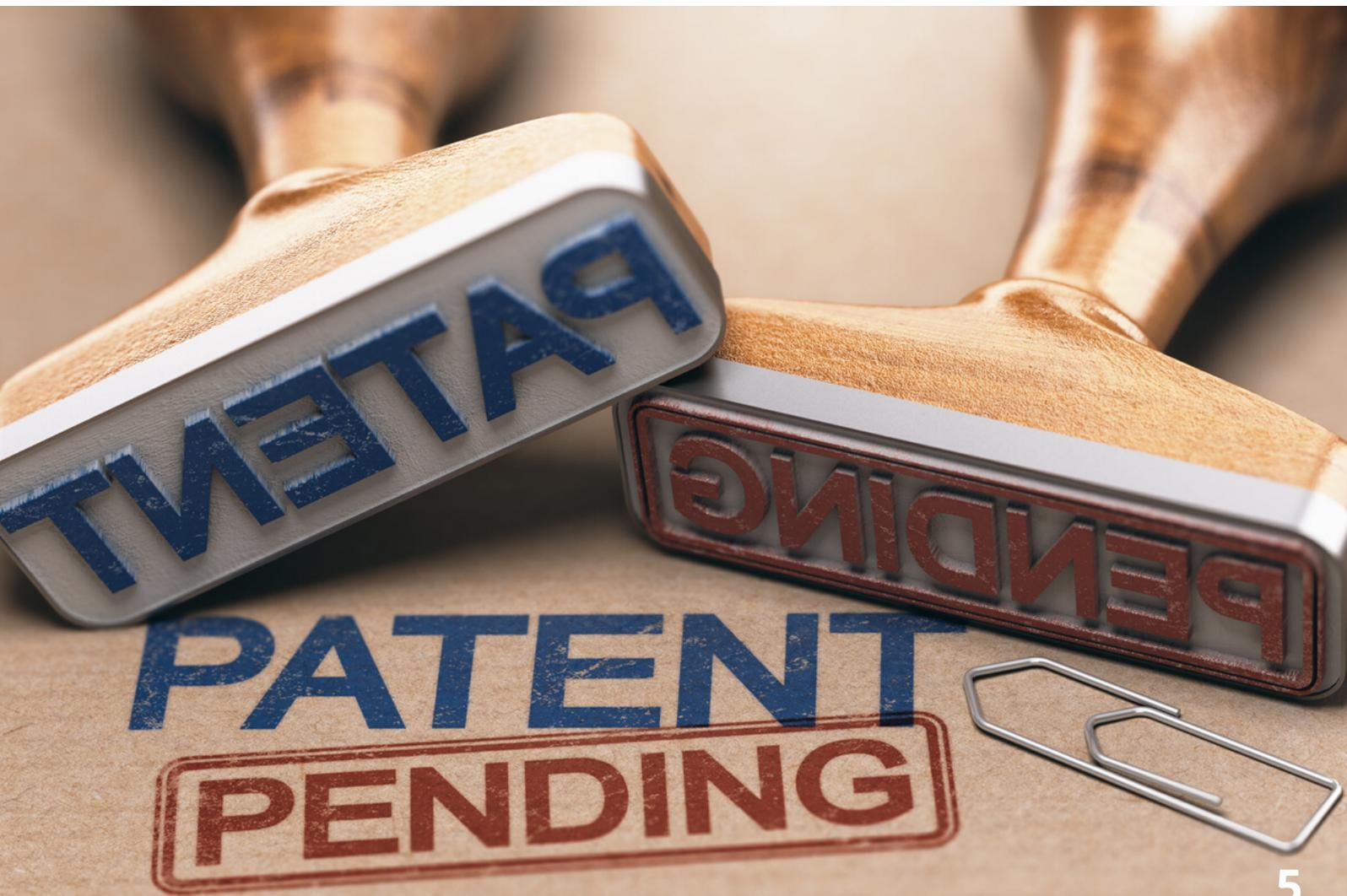
COMPULSORY LICENSING

Compulsory License is a **method of intervention by the State Machinery** to reach to an equilibrium between awarding the patent holders for their hard earned invention and making the invention available to a third party in the need of the hour, just like the current pandemic.

In other words, Compulsory licenses are defined as **permitting or authorizing a third party to make, use or sell a patented invention without the patent owner's consent.**

Under the **Indian Patent Act, 1970, Section 84 and Section 92** stipulates the conditions that needs to be fulfilled in order to obtain a compulsory licence to be granted.

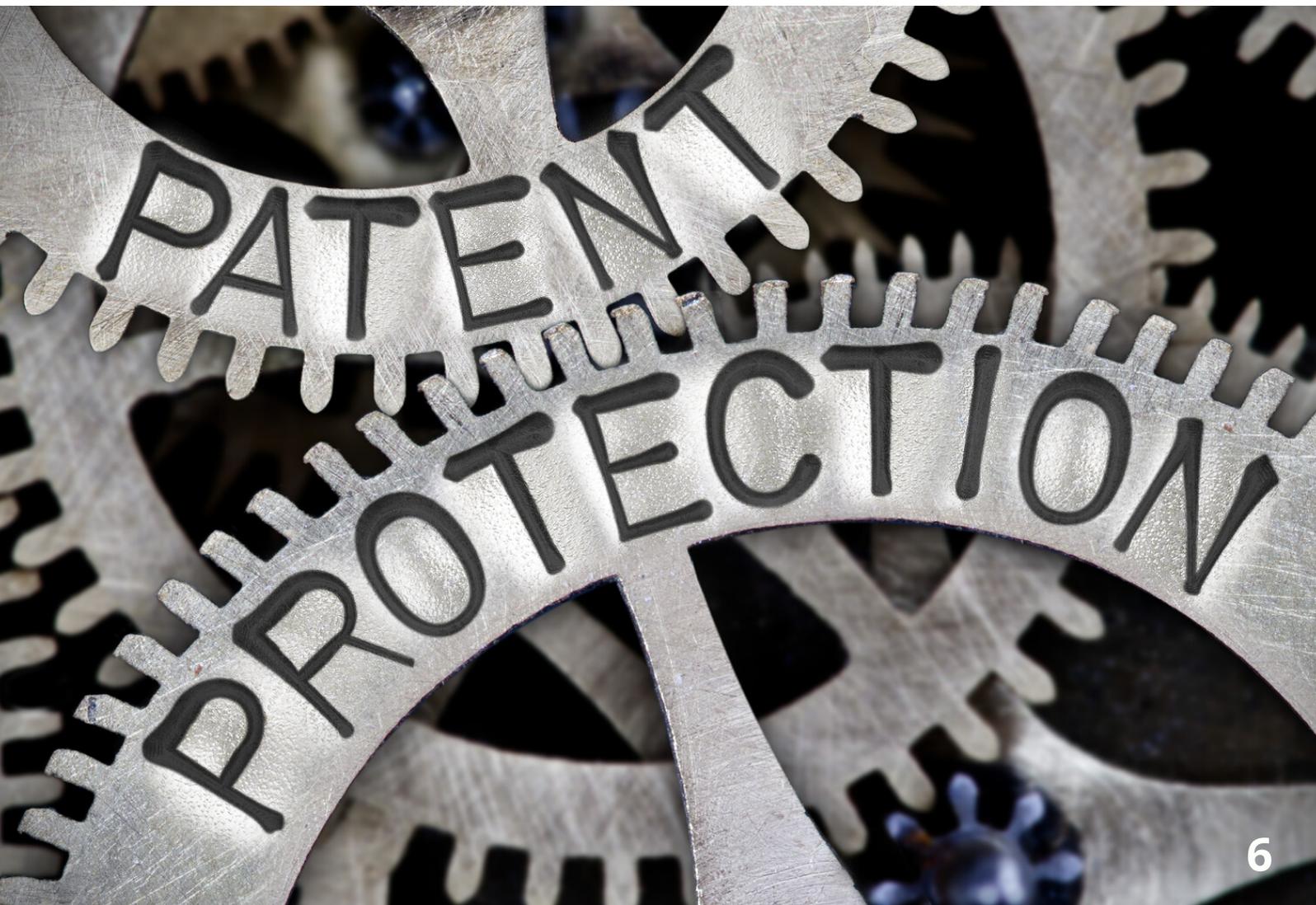
As per **Section 84**, an interested person can make an application to the Controller of the Patent requesting for grant of Compulsory Licence on patent, after three years from the date of grant of that patent on the existence of conditions stipulated therein.



As per [Section 92](#), the Central Government, in light of outbreak of COVID – 19, may declare a national emergency and notify the patents in questions after which a **person interested in manufacturing the said patent may make an application to the Controller of Patent** who may issue a compulsory license on satisfaction of the conditions stipulated in the Section. In such a situation, the patentee shall be paid a **reasonable royalty rate** as fixed by the Controller of Patents.

Further, in accordance with [Section 100](#), the Government can also acquire and break the monopoly of the patent holder by authorising certain companies to use the patent for public **‘for the purpose of the government’**. For the same, the **patent holder can be paid a rationale amount** by the authorized company or the government.

Alternatively, under [Section 102](#), the Governments can acquire the rights to critical **medical products and services to fight the virus in the public interest**. In this situation, the Patent holder can be paid a reasonable royalty by the government.



Challenges Ahead!

Though a patent specification is available in public domain after the grant of patent to the inventor, yet a 'know-how' of the product may act as a hurdle for the licensee.

Where the Government decides or moves ahead to interrupt the monopoly, in the present situation of public health crisis, technical limitation with regard to 'know-how' of the invention may be a challenge.

Further the approach required for R&D of drugs and manufacture of medical equipments and products, necessitates the command over industrial process involved in it.

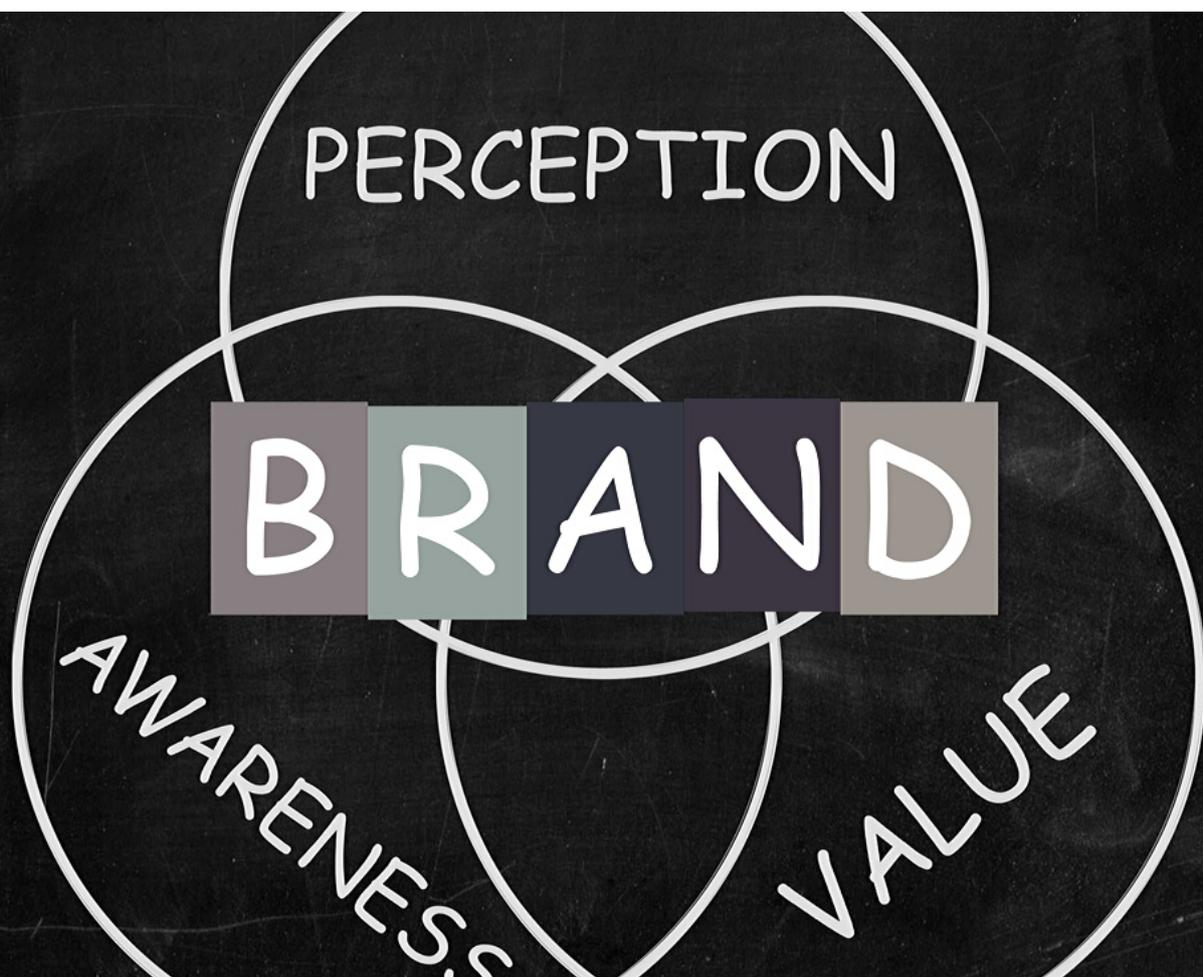


INDIA'S FIRST COVID – 19 IP DISPUTE

The High Court of Bombay decided the **first COVID – 19 IP dispute** between Hindustan Unilever (**HUL**) and Reckitt Benckiser (**RB**), in COMIPL/300/2020, wherein **HUL** challenged the advertisement of Dettol Handwash by RB that disparages the trademark of Lifebuoy soap owned by HUL.

RB's advertisement promoting Dettol Handwash represented that soap bars are not as effective as liquid soap for washing hands, which is predominantly important for containment of COVID-19.

In the present case, **HUL contended that** advertisement of Dettol Handwash disparaged the Lifebuoy soap bar by **displaying a soap with the same shape, configuration and colour as red Lifebuoy soap registered in the name of HUL and further copied the advertisement of HUL which was published earlier.**



Thereafter, **HUL claimed that** RB in order to promote awareness and alertness about COVID-19 by encouraging the habit of washing hands repeatedly, using not just Lifebuoy soaps, but rather any soap, **RB had aimed to disparage and degrade the trademark of HUL.**

In addition to the above, **HUL in light of WHO's guidelines**, made a claim that to use soap and water for regular hand washing, the advertisement as depicted by RB **creates a false image that soap bars are ineffective for containment of COVID - 19.**

For the same, HUL got a relief of Rs. 1 crore as damages and permanent injunction against RB. Before the Court, venturing into substantial claims and averments, RB agreed to suspend the use of the impugned ad from 22.03.2020 to 21.04.2020 i.e. for a period of one month.



In these unprecedented times, where the outbreak of COVID – 19 has brought the World economies to its knees, the top-most concern of IP owners remains about meeting deadlines in IP prosecution. **Usually if the deadlines are not met, and are extendable, they involve a fee and at times require the filing or re-filing of signed/ notarised/ stamped documents.**

On the other hand, as a precautionary measure – **to practice social distancing**, offices of intellectual properties around the world have addressed the impact by taking various measures including extension of deadlines for prosecution.

Therefore, in view of advisory issued by **Ministry of Health and Family Welfare, the Office of Controller General Patents, Designs and Trademarks had vide Public Notice No. CG/F/Public Notice/2020/215 on 19.03.2020** had directed that all in-person hearings in Patents and Designs matters scheduled on or before 15.04.2020 by the Controller should be changed to Video Conferencing (VC) hearings.



Wherever the applicant is unable to agree for the VC hearing, the Controller shall adjourn such hearing for a date later than 15.04.2020. The hearings scheduled after 15.04.2020 will remain unchanged.

Further, **as per sub-rule (6) of Rule 6 of the Patents Rules**, the delay in transmitting or re-submitting documents to the Patent Office will be condoned/timeline be extended by the Controller on a **petition for such condonation of delay/extension of time made** not later than one month from the date when such COVID – 19 outbreak ceases to exist.

Thereafter, in view of the concerns raised by the Stakeholders relating to submission of document in time in prevailing conditions, the **Ministry of Commerce and Industries vide Public Notice No. CG/Office/Public Notice/2020 on 23.03.2020** had extended the time for filing of documents in view of **Section 131 of the Trade Marks Act, 1999 and Rules 109 & 110 of Trade Marks Rules, 2017**.

However, in light of the notice issued in the wake of pandemic, following common questions arising in the minds of IP holders are discussed.



FAQs

1. Whether the government can let lose the already granted IP protection during Pandemic?

Answer: Yes.

By way of **issuance of compulsory license**, government can authorize or permit a third party to make, use or sell a particular product or use a particular process which has been patented, without the need of the permission of the patent owner.

.However, there are certain pre-requisites stipulated in the Indian Patent Act, 1970. Therefore, on fulfillment of such conditions only, government can issue compulsory license to a third party permitting the use of the invented product or a process.

2. Whether the filing for a fresh patent application can be done during the period of lockdown?

Answer: Yes.

Filing of a fresh application for patent protection can be done during the period of lockdown at www.ipindiaonline.gov.in



3. What smart strategies can be adopted for protection of IP rights during COVID - 19?

Answer: Following approaches may be adopted in order to protect IP during COVID - 19:

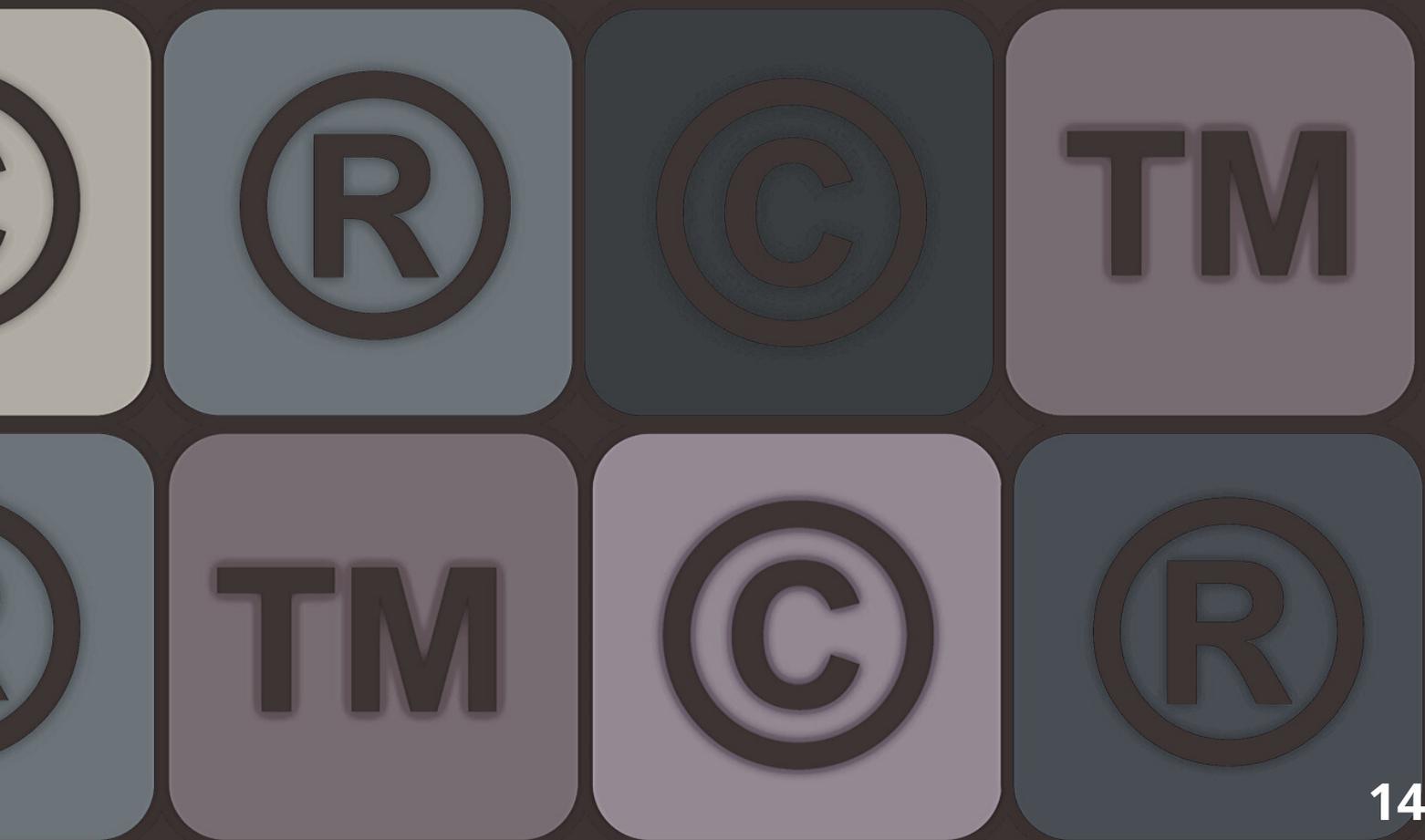
- **Ensure** that an **exhaustive NDA is signed** between the IP holder and its employees and the Key Managerial Personnel's having knowledge of the proprietary information;
- Ensure that a **policy for Confidentiality and Communication** is entered into between the persons entrusted with IP knowledge;
- Ensure that a **detailed Employer – Employee Agreement** is entered into in view of protection of IP rights and the privileged trade information;
- In case if the invention or development is **novel and not in public domain**, an **application may be filed** for the protection of IP;
- Pursuant to e-filing, **follow-up** with the authorities via e-mail may be done;



- In case if **trademark is applied for and pending for registration, symbol of (™)** must be used;
- Once the trademark is registered, **symbol of (®)** shall be used;
- Where infringement has taken place, as a primary step **a Cease and Desist Notice** ought to be sent for restricting any further infringement of one's IP right;

There are various measures to protect rights of an IP holder even during the times of COVID - 19.

For advisory on specific issues, please get in touch with legal expert.



4. How are IP rights to be protected in case of Remote Working or Work from Home Policy due to lockdown?

Answer: Compliance with data privacy laws is an ever-growing concern especially as technology evolves and in the present pandemic, it has become the need of the hour for the businesses.

This is the time for business owners to **revisit existing agreements and consider revising and/or adding new clauses and policies to better handle the current business landscape**, forced remote work requirements and continued evolution of technology utilization.



5. Can urgent hearings be taken up by the Court during the period of lockdown?

Answer: Yes, a party may apply to the Court in case there are urgent matters which are essential to be taken up without any further delay.

6. What is the procedure for conducting the urgent hearings by the Court?

Answer: For a Court to take up the urgent matters, a party has to do the following:

- a. Firstly, establish an urgency in cases that cannot be held back until the period of lockdown ceases to exist along with placing on record all the relevant pleadings,
- b. The relevant Bench taking up the concerned matters would decide if the urgency is valid or not,
- c. The parties would be communicated the date of the hearing,
- d. The hearing shall take place through Video Conferencing on per the scheduled day fixed by the Court.



7. What about the period of limitation which is expiring for filing pleadings, documents and applications during the lockdown?

Answer: The period of limitation to file any necessary pleadings, appeals, or application, shall remain suspended. The Delhi High Court and the Courts subordinate to it have been ordered to be considered as “closed” in view of **Section 4 of the Limitation Act 1963**.

Therefore, if the period of limitation to file any pleading, appeal, lawsuit, or application is expiring during the period of suspension, the party shall not be considered to be in default as stipulated therein.

In line with the order of the **Supreme Court dated 23.03.2020 in Suo Motu Writ Petition (Civil) No(s).3/2020**, the period of limitation in all proceedings, irrespective of the limitation prescribed under the general law or Special Laws whether condonable or not shall stand extended w.e.f. 15th March 2020 till further orders are passed by the Supreme Court.



Fighting the BATTLE together!

Nations like Germany, Israel, Chile, Canada, amongst others who have been in the forefront in rising cases of the disease have endeavoured to combat it by issuing orders to facilitate **compulsory licenses for IP protected equipment** by making necessary amendments in their respective legislations.

The use of such licenses prevents patent holders from using their rights in a manner that might restrict trade practice, **i.e., an obligation of the authorised party to obtain authorisation from the holder of the IP right on reasonable commercial terms and conditions would be waived.**



Furthermore, the prerogative over data exclusivity should be lifted, regardless of violation of IP rights. This is pertinent as if data sharing and transfer of technology is not done, then it would delay the complete treatment of the virus. WHO has recommended voluntary emergency Technology Intellectual Property pool of rights related to COVID diagnostics, in order to help the under developing nations, to combat the pandemic situation.

This would fundamentally address all IP barriers, facilitate open and collaborative R&D and data sharing and further mobilize the available manufacturing capacity to meet the industry needs in every country.



accessibility



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AMLEGALS is a multi-specialised law firm. We would love to hear your views, queries, feedback and comments on covid19@amlegals.com or rohit.lalwani@amlegals.com.

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