



UNEXPLORED SPHERES OF INTELLECTUAL PROPERTY RIGHTS IN INDIA

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ABSTRACT

Intellectual Property Law is gaining momentum on account of the critical role it plays in fostering innovation. Its inevitable role has led to intellectual property rights being recognised as essential and of utmost significance. This branch of law is composed of a cluster of doctrines that are required to make the acts enacted to protect intellectual property rights effective. However, some of these principles are infamous and insufficiently explored. This article chiefly examines two theories in depth and brings to light their pros & cons.

Initially, it evaluates the concept of Post expiration injunctions which enjoy the patent holder to recover damages after the patent's expiration which could have been earned during the patent validity. There is no uniform principle regarding validity of such injunctions. This article critically examines the reasons justifying that granting the injunction will prove to be against the purpose of enacting the Patents Act, 1970. On the other hand, it also shows that such injunctions are valid if done for rectifying the activities of the infringer.

The article also elucidates the applicability of the doctrine of natural zone of expansion in trademark law. This common law principle is

used to extend trademark prior rights into a new geographical area. In this paper, we propose to bring to light a detailed analysis about the altitude of the courts in enforcing this doctrine. It also point out the negative aspects involved in promoting this doctrine. The article aims on providing an intricate study on these two aspects in order to promote greater awareness about intellectual property law and the rights guaranteed by it.

Keywords: doctrines, post-expiration, injunction, expansion, geographical area.

INTRODUCTION

The law related to Intellectual property is increasingly assuming an imperative role with the rapid pace of technological and scientific innovation that can be witnessed in a wide range of activities. It is a broad sphere that includes and refers to a cluster of legal doctrines that act as vital tools in regulating the Intellectual Property law. However, some of these concepts and doctrines are seldom examined. This paper chiefly aims to study and analyse two of the most infamous theories relating to intellectual property rights, i.e.; *Post expiration injunction in patent law* and the *applicability of the natural zone of expansion doctrine in trademark law*. These concepts can prove to be of inexplicable use if explored and interpreted with accuracy.

- I.
- II. **Post Expiration Injunction In Patent Law**

Reliefs available under the Patent Law in India are the unexplored matters of concern in today's Intellectual Property Law fraternity. *Section 108¹ of the Patents Act,*

¹ s.108, Patents Act, 1970.



1970, empowers the Court to grant an injunction and either damage or account for profits only. Injunctions that are awarded when the patentee's right over the patent is about to cease, are referred to as "Post Expiry Injunction". Such Injunctions are debated and there has been no settle provision of law for clarifying the validity of the same. In the instant article, we propose to highlight both the reasons for the validity and invalidity of Post Expiry Injunctions.

Herein under are the reasons justifying that the grant of Post Expiration Injunction is to defeat the purpose of Patents Act, 1970: *Firstly*, patent law guarantees monopoly of patentee's rights to cease and grant public domain unrestrictedly after expiry of patent [A]. *Secondly*, post-expiry injunction is infructuous in all circumstances [B]. *Thirdly*, improper extension of patent's life is not valid under the realm of patent law[C]. On the other hand, post-expiry patent injunctions are valid if done for rectification of infringement [D].

A. Public Domain In Patent Law

Allowing the patent period to run longer than provided is counter to the policies and purposes of patent law² and such expiration may preclude an injunction³. Upon the expiration of a patent, the patent holder is entitled to recover profits⁴ but is not entitled

²7 Tex. Intell. Prop. L.J. 105.

³W.L. Gore & Assocs. Inc. v. Garlock, Inc., 842 F.2d 1275, 1281.

⁴Johns Hopkins Univ. v. Cellpro, Inc., 152 F.3d 1342, 1365 (Fed. Cir. 1998).

⁵U.S.C.A. § 284 (1984 & Supp. 1998).

⁶Biswanath Prasad Radhey Shyam v. Hindustan Metal Industries AIR 1982 SC 1444.

⁷Colleen v. Chien, Predicting Patent Litigation, 90 TEX. L. REV. 283, 287 (2011).

to an injunction⁵ as it would defeat the principle of public domain right under patent law.

The object has been well enumerated in a milestone judgment rendered in *Biswanath Prasad Radhey Shyam v. Hindustan Metal Industries*⁶ as follows: "grant of the monopoly is the disclosure of the invention, which, after the expiry of the fixed period of the monopoly, passes into the public domain." This hereby establishes that the grant of monopoly given to the patentee is on account that the monopoly will later pass on to the public domain and granting of such an injunction as after the expiry period will amount to a gross violation of this principle.

Subsidiary patents⁷ like ones closer to expiration are less likely to be valuable as they give rise to situations which might concern the overall functioning of patent law & its principles⁸. The Supreme Court in *Mayo*⁹ focused on this concern and laid down the following: "When the patent expires, the public is entitled to practice the invention, this is true of all inventions; any pre-emption thus is limited." This therefore elucidates the need for post-expiry injunctions to be against public interest.

B. Post Expiration Injunction Is Infructuous

The Delhi High Court¹⁰ has through plethora of decisions¹¹ established that no injunctions

⁸ John R. Allison, Mark A. Lemley, Kimberly A. Moore & R. Derek Trunkey, Valuable Patents, 92 GEO. L.J. 435, 438 (2004).

⁹Mayo, 566 U.S. 66.

¹⁰*Koninklijke Philips Electronics N.V. v Rajesh Bansal and Ors.* (2018) 251 DLT 602.

¹¹[U. Varadaraya Nayak v. S.K. Anand \(2013\) 205 DLT 725.](#)



can be granted after the expiration of the suit patent owing to the concerns of public domain¹² discussed herein under:

The possibility of post-expiration injunctions was discussed in *Roche Products, Inc. v. Bolar Pharmaceutical Co*¹³ wherein Roche requested a permanent injunction, but its patent expired before oral argument¹⁴. The Circuit concluded that “*This case is not moot, however, because although the initially requested permanent injunction no longer is necessary, other remedies can be fashioned.*” (*Roche Rule*)

Although the issuance of an injunction is discretionary¹⁵ u/s. 108 of the Patents Act, 1970, the Court is to reflect that injunctions are to deter, not punish. Furthermore, the High Courts of Madras¹⁶ & Andhra Pradesh¹⁷ concede with the views discussed above that the patentee cannot claim a permanent injunction when his patent has expired or is duly to expire before the pronouncement of such proceedings.

C. Improper Extension Of Patent's Life

Improper extension of patent's life is against the principles contained in the Patents Act, 1970. Further, the importance of the restrictive duration has been highlighted in

*Ortho Pharmaceutical Corp. v. Smith*¹⁸, the Court limited the *duration of its previously issued permanent injunction to the life of Smith's patent*¹⁹ which lays down the importance of impact of expiration of a patent on its reliefs²⁰. It is duly important to note that there is nothing in the statute or common law which gives the Plaintiff the right to an injunction against the happenings of the past.²¹

Furthermore, when a patent becomes unenforceable mostly due to expiry, injunctive relief is no longer available because there are no rights to enforce²². Right to injunctive relief after expiration is not expressly provided²³ however it does take two forms in extremely rare situations. The first instance²⁴ is in relation to destruction of the items made during the infringing period which is also enumerated as a power of the Court under s.108(2) of the Patents Act, 1970. Furthermore, the second instance²⁵ is when courts decide on Spring Board Injunction.

Courts have established that damages improperly extend the lifetime of the patent holder's monopoly²⁶. The landmark

¹²Cipla Ltd. v. F.Hoffmann-La Roche Ltd. & Anr 148 (2008) DLT 598, MIPR 2008 (2) 35.

¹³Roche Products, Inc. v. Bolar Pharmaceutical Co 733 F.2d 858, 221 U.S.P.Q. (BNA) 937 (Fed. Cir. 1984).

¹⁴Roche, 733 F.2d at 865, 221 U.S.P.Q. at 942.

¹⁵Roche, 733 F.2d at 865, 221 U.S.P.Q. at 842.

¹⁶Venkatraman Das v. V.N.S. Innovations(2014) 2 LW 874.

¹⁷Indian Hume Pipe Co. Ltd. v.VendraVenkanna, Proprietor AIR 1963 AP 58.

¹⁸Ortho Pharmaceutical Corp. v. Smith 959 F.2d 936, 22 U.S.P.Q.2d (BNA) 1119 (Fed. Cir. 1992).

¹⁹Ibid. at 940, 22 U.S.P.Q.2d at 1122.

²⁰Ibid. at 945, 22 U.S.P.Q.2d at 1126-27

²¹Kearns v. Chrysler Corp. (Kearns I)32 F.3d 1541, 31 U.S.P.Q.2d (BNA) 1746 (Fed. Cir. 1994).

²²Joy Techs., Inc. v. Flakt, Inc., 6 F.3d 770, 772-73, 28 U.S.P.Q.2d (BNA) 1378, 1380 (Fed. Cir.1993).

²³ U.S.C.A. § 284 (1984 & Supp. 1998).

²⁴Ortho Pharm. Corp. v. Smith, 959 F.2d 936, 945, 22 U.S.P.Q.2d (BNA) 1119, 1127 (Fed. Cir. 1992).

²⁵Smith Int'l, 229 U.S.P.Q. (BNA) at 103.

²⁶TP Orthodontics, 17 U.S.P.Q.2d at 1505; Amsted, 16 U.S.P.Q.2d at 1754;



decisions of both, *Brulotte*²⁷ and *Scott Paper*²⁸ reject the possible extension of any patent beyond its term. The court denied their requests based on expiration of patent thereby establishing that post-expiration injunction is not an affordable relief. However in extremely rare instances, such injunctions are granted which shall be discussed herein after:

D. Post-Expiration Patent Injunction is to be granted

Justice Hughes²⁹, remarks that “normally after infringement, possibility of a permanent injunction to being issued is at its highest stake³⁰.” Courts that granted injunctions after the patent expired enjoined any sale or use of infringing articles that were made during the patent period³¹ & endorsed enjoining, after expiration, infringement arising from the possession of items that were made during the patent period³² and they adopted two main reasons to support the proposition that post-expiration injunctions did not extend the patents lifetime. *Firstly*, the infringer had no right to the items it had produced during the patent period³³, and the infringing products needed to be taken away, regardless of the status of the patent³⁴. *Secondly*, enjoining the

sale or use of the items made in violation of the patent holders’ rights makes the patentee’s rights that were available pre-expiration a living reality³⁵. Post-Expiration Injunction was framed to rectify inappropriate actions that occurred during the patent period, not after it.

The *Winston Research rule*³⁶ allows an injunction which extends to the amount of time an independent person, with no prior knowledge of the invention’s secret, would take to recreate the article after the trade secret was publicly disclosed³⁷. Winston Research injunction balances the public’s and the original trade secret owner’s interests.³⁸

The court has in a plethora of decisions³⁹ endorsed the use of an injunction instead of monetary damages to remedy an illegitimate head start⁴⁰ and believed injunction to be an adequate remedy at law.⁴¹ (*Winston Research Rule*) *Spring-boarding* is yet another form of injunction which refers to a competitor establishing a generic brand in the market in advance of the expiry of the innovators’ patent. This is similar in operation to Winston Research rule. In the view of the authors, Post-Expiry Injunctions should be allowed to operate in cases of willful infringement and not in cases of innocent infringement.

²⁷*Brulotte v. Thys Co.*, 379 U.S. 29, 143 U.S.P.Q. (BNA) 264 (1965).

²⁸*Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249, 67 U.S.P.Q. (BNA) 193 (1945).

²⁹*Hughes and Clarizio, Hughes and Woodley on Patents*, at ¶. 53.

³⁰*Underwood Typewriter Co. v. Elliott-Fisher Co.*, 156 F. 588, 588-90 (C.C.S.D.N.Y. 1907).

³¹*American Sulphite Pulp Co. v. Crown-Columbia Pulp & Paper Co.*, 169 F. 140, 144 (Cir. Or. 1909).

³²*Clark v. Wooster*, 119 U.S. 322, 325 (1886).

³³*American Diamond Rock Boring Co. v. Sheldon*, 1 F. at 872-73.

³⁴*American Diamond Rock Boring Co. v. Rutland*, 2 F. at 357.

³⁵*Ibid.*

³⁶*Winston Research Co. v. Minnesota Mining & Mfg. Co.*, 350 F.2d 134, 142, 146 U.S.P.Q. 427.

³⁷Administrative Office of the United States Courts, *Judicial Business of the United States Courts*, 17 (1997).

³⁸D. Kirk Jamieson, *Just Deserts: A Model To Harmonize Trade Secret Injunctions*, 72 NEB. L. REV. 515, 517 (1993).

³⁹*Smith International, Inc. v. Hughes Tool Co* 229 U.S.P.Q.2d (BNA) 81 (C.D. Cal. 1986).

⁴⁰*Safety Device Co. v. Kurland Chemical Co* 68 F.2d 734 (2d Cir. 1934).

⁴¹*Mars, Inc. v. Coin Acceptors, Inc.*, 527 F.3d 1359 (Fed. Cir. 2008).



III. NATURAL ZONE OF EXPANSION IN TRADEMARK LAW

Under modern *business* condition a *trademark* performs several valuable interrelated business functions. Apart from identifying the goods and services, it signifies that all goods sold under it are of equal, although not of necessarily high, quality. Further, it advertises the goods/services and creates an image for the goods. These basic functions benefit both, the businesses and consumers. A business firm benefits from the competitive advantage and from the increased profits that investments in a trademark creates. Similarly, consumers benefit because trademarks reduce the cost of gathering information about products and also encourages businesses to produce quality goods. The recognition of the growing benefits of trademark increases the importance of the law of trademarks for a firm and its consumers. The law serves to ensure that Businesses are protected from infringement because of the fundamental unfairness of permitting an infringing user to profit from a legitimate user's efforts and consumers will obtain the product that they actually intend to purchase. The courts have difficulty, however, when confronted with the problem of determining the scope of the zones of protection of the trademarks.

Historically, three theories have been used to delineate the territorial scope of protection. These theories or "*zones of protection*" are the zones of actual market penetration, reputation, and natural expansion. The "*zone of actual market penetration*" is the geographical area in which the legitimate

user has made sufficient sales of its goods to create a likelihood of confusion between its product and the infringer's product. Outside of this area of actual market penetration, it is also possible that a trademark is so well known that a likelihood of confusion is created by the continued use of the mark by more than one party. The geographical area into which the trademark's renown is carried by advertising or word of mouth is the "*zone of reputation*." Finally, there exists a "*zone of natural expansion*," a geographical area to which the courts extend trademark protection in order to allow a growing business room to further expand.⁴² This zone is a geographical area, located outside both the zones of actual market penetration and reputation, into which a trademark owner has the potential to expand. Herein under is a detailed analysis of the zone of natural expansion doctrine.

A. Zone Of Natural Expansion

Zone of natural expansion is a doctrine that can be used to extend a trademark's prior rights into a new geographical area, or into a new product line. It applies when a company is already using their trademark in one area, and the newly expanded area is a natural extension of the prior use. The area of natural or probable expansion is a legal fiction created by judicial decisions to preserve space for future growth if expansion was reasonably foreseeable.⁴⁴ It is a "geographical area not yet penetrated by the first user at the time a local user adopted its trade symbol but which apparently will be entered by him in the foreseeable future."⁴⁵

⁴² S.2, Trade Marks Act, 1999.

⁴³ J. MCCARTHY, *supra* note 2, § 26.8, at 301; Alexander & Coil, *supra* note 47, at 105-06.

⁴⁴ Lunsford, *supra* note 51, at 414.

⁴⁵ Spartan Food Sys. v. HFS Corp., 813 F.2d 1279, 1283.



The zone of natural expansion was first alluded to in *Hanover Star Milling Co. v. Metcalf*⁴⁶, when the Court distinguished the facts of that case from "a case where the junior or second appropriation of a trademark is occupying territory that would probably be reached by the prior user in the natural expansion of his trade." Nowadays, the doctrine is typically applied in inter parties' proceedings where an opposer claims that its priority of use of a mark with respect to its goods/services should be extended to include applicant's goods/services because they are in the natural scope of expansion of opposer's goods/services.⁴⁷ However, The expansion-of-trade doctrine has limited application in ex parte proceedings, and the Trademark Trial and Appeal Board has indicated that "it is not necessary, in the context of an ex parte proceeding, for the Office to show that the owner of the particular registration that has been cited against the application has expanded or will expand its goods or services."⁴⁸ In any case, a common law trademark owner is entitled to enjoin a junior user from using an infringing trademark within its natural zone of expansion.⁴⁹ One way to lay claim to an unoccupied territory is through the doctrine of natural zone of expansion. This doctrine affords the senior user breathing space within which to expand, it is generally recognized that if a senior user has constantly expanded its business by the date of the junior user's adoption of the mark, and if distances are not great, it may be that

the senior user is entitled to exclusive rights in a zone of natural expansion which includes the junior user's area, even though no actual sales have yet been made in that area by the senior user.⁵⁰ Therefore, if the unoccupied territory is within the senior user's natural zone of expansion, then it can prevent a junior user from using an infringing mark in that territory.

B. Critics View

Some courts, however, have criticized the zone of natural expansion. In addition to criticisms based upon the impreciseness of the doctrine,⁵¹ courts have attacked the zone of natural expansion as unnecessary in light of the availability of federal registration.⁵² Furthermore, courts have questioned the fairness of penalizing a good faith junior user in a remote area simply because it happens to stand in the unforeseen expansion path of the senior user. In *Katz Drug Co. v. Katz*,⁵³ the district court argued that many of the cases decided under the zone of natural expansion theory had either some element of bad faith on the part of the junior user or some showing that the senior user's reputation had extended into the junior user's area. This suggests that a separate zone of expansion theory may be unnecessary because these cases could have been decided under the traditional doctrines which require a junior user to prove both elements of good faith and remoteness in order to prove its entitlement to a trademark.

⁴⁶ 240 U.S. 403 (1916).

⁴⁷ *Orange Bang, Inc. v. Olé Mexican Foods, Inc.*, 116 USPQ2d 1102, 1119 (TTAB 2015).

⁴⁸ *Re 1st USA Realty Prof'ls, Inc.*, 84 USPQ2d 1581, 1584 & n.4 (TTAB 2007); *Re Kysela Pere et Fils, Ltd.*, 98 USPQ2d 1261, 1266 (TTAB 2011).

⁴⁹ *Hanginout, Inc. v. Google, Inc.*, 54 F. Supp. 3d 1109, 1121 (S.D. Cal. 2014).

⁵⁰ *Lucky 13 Unlimited, LLC v. Comly Rd. Holdings, LLC*, 2016 U.S. Dist. LEXIS 6643, 12-13 (E.D. Pa. 2016).

⁵¹ *Beef & Brew, inc. v. Beef & Brew, Inc.*, 389 F. Supp. 179, 185 (D. Or. 1974).

⁵² *Raxton Corp. v. Anania Assocs., Inc.*, 635 F.2d 924, 930 (1st Cir. 1980). 73. Id. at 930-31.

⁵³ 89 F. Supp. 528, 534 (E.D. Mo. 1950), *aff'd*, 188 F.2d 696 (8th Cir. 1951).



In fact, the major practical consideration in applying the zone of natural expansion theory is the determination of the territorial scope of this zone. Because this zone is merely a legal fiction, courts are not capable of quantitatively measuring its territorial scope. The party that invokes the doctrine wants the zone to be as large as possible, but the opposing party wants it to be as small as possible. These are the limitations of this doctrine that has been high lightened by the courts on applying it.

Conclusion

It would be right to conclude this article with no specific conclusion, i.e. every doctrine has two ended results. Neither of the results can be proclaimed to be right under every circumstance. Intellectual Property law, in India is a growing arena and deciding things instead of “*experimenting with facts and circumstances*” of each instance will do no justice to the victim. Post-Expiry Injunctions may seem to be against the purpose of expiration of Patents at the outset, but when studied in depth showcases numerous reasons for its implementation. Similarly, Natural Zone of Expansion is a see-saw trying to balance the interests of both the senior and the junior user keeping in mind the overall impact of Public interest.

The authors find no better way to conclude this article but to lay emphasis on “*equity*”. As strange as it might sound, we believe that equity embezzles meaning to Intellectual Property Law in India. With numerous loopholes in both the Patents Act, 1970 and Trademarks Act, 1999, the only way to justice is the unrestricted principle of equity that has been applied by Indian Courts. It is therefore absolutely important to view the two-doctrines discussed in this article in the

light of natural justice to meet the end of law proposed by the lawmakers.

