

A thumbnail guide to IP rights for fintech businesses in India

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Intellectual property rights

IP protection for software

Which intellectual property rights are available to protect software, and how do you obtain those rights?

Software can be protected under copyright law. The patent laws of India provide fairly limited protection for software as they cannot protect software per se; it requires something in addition to the mere software for it to be patentable (eg, an operating system is patentable).

IP developed by employees and contractors

Who owns new intellectual property developed by an employee during the course of employment? Do the same rules apply to new intellectual property developed by contractors or consultants?

In the case of copyright law, this would be the employer. In the case of patent law, it would be the inventor, who could be the employee. Copyrights and patents can be assigned to the employer. In the case of patents, the application for a patent must be accompanied by the assignment deed executed by the employee.

Joint ownership

Are there any restrictions on a joint owner of intellectual property's right to use, license, charge or assign its right in intellectual property?

In the case of patents, the Patents Act 1970 provides that the share in the patent held by a co-owner cannot be licensed or assigned without the consent of the other owners. The same applies to all other intellectual property rights. The licensing, charge and right to use would be in accordance with the agreement entered into, or it will be equal among the joint owners.

The Trademarks Act does not impose any such specific condition. However, it envisages that jointly owned trademarks cannot be used in rivalry or in competition against each other, and there can only be one joint source in respect of the trademarks. Therefore, in the event of subsequent rivalry, if any, between the co-owners, there cannot be two different owners of the trademarks.

Trade secrets

How are trade secrets protected? Are trade secrets kept confidential during court proceedings?

India does not have a specific law dealing with trade secrets. Trade secrets are protected under the common law remedy of breach of confidentiality. Confidentiality may be protected under contract or implied, depending on the nature of the service.

Trade secrets are to be kept secret unless it is an inherent part of the court proceedings; in that case, disclosure for the purpose of providing evidence is required. This has sometimes acted as a deterrent to many from enforcing their trade secrets through the judicial process.

Branding

What intellectual property rights are available to protect branding and how do you obtain those rights? How can fintech businesses ensure they do not infringe existing brands?

Branding is largely protected under trademark law, whereby the individual would need to register a trademark. The individual can file an action for infringement in the case of a registered trademark or a passing-off action in the case of unregistered marks. Indian law also recognises the concept of transnational reputation of

international trademarks.

Trademark owners can also register their brands with customs authorities that could enable authorities to intercept goods they believe are counterfeits. The trademark owner can also claim prior use and strike down a registered owner's right, by seeking cancellation of the mark. The trademark owner can also keep watch and seek to oppose any new marks that are the same or similar to the one owned by it. It can also obtain a copyright registration over the copyright in a mark. However, registration is not mandatory for ownership of copyright.

A new business can undertake a trademark search to determine whether a similar trademark has been registered. The trademark registry is online, and the business can search via the trademark registry website. The business can also undertake market studies or test marketing to see if similar unregistered marks are in use. It can also search domain name registries to determine if websites with similar domain names have been registered.

Remedies for infringement of IP

What remedies are available to individuals or companies whose intellectual property rights have been infringed?

If a trademark, copyright or patent has been infringed, the individual would file a suit for infringement. In the case of a trademark, the individual can also file a passing-off action. In the case of copyright and a trademark, the individual can also pursue criminal remedies in the case of infringement.

The Copyright Act deals with offences of infringement of copyright or other rights conferred under it. It provides for imprisonment that ranges from six months to three years and a fine that ranges from 50,000 to 200,000 rupees. The Trademarks Act 1999 also deals with criminal remedies against infringement and passing-off actions. Search-and-seizure procedures can also be invoked to deal with infringement.

Individuals can also engage in opposition proceedings in respect of trademarks and patents that are sought to be registered. There is a procedure for the cancellation of marks. In addition, individuals can file actions with the company authorities in respect of companies registered with names that are similar to trademarks or other company name; however, a trade name registration in no way confers trademark protection.

A unique aspect of Indian law is that individuals can file a case of copyright or trademark infringement not just where the cause of action arose or where the defendant resides or does business, but also where the plaintiff resides and does business. Individuals can obtain *Anton Piller* orders for appointment of a court commissioner to conduct an inspection, and it is possible to obtain injunctions.

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