

ISSUE 1 · 26 APRIL 2021



INTELLECTUAL PROPERTY



LEGAL COUNSEL



**INTELLECTUAL
PROPERTY**



LEGAL COUNSEL

First published in Bangladesh
by **Legal Counsel**

© Legal Counsel, 2021

All rights reserved. No part of this publication may be reproduced, or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or by any information storage and retrieval system, without permission in writing from Legal Counsel, Dhaka, Bangladesh. Enquiries concerning reproduction outside the scope of the above should be sent to Legal Counsel, at the address below.

You must not circulate this book in any other binding or cover and you must impose the same condition on any acquirer.

The information in this Booklet and the images used for illustrating the same are provided for the purpose of information and education only.

Design and Production

ARK Reepon

ARTcon

Printed and bound in Bangladesh

This is a pro-bono initiative of Legal Counsel and this Booklet is available for collection, free of charge.

LEGAL COUNSEL

Momtaz Vision, Suite B-4 (Level-2), House 11/A,

Road: 99, Gulshan-2, Dhaka-1212, Bangladesh

www.legalcounselbd.com



“Forget land, buildings, or machines—the real source of wealth today is intelligence, applied intelligence. We talk glibly of “intellectual property” without taking on board what it really means. It isn’t just patent rights and brand names; it is the brains of the place.”

– Charles Handy



Note From The Head of The Chambers



In this modern era, new ideas are generated almost every moment. Individuals and businesses are striving to generate profits and sustain in the competitive market by coming up with innovative ideas, making the best use of such ideas and by associating the same with the goods and services that they offer. The value of intellectual properties has long outweighed the value of the tangible assets in a mature market. As much as it is significant to protect one's own ideas and creations, it is equally crucial to operate in a manner which does not infringe the Intellectual Property Rights of others.

With the technological advancement, it is aspired that the Intellectual Property landscape would drastically transform in the near future. Being an emerging economy and also being at the verge of graduating from a Least Developed Country to a Developing Country, Bangladesh has a massive and concentrated market for businesses to operate resulting into the creation of enormous room for IP to flourish. Although laws relating to trademarks, copyrights, patents, designs, etc. are in place, however, they all have their own limitations. Such limitations need to be carefully addressed and necessary reforms need to be brought to accommodate and fill in the loopholes of the existing IP regime. The IP owners also need to appreciate the real worth of their IPs so that they can come forward to protect the same.

As a part of Legal Counsel's pro-bono initiatives and continuing effort to disseminate relevant knowledge, I am thrilled to publish the first Booklet from our 'Quest' publication series. The current Booklet on IP lucidly addresses various issues pertaining to intellectual property rights, their protections, enforcements, valuation and so forth. I aspire that this Booklet shall provide valuable insight to the readers and enrich their knowledge regarding the core and vital aspects of intellectual property. I also take this opportunity to thank all the associates of Legal Counsel, who have enthusiastically worked on this Booklet, despite having the regular workload. I hope that the 'Quest' series will gain its true momentum by your valuable feedback and continuing support.



Omar H. Khan

Barrister-at-Law, The Hon'ble Society of Lincoln's Inn, UK
Advocate, Supreme Court of Bangladesh
Head of Chambers, Legal Counsel

26 April 2021
Dhaka, Bangladesh



CONTENTS



Introduction	8
(I) Trademarks	11
(II) Copyrights	16
(III) Patents	21
(IV) Designs	25
(V) Geographical Indications	27
IP Valuation	30
The Accute Need to have an Organizational IP-Strategy	36
TRIPS and Other Treaties	42
Arbitration and Mediation of IP Disputes ...	46
Conclusion	50



INTRODUCTION





'Intellectual Property' ('IP') (i.e. innovations and creations of the human intellect) may seem like a relatively new concept associated with the modern era, however, it has been prevalent ever since the progression of human civilization. Some opine that intellectual property rights date back to the granting of the first patent for industrial revolution in 1421 in Florence, Italy, which allowed an Italian architect and engineer to have monopoly on the manufacturing of barge with hoisting gear to be used for transporting marble for a period of 3 years. However, it is, in fact, a much older concept, tracing back to 600 BC, when a yearlong exclusivity for making culinary invention (a kind of newfangled loaf of bread) was purportedly provided to the bakers in Sybaris, Ancient Greece.

Valuing individual talents and granting exclusive rights for the same is a culture that our society has emanated from. Emerging from the rising of bread, intellectual property has evolved a long way, thereby becoming one of the most all-important concepts in this current era. It plays a momentous role in facilitating and prospering the trade of every state. Not only does it value and protect the creations of individuals, it further fosters and protects the distinctive aspects of the goods and services of businesses. Similar to tangible properties, intellectual properties have proved to be very valuable for businesses in the modern times and has been successfully utilized to maximize profits for the same. The most common types of intellectual property are trademarks, copyrights, patents, designs and geographical indication, while other types of intellectual property may include trade secrets, integrated circuits etc.

In the modern era of digitalization, creative ideas have emerged in abundance, thereby giving rise to the risk for such ideas to be copied or stolen. The only avenue of proper legal redress against any unauthorized use of IP is to have such ideas duly registered under the prevalent IP laws. Under the IP laws of Bangladesh, depending on the nature of the IP, IP rights are granted protection as follows:

Nature of IP	Law	Authority	Registration time	Protection period
Trademarks	Trademarks Act, 2009	Department of Patents, Designs and Trademarks (DPDT)	150 (one hundred and fifty) working days from the date of filing (provided it is compliant with the conditions and there are no defects).	7 (seven) years.
Copyrights	Copyright Act, 2000	Bangladesh Copyright Office	No specific time provided; usually takes 6 (six) months.	<ul style="list-style-type: none"> •Literary, dramatic, musical or artistic work- Lifetime of the author + 60 (sixty) years following the year in which the author dies. •Cinematograph films, sound recordings, photographs- 60 (sixty) years following the year in which the work was published.
Patents	Patent and Design Act, 1911	DPDT	Within 24 (twenty-four) months from the date of filing (if no objection found).	16 (sixteen) years.
Designs	Patent and Design Act, 1911	DPDT	No specific date provided; usually takes 1 (one)-2 (two) years.	5 (five) years.
Geographical Indications (GI)	Geographical Indication of Goods (Registration and Protection) Act 2013	DPDT	No specific date provided; if no objection is provided within 2 (two) months from the date of notification of the application, the Registrar shall register the GI.	5 (five) years.

As the world moves forward with the prospects of providing new and enriched technologies, innovations and prosperity to individuals and businesses, policy makers should further ensure that the laws and legal procedures relating to IP are accordingly updated to effectively tackle and administer such future transformations.

TRADEMARKS

Whether it is a business entity or even an individual, brand is an identity, a pledge that sets one apart from all others and the lens through which one's image is magnified. In this highly competitive era, numerous traders and service providers offer goods and services of the same category. Although they are of the same category, goods and services differ in standards, prices and other characteristics from manufacturer to manufacturer, from trader to trader and from service-provider to service-provider. Hence, businesses name their goods and services and use various other branding tools to distinguish themselves from their competitors. Trademarks, in simple and as a blanket term, can be said to refer to a brand or a mechanism through which a business does its branding.

A mark, under the Trademarks Act 2009 ("TMA 2009"), includes a device, brand, heading, label, ticket, name, signature, word, letter, symbol, numeral, figurative elements, combination of colours or any combination thereof. Therefore, a trademark can be said to be a mark that indicates the origin of goods and services used in the course of trade.

Words and Device marks: These can include names of entities and persons, words, logos, combination of both, a set of words, slogans etc. For example, the word 'Nike', the famous curve logo coined as swoosh and their popular slogan 'Just do it'. All of the aforementioned are capable of being trademarks as individually and as combination.



Colour marks: Brands also tend to identify with colors. For example, the color purple of the packaging of Cadbury chocolates. Consumers associate the shade of purple with Cadbury chocolates so much that they can identify the same without even reading the brand name.



Trademarks come into play from the beginning of a business venture and become an asset over time. Businesses make hefty investments in promoting their brands so as to establish their recognition in the market, goodwill and to attain brand loyalty. In absence of legal protection through registration, businesses have very limited ownership of their brands. Indeed, there are others who utilize and manipulate established trademarks to deceive consumers and other parties in business transactions and make unlawful profit. We have seen the use of names such as BUTA, RATA etc. to misrepresent the consumers with the show brand of BATA. In the similar vein, NOKLA to mislead as NOKIA etc.

Requirements of a trademark for registration: For the purposes of registration, trademarks, under section 6 of the TMA 2009, shall not be a geographical name, a surname, a personal name or any common abbreviation of the same, the name of a sect, caste or tribe in Bangladesh. In addition, trademarks must not have a direct reference to the character or quality of the goods or services. For instance, the name 'Creamy' for

ice cream may not be eligible for registration, however, ‘Creamylicious’ may be eligible as it is distinguishable and is a combination of two words. On the other hand, section 6(1) of the TMA 2009, provides some possibility to marks, which are otherwise ineligible, to be eligible for registration as trademarks. Such ineligible marks may be registered by showing evidence of the same mark’s distinctiveness. Evidence of distinctiveness may be long and continuous use of the trademark by a business, to the extent that the trademark associates with the business and the business can be distinguished through the same trademark.

Registration: Trademarks can be registered by filing an application with the Departments of Patents, Designs & Trademarks (‘DPDT’) in the prescribed form by the entity with the trademark itself or through an attorney. According to the TMA 2009, the completion of registration takes 150 (one-fifty) working days from the date of application. However, protection of the trademarks starts from the date of application.

Trademark registrations are territorial. However, for member states of the Madrid System, trademark registration applications can be applied to multiple countries through a single application. It should be noted that Bangladesh is not a member state of the Madrid System.

Term: The registration of a trademark shall be for a period of 07 (seven) years, but may be renewed after such term upon making an application to the DPDT. The DPDT shall renew the registration of the trademark for a period of 10 (ten) years from the date of expiration of the original registration, or as the case may be, of the last renewal of registration.

EFFECT OF REGISTRATION

- **Protection** - Registration of a trademark provides the registered owner with the exclusive right to the use of the trademark in relation to those goods or services, as the case may be. Moreover, no person, other than the registered TM owner, shall be able to use the trademark without their consent and in the event of any unauthorized use of the trademark, the registered proprietor can also obtain relief in respect of infringement of the same (s. 25, TMA 2009).

- **Assignment** - The registered proprietor can assign the said mark and the same is also transmissible whether with or without the goodwill of the business concerned, and in respect of either all the goods or all the services to which it is registered (s. 33, TMA 2009). For example, in the year 2019 in India, Havmor Ice Cream Limited has partially assigned its brand name to Lotte Confectionery for INR 1020 Crore. Examples of licensing can be seen in famous brands like Subway, Burger King, Starbucks, etc. The franchise-based business models also require assignment of TM to the franchisees by the franchisors.
- **Infringement** -

Civil Remedies: For infringement of registered trademarks, civil remedies such as injunction may be sought against the use of the infringing mark. Other than that, the law allows the TM holder to claim damages or an account of profits and an order for delivery of infringing labels and marks or an order for destruction or erasure of the same. The District courts are empowered to hear the trademark disputes. (s. 96, TMA 2009).

Criminal Remedies: For infringement of registered trademarks (i.e. applying for a false trademark so as to mislead consumers about the origin of the goods, selling goods to which a false trademark or a false trade description is applied or selling goods under a false trademark or false description), depending on the offence, the offender may be imprisoned for a maximum of 1-3 years or may be fined with a maximum amount of 1-3 lacs taka or both (s. 73-78, TMA 2009).

Use of false trademark: Use of false trademark is further a violation of s. 482 of the Penal Code 1860.

Border Measures: Goods having a counterfeit trademark or a false trade description cannot be brought into Bangladesh by air or sea or land. The said goods shall be liable to be confiscated and detained in the manner as may be prescribed (s. 15 & 17 of the Customs Act 1969 ('CA 1969')).

Parallel Imports: Importation of non-counterfeit/original product without the permission of the IP owner (i.e. Parallel import) is not expressly governed by the law. However, it has been explicitly declared illegal by the Hon'ble High Court Division of the Supreme Court of Bangladesh ('HCD') in Writ Petition No. 11163 of 2014. In Writ Petition No. 7592 of 2015, the HCD issued a rule and directed the concerned government authorities to confiscate/restrain such parallel imports.

EFFECT OF NON-REGISTRATION

- **Unregistered Marks (in general)**

Action: There is no statutory remedy for infringement of unregistered marks, however, the common law based tortious remedy of 'passing off' is available. A suit in this regard shall be entertained by the court of District Judge (S. 96, TMA 2009). Passing-off is the protection of the plaintiff's goodwill, which is the plaintiff's actual power to attract and thereby to retain customers, from being misrepresented by the defendant that his goods are those of the plaintiff's. The components of passing-off are the following: (1) plaintiff has established goodwill; (2) defendant misrepresented information; and (3) the diversion of customers caused actual, or threatened, damage to the plaintiff's reputation.

MARKS UNREGISTERED IN BANGLADESH BUT REGISTERED IN OTHER COUNTRIES

Article 6 of the Paris Convention requires allowing marks applied for/registered in one member country to be accepted for filing in another member country by claiming priority while making application in another member state. As Bangladesh is a signatory to the Paris Convention, marks applied for/registered in any other country which is also a signatory to the said convention may claim priority while making the application in Bangladesh.

COPYRIGHT

Copyright accords protection to those with intellectual creativity. A copyright is a form of intellectual property that grants someone the sole rights to reproduce creative works and protects the owner of rights in creative works against those who copy the original expression or the form of the work. These include without limitation, books, pamphlets and other writings, musical compositions with or without words, drawings, paintings, architectural works, sculptures, engravings, lithography, illustrations, maps, plans, sketches, three-dimensional works etc.



Under the Copyright Act, 2000 ('CA 2000'), copyrights are recognized for literary, dramatic work including cinematograph film, musical work including sound recordings, computer programmes and artistic works. Under the same Act, as applicable to different types of work - copyrights are reproduction of such work, right to issue copies to public, to perform or publicize the work in public, to make translation or adaptation of the work, to sell or give on hire, to reproduce the work in any material form including depiction in three or two dimensions, to make any adaptation of the work, to broadcast the work or to communicate the broadcast of the work to the public by a loudspeaker or any other similar

instrument, to publicize and display the work among general public and to communicate the sound recording to the public. Copyrights may be assigned to another and license to use copyright may also be given.

Copyright law protects the form of expression of ideas. The idea themselves are not protected. The choice and arrangement of words, musical notes, colors, shapes etc. that the creator of a creative work is protected under copyright. The form of expression of ideas has to be tangible.

The predominant requirement for any work to be subject to copyright protection, it must be an original creation of the author. There is no requirement that the idea in the work is new, however the form and expression of the work must be new and original.

While copyrights have been of great significance to artists, as an umbrella term, since time immemorial, in the current digital era copyrights are treasured among those who create software, websites and mobile applications. Almost every business has a website nowadays and websites act as a powerful marketing tool for the same. The ideas, expressions and layouts of a website as a whole can be protected under copyright. The same is true for mobile applications. Nowadays every other matter has a mobile application dedicated to it and there are businesses like Uber and Foodpanda, based solely on mobile applications. It is therefore imperative to protect these forms of online presence.



Term of Copyrights under the CA 2000:

Term of copyright in published literary, dramatic, musical and artistic works (except a photograph): Published within the lifetime of the author until 60 (sixty) years from the beginning of the next calendar year following the year in which the author dies.

Term of copyright in cinematograph film: Copyright shall subsist until 60 (sixty) years from the beginning of the next calendar year following the year in which the film is published.

Term of copyright in sound recording: Copyright shall subsist until 60 (sixty) years from the beginning of the calendar year next following the year in which the sound recording is published.

Term of copyright in photographs: Copyright shall subsist until 60 (sixty) years from the beginning of the calendar year next following the year in which the photograph is published.

Term of copyright in computer programme: The copyright shall subsist until 60 (sixty) years from the beginning of the calendar year next following the year in which the programme is published.

Moral Rights:

The original creator of a work can transfer its economic right to another party, for instance, by license or assignment or by creating the work in the course of employment. In such events, the original creator cannot enjoy rewards or compensation from the use of their work by others. However, moral rights subsist with the original creators of a work after the creators have transferred their economic rights to some other party. These include the right to claim authorship of the work; and the right to object to any distortion, mutilation or other modification of, or other derogatory action, in relation to the work which would be prejudicial to the author's honour or reputation. Moral rights always belong to the author of the work, regardless of whoever the owner of the copyright may be.

The Berne Convention, to which Bangladesh is a signatory, requires member countries to grant moral rights to authors.

Registration:

Copyrights can be registered by filing an application with the Bangladesh Copyright Office with the filled out prescribed forms and a copy of the work intended to be protected.



EFFECT OF REGISTRATION

- **Protection** - If any person, without being granted with a license by the right owner, does any act which is vested exclusively on the right holder, or does acts such as selling, hiring, displaying or distributing for trade, importing, etc., the right holder may take legal actions against such person.
- **Assignment & Licensing** - The owner of the copyright in an existing work or the prospective owner of the copyright in a future work may assign to any person the copyright either wholly or partially and either generally or subject to limitation and either for the whole term of the copyright or any part thereof (section 18, CA 2000). The owner may also grant any interest in the copyright by license signed by him or by his duly authorized agent (s. 48, CA 2000).

- **Remedies** - As per CA 2000, it shall only amount to an offence thereby entailing penalty if it is committed for gain in the course of trade or business.

Civil remedies : For infringement of copyright, civil remedies such as injunction, damages, accounts and otherwise as conferred by the law are available to the right holder (s. 76, CA 2000)

Criminal remedies :

For willingly infringing copyright or abetting the same - The offender may be punished with imprisonment for a term which may extend to 4 years but not less than 6 months and with fine which may extend to taka 2 lakh but not less than taka 50,000. (s. 82, CA 2000)

Enhanced penalty for already being convicted before - For every subsequent offence, the offender shall be punished with imprisonment for a term which may extend to 3 years but not less than 1 year and with fine which may extend to taka 3 lakh but not less than taka 1 lakh (s. 83, CA 2000).

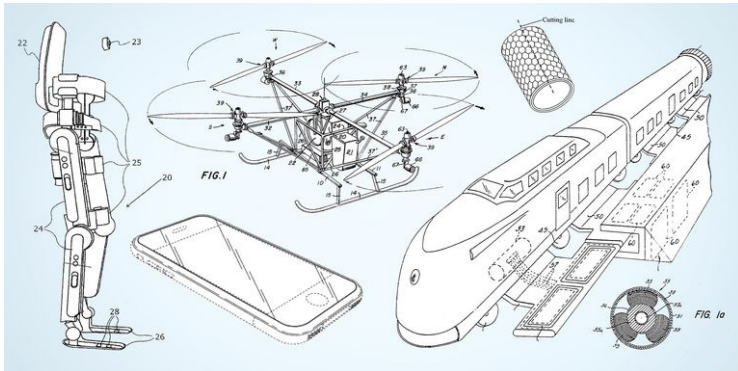
- **Border Measures** - Goods made or produced outside Bangladesh involving infringement of the Copyright Act 2000 or infringement of layout design of integrated circuit that are intended for sale or use for commercial purposes within the territory of Bangladesh cannot be brought into the same by air or sea or land. The said goods shall be liable to be confiscated and detained in the manner as may be prescribed (s. 15 & 17, CA 1969).

EFFECT OF NON-REGISTRATION

Under CA 2000, registration of copyright is not mandatory. However, it is a precondition to avoid any possible conflict with regard to its ownership. A certificate of registration of copyright in respect of any work is prima facie evidence that copyright subsists in the said work and the person shown in the certificate as the owner of the copyright is the owner of such copyright (s. 60 (2), CA 2000). Therefore, the author of the work cannot sue for infringement of unregistered copyright.

PATENTS

Patents grant exclusive rights to the owner of an invention. This invention may be a novel form of doing something or is a novel technical solution to a problem. Protection under patent essentially means that the invention cannot be commercially used in any way unless the owner of the patent consents to such use. Some brilliant examples of patents are the invention of computer which changed the way the world works; and chemical patents such as the chemotherapy that provided a solution to the deadly disease of cancer.



Requisites: There are certain standards that an invention must fulfill in order to be granted patent right and the thresholds are generally high.

Novelty: One of the fundamental requirements of registration of patents is novelty. The invention must not be already in the public domain and must be new.

Industrial application: The invention must be capable of having industrial application, in essence, it must be capable of being produced through an industrial process. It cannot be a mere theoretical idea. If it is an idea that cannot be applied and made use of, it cannot be patented.

Non-Obviousness: The invention should truly be an invention, in the sense that the invention would not have been obvious to a person having ordinary skill in the art related to the invention.

Patentable inventions require heavy investments, in terms of monetary, intellectual and time. Companies spend large amounts on Research and Development which ultimately results in inventions. Inventing something also require heavy exertion of brilliant minds, sometimes of just one and sometimes of many and demands time commitment with trials, errors and success. Hence, patents are absolutely imperative to be registered.

Patents can be licensed to others and royalties can be obtained from the same.

Registration: Patents in Bangladesh are governed by the Patents and Designs Act, 1911 ('PDA 1911') and sought for protection under the same. Both foreigners and Bangladeshi citizens can file an application for patent with the Department of Patents, Designs and Trademarks ('DPDT') with duly completed prescribed forms and complete specifications of the invention. The specifications must include without limitation, detailed description of the invention with reference to accompanied drawings, the objective of the invention and the type of invention, whether the invention is a product, a device, a process or both. The drawings that accompany the application also have specific requirements specified by the DPDT.

Patent applications are technical and the manner in which they are drafted are absolutely crucial as it can make or break the application. It is therefore recommended to make patent applicants through lawyers experienced in such applications.

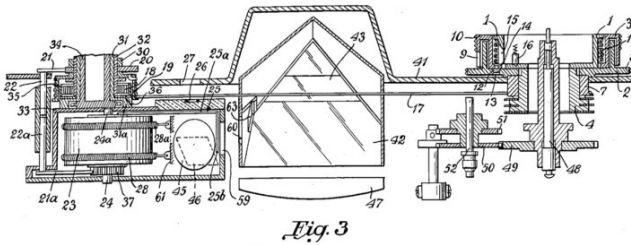
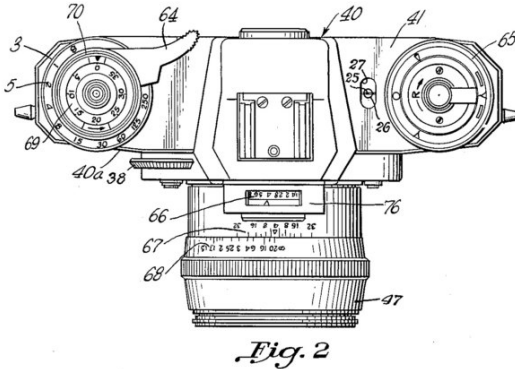
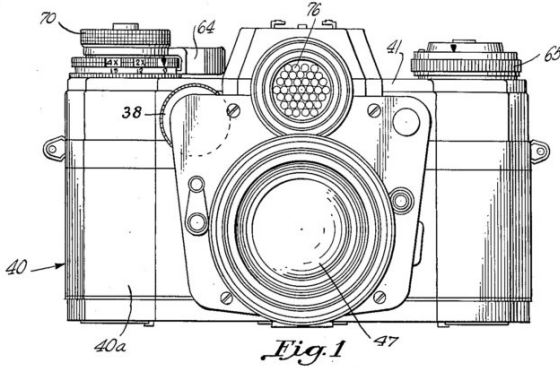
Term: Under section 14(1) of the PDA 1911, the term limited in every patent is sixteen years from the date of application. Such term may be extended for a further term provided such extension application is made with the DPDT at least six months before the time limited for the expiration of the patent and must be accompanied by the prescribed fee and must be advertised by the patentee within the prescribed time and in the prescribed manner [section 15(1)].

E. SAUER

PHOTOGRAPHIC CAMERA WITH COUPLED EXPOSURE METER

Filed Aug. 21, 1959

3 Sheets-Sheet 1



EFFECT OF REGISTRATION

- **Protection** - A patent shall confer on the patentee the exclusive privilege of making, selling and using the invention throughout Bangladesh and of authorizing others so to do. As Bangladesh is not a signatory to the Patent Cooperation Treaty (PCT), patent protection is territorial.
- **Infringement** - A patentee may institute a suit in a District Court having jurisdiction to try the suit against any person who, during the continuance of a patent acquired by him under this Act in respect of an invention, makes, sells or uses the invention without his license, or counterfeits it, or imitates it. (s. 12 & 29, PDA 1911)
- **Remedies** - As infringement of patents rights amount to civil offence, for infringement of the same, the court may make an order for injunction, inspection or account, and impose such terms and give such directions respecting the same and the proceedings thereon, as it may see fit. (s. 31, PDA 1911).

** It should be noted that a Bangladesh Patent Bill 2021 has been recently approved by the Cabinet, aiming at bringing changes to the century-old patent law of Bangladesh. The new approved bill, among other changes, reportedly includes change in the type of offences and amount of compensation entitled to the right holder in the event of an infringement.*

EFFECT OF NON-REGISTRATION

Patent rights, unlike copyright, unregistered trademarks and design rights do not arise automatically on the creation of the work and hence, registration is necessary to enforce such rights. Where any patent is applied for/registered in any country which is a signatory to the Paris Convention, it can claim priority while filing the patent application in Bangladesh.

DESIGNS

An interesting type of intellectual property is designs, similar to trademarks, has the aspect of distinguishing the owner of the design from others in the same market and are associated with branding of businesses. Designs include shape, configuration, patterns, ornament, the look and feel of products, aesthetics, packaging etc. For instance, the distinctive shape of a Toblerone chocolate. Also, the infamous case of Apple, Inc. v SAMSUNG, whereby, Apple, Inc. claimed that Samsung has copied the design of the iPhone which is a registered Design of Apple, Inc.



As designs can be at the heart of branding for businesses, it is important that the same are protected under the law so that consumers are not deceived as to the origin of the goods. In Bangladesh also, it is very important that the sectors including FMCGs focus more on design registration of their packaging alongside the registration of their trademarks.

Requirement: Registration of designs require that the design must be original and must not be the same as any other design of the same type of good in the market.

Registration: Designs may be registered under the Department of Patents, Designs and Trademarks with duly filled prescribed forms.

EFFECT OF REGISTRATION

- **Protection** - Upon registration of an industrial design, the proprietor shall have copyright in the design (s. 47, PDA 1911). Industrial design rights are territorial.
- **Remedies** - Under the law, for fraudulent or obvious imitation for the purpose of sale, publish, export or import without having license or written consent from the right holder, the infringer is liable to pay fine to the registered proprietor of the design, or if the proprietor elects to bring suit for the recovery of damages for any such contravention, order for an injunction against the repetition or for restraining, or payment of damages as may be awarded accordingly.
- **Border Measures**- Goods made or produced outside Bangladesh and intended for sale, and having a design in which copyright exists under the Patents and Designs Act 1911 and any fraudulent or obvious imitation of such design except when the application of such design has been made with the license or written consent of the registered proprietor of the design cannot be brought into the same by air or sea or land. The said goods shall be liable to be confiscated and detained in the manner as may be prescribed (s. 15 & 17, CA 1969).

** It should be noted that a Bangladesh Industrial Design Bill 2021 has also been approved by the Cabinet, thereby splitting the century old Patents and Designs Act. The Bill, among other changes, reportedly includes new provisions regarding offences and compensations available to the right holder in the event of an infringement.*

EFFECT OF NON-REGISTRATION

Unregistered design rights are similar to other IPs and in order to seek legal redress against any form of infringement, registration is necessary. However, industrial designs applied for/registered in any country which is a member of the Paris Convention shall avail priority while filing its application in Bangladesh.

GEOGRAPHICAL INDICATIONS

Geographical Indications ('GI'), similar to trademarks, are distinctive signs used to distinguish goods or services in the market. GIs identify the origin of a goods or service and consumers are able to associate a specific quality with a goods or service. As opposed to trademarks, however, geographical indications identify a good as originating from a particular place. This type of intellectual property is generally applied for by concerned authorities or relevant organizations of specific countries as opposed to businesses for their business purposes.

In order to apply for certification, the applicant has to provide evidence of historical background of the good such as ancient documents and the uniqueness of the good.



Fig. Jamdani is a fine muslin textile produced for centuries in South Rupshi of Narayanganj district in Bangladesh on the bank of Shitalakhwa river got GI status as Bangladeshi product. The historic production of jamdani was patronized by imperial warrants of the Mughal emperors.

As of 2017, according to the World Intellectual Property Forum, Germany had the largest number of GI (9,499), followed by China (7,566) and the EU (4,914). Currently, Bangladesh's registered GIs are Jamdane sarees, hilsa fish and the Khirsapat mango. This is because the law of GI is fairly new in Bangladesh, which is predominantly the Geographical Indication of Goods (Registration and Protection) Act 2013. There is scope for Bangladesh to apply for GI certification of various unique and original goods. Other products that Bangladesh could apply for GI certifications are the chamcham from Tangail, jute products and kataribhog from Dinajpur, Sundarban's honey. Recently, Bangladesh Handloom Board applied for the certification for Muslin fabric. As per the law, any person or organisation from across the world can raise objection against the GI related gazette notification within two months of the same. Otherwise, the decision will be granted in favour of the applicant.

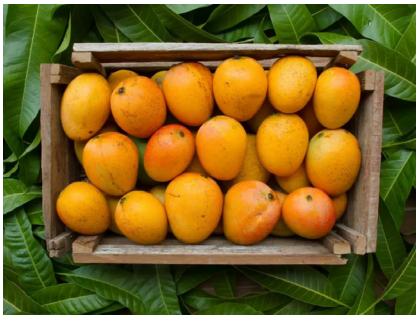


Fig. (left) Khirshapat mango of Chapainawabganj got GI status as Bangladeshi product.

Fig. (right) The Ilish, also known as the Ilisha, Hilsa is a very popular and sought-after food fish in the Indian Subcontinent. The most famous hilsha fish comes from Chandpur District, of Bangladesh got GI status as Bangladeshi product.



EFFECT OF REGISTRATION

- **Protection** - Registration gives the right to obtain relief in respect of infringement of the GI and the right to use the GI of goods in respect of which it is registered. GI rights are territorial.
- **Assignment**- Any right to a registered GI of goods shall not be assigned, transferred, licensed, pledged or mortgaged, or no agreement shall be entered into on any such matter. On the death of an authorized user of a registered geographical indication of goods, the right to the registered geographical indication of goods shall devolve upon his legitimate successor.
- **Remedies** -

Civil Remedies: The Court may, in addition to issuing an injunction, award compensation for damages and grant such other civil remedy or relief as it deems fit (s. 28 (5) of the Geographical Indication of Goods (Registration and Protection) Act 2013).

Criminal Remedies: Depending on the type of infringement, the perpetrator shall be imprisoned for a maximum period of 3 years or imposed a fine of 2 lac taka or both.

- **Border Measures** - Goods made or produced outside Bangladesh in violation of the provisions of the Geographical Indication of Goods (Registration and Protection) Act 2013 intended for sale or use for commercial purpose within the territory of Bangladesh cannot be brought into the same by air or sea or land. The said goods shall be liable to be confiscated and detained in the manner as may be prescribed (s. 15 & 17, CA 1969).

EFFECT OF NON-REGISTRATION

Under the law, there is no avenue of legal redress for infringement of unregistered GI in products.



VALUATION OF IP





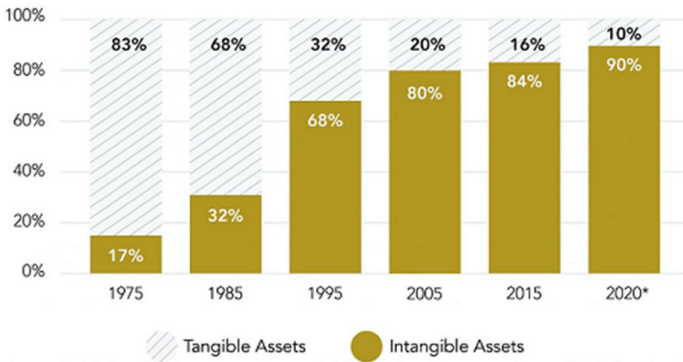
Over the years, the movement towards a global service economy has altered the conventional concept of the value of business assets. In this new era comprising of businesses focusing on providing technology-oriented services, only the physical assets are no longer considered as the significant part of the assets of a business. Intellectual property (IP), being an intangible asset, is very essential for an organization's reputation. Being a distinctive creation of an organization, it is generally one of the most crucial mechanisms of identifying its value, thereby allowing the concerned business to be differentiated from its competitors.

Businesses nowadays invest heavily in creating its IP and there are high risks that such investments may not succeed as planned, unless carefully steered. It all comes down to the efficiency of businesses in assessing the potential for profit arising from the sale or licensing of its products and/or services. Unless the value of a business's intellectual property is accurately assessed, there are high risks that the company's financial records would only provide the figures of investment and tangible assets, thereby leading the company to be undervalued. Moreover, the valuation of the IP assets of a business is pivotal in determining the price of sales, licensing or assignment of its IP assets, in cases of mergers and acquisitions (M&As) or for any other kinds of commercial arrangement. It is further important for enforcing IP rights, internal management of IP assets, etc. Hence, it is not only important to understand the value of IPs but also to ensure that such valuations are done correctly in order to achieve the most accurate figures.

It is observed that from 1995 to 2015, the share of intangible asset market value, covering patent, copyright, trademark, trade name, goodwill, franchises as well as software increased from 68% to 84% in the United States of America (US). Moreover, in the US, even during the COVID-19, intangible assets now command over 90% of the S&P 500 market value.¹ As such intangible assets are now much more valuable than the tangible assets for an organization.

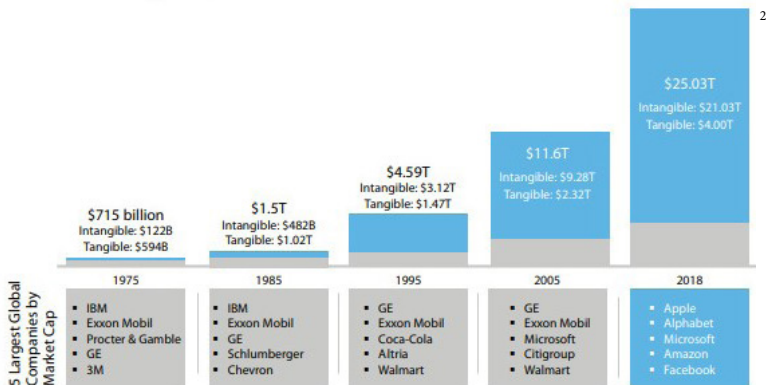
¹ <https://www.oceantomo.com/intangible-asset-market-value-study/>

COMPONENTS of S&P 500 MARKET VALUE



SOURCE: OCEAN TOMO, LLC. INTANGIBLE ASSET MARKET VALUE STUDY, 2020
*INTERIM STUDY UPDATE AS OF 7/1/2020

Moreover, over the years, it has been observed that where businesses have established its brands and strengthened its IP assets, it has always been valued more than its actual physical assets. Isn't it to some extent surprising to know that even for production units, the value of their brands and other IPs may be much higher than the value of their factories, lands, machineries and other tangible assets?



² Source: <https://www.visualcapitalist.com/intangible-assets-driver-company-value/>

As stated above, valuation of IP assets is crucial for M&As as well. The famous example of Japan Tobacco Inc. taking over the tobacco business of Akij Group, the single largest foreign direct investment in Bangladesh, shows that out of the value of the entire acquisition (i.e. USD\$ 1.47 billion), consideration for acquisition of trademarks and design rights reportedly amounted to USD\$ 386 million.



For the valuation of IP assets of a business, it is crucial that the following conditions are met: (i) the asset must be separately identifiable; (ii) the asset should have a tangible evidence of its existence (e.g. agreement, license, document of registration, any record of financial statement); (iii) the asset should be capable of being enforced or transferred legally; (iv) the stream of income coming from the asset must be clearly identifiable from income from other business assets; (v) it must be able to be sold separately from other assets of the business; and (vi) it should be subject to termination or destruction at the concerned moment in time.³

³ https://www.wipo.int/sme/en/value_ip_assets/



The primary methodologies for IP valuation are as follows:

(i) **Income method:** Being a widely common method, this values the IP assets on the basis of the sum of income that it is anticipated to generate. This method is fairly simple and straightforward as it would evaluate the future income streams, the duration of income streams and risks associated thereto that can be used to get discount rates related with the income stream generation.

(ii) **Market method:** This method is based on comparing the actual price paid for transfer of rights to an identical IP asset under analogous circumstances. This method is also simple, being based on market information and is frequently used for obtaining approximate values for use of the IP asset in calculating rates of royalty, tax, etc.

(iii) **Cost method:** This method calculates the cost of an identical or exact IP asset and is useful when the asset can be produced easily and its economic benefits cannot be precisely ascertained. It should be noted that this method does not take into account the wasted costs or consider any novel or distinctive attribute of the asset.

It is evident that a robust stance of IP and a strong IP strategy certainly leads to more opportunities for businesses with the anticipation of attainable financing, scalability, novelty and growth, including maintaining a distinctive, valuable and protectable brand. Therefore, it is equally imperative that such valuations be conducted meticulously and under expert supervision.



THE ACCUTE NEED
TO HAVE AN
ORGANIZATIONAL
IP-STRATEGY





Intellectual property is certainly one of the most valuable assets to a business that has the potential to enormously maximize the value of it. These IP rights ('IPR') may be acquired, exploited, licensed, assigned, sold, used as a vehicle for raising equity and even used as collateral to secure loans, similar to tangible property. Businesses should therefore utilize, manage and expand their intellectual properties by way of managing them through formulating well-defined and well-articulated IP strategies.

IP strategy is a defined objective-oriented plan of actions for making use of IP to empower businesses, secure high prices for the products and services, increase market shares, maintain reduced costs compared to the competitors, protecting the IPs and extending the horizon and value of the IPs etc. With a carefully formulated IP strategy, organizations can protect their creative works and inventions, keep the resources in check and identify the appropriate time for exploring new research and development opportunities. An IP strategy puts a legal framework around intangible assets and makes the protection, enforcement and valuation of these assets much easier and more quantifiable. It has been found all around the world that the organizations demonstrating IP sophistication and management consistently outperform their markets and competitors. In Bangladesh, we are yet to see that organizations are having proper IP strategies. Here, the IP related activities are mostly confined to brand protection and registration and sometimes, enforcement. However, we have found a clear gap in the entire process due to the absence of organizational IP strategies. Even large MNCs also focus on brand protection in a compartmentalized manner; and even when they have a strategy, the same is not localized in the country context as they mostly adopt the global ones prepared at the HQ levels. It is high time that all organizations shall not only formulate but also pursue a holistic IP strategy irrespective of their kinds, sectors, sizes, origins etc.

Developing IP strategies:

It is imperative that every organization has a uniquely designed IP strategy to meet the specific needs and plans of the organization. Moreover, such strategy, once formulated cannot be considered as a fixed one as the same needs to be updated and accordingly modified with the prevailing facts and circumstances. As such there shall be periodic and regular update of the strategy in order to ensure that the organization's IP strategy is always focusing on the demands of the time.

There is no single rule or even set of rules for formulating the strategy rather the same shall vary from organization to organization. Several variable factors shall be considered.

Type of Organization: To develop an IP strategy, organizations must first consider their type, the products/services that they offer. While generally all organizations should protect their trade names and trademarks, there may be IP specific to the type of organization or products and services that require protection. Organizations trading in consumer products may protect their products' designs and packaging to avoid having similar designs and packaging in the market. On the other hand, an IT-firm may copyright its software to protect itself from anyone copying the particulars of its software. Companies that carry out R&D (Research and Development), such as technological companies and pharmaceuticals must patent their inventions.

Size of the Organization: This is an important factor for formulating IP strategies. Where an organization is small with fewer employees, a formal IP strategy may primarily include protective mechanism such as identification and registration of its IPR. By contrast, for organizations which are large in size, formulation of a comprehensive IP strategy is pivotal. Through a robust IP strategy, these organizations shall be able to identify its relationships with its employees, independent contractors, customers etc. in order to determine the rights of ownership vested in its products/services.



Stage of development of the Organization: The stage of development of the organization should also be taken into account. At the initial stages of a business while it is establishing a market, building and registering its IPR should be focused on. At a developed stage, enforcement of such IPR may take on a more significant role. And at a matured stage of a business, increasing the brand value of the business by adopting different measures etc. may be of prime focus.

Other factors: There are a plethora of factors that shall be taken into account in formulating a robust and effective IP strategy. We do not suggest an exhaustive list of factors rather the same may also vary from organization to organization. Few important factors to consider are: barrier to entry/market barrier, exit strategy, IP protection budget, defined mechanism to regulate third-party interventions, including: employment contracts, Key Person insurance, succession planning, confidentiality agreements, development agreements, documentation protocols, visitor protocols, award schemes, etc. licenses, IP trends, technological development and trend, marketing trend, consumer focus and evolving behavior, regulator's behavior, local and international legislations, forthcoming legislations, knowledge about both organized and disorganized competitors, timing, auditing etc.

Organizations should conduct detailed market survey (i.e. product valuation, return on investment, competitors' positions etc.) before launching any new product/providing any new service. The key issue to be identified is if the brand, creative work or novel invention shall provide a competitive advantage in the market. Organizations should further look if the products/services are already in the market and if the IP right for the same is already protected or not. Moreover, organizations should also be updated at all times and stay vigilant on whether there is any potential infringement of their IP rights by anyone and undertake all possible actions against such infringement. In the similar vein, they should also be careful in their organizational behaviors so that they do not infringe the IP rights of others.



Last but not the least, every organization should have their IP strategy. As most of the discussions take place around trademarks, designs and around brand protection of FMCGs, other types of organizations sometimes regard that IP strategy is not to be considered by them. On this note, it is heavily stressed that not only commercial enterprises but even the development sector organizations should also equally focus on formulating their IP strategy.



TRIPS AND OTHER
TREATIES





Bangladesh has been a member of organizations like World Intellectual Property Organization ('WIPO') and signatory to treaties like the Paris Convention for the Protection of Industrial Property 1883 ('Paris Convention') and the Berne Convention for the Protection of Literary and Artistic 1886 ('Berne Convention'). It is also a member of one of the most important international agreements named Trade Related Aspects of Intellectual Property Rights, known as 'TRIPS'. TRIPS is an agreement between all the member countries of the World Trade Organization (WTO). It is the most comprehensive multilateral agreement which has introduced IP law into multilateral trading systems. It sets out the minimum standards of protection that are to be provided by each Member State. The Agreement further requires that the material obligations of the main conventions of the World Intellectual Property Organization (WIPO), meaning the Paris Convention and the Berne Convention, including their updated versions, to be complied with. As per the exceptions provided in the Berne Convention on moral grounds, all principal provisions of the said conventions have been incorporated by reference, thereby becoming obligations which the member states are bound to follow under the TRIPS Agreement.

TRIPS covers various areas of IP including trademarks, service marks, copyright and related rights, geographical indications and appellations of origin, industrial designs, patents and protection of plants and trade secrets and data. It also requires Member States to cooperate with each other with a view to eliminating international trade in relation to goods that infringe intellectual property rights. Article 3 (2) of the TRIPS Agreement states that each Member shall accord to the nationals of other Members treatment no less favorable than that it accords to its own nationals with regard to the protection of intellectual property. Moreover, Article 4 of TRIPS states that with regard to the protection of intellectual property, any advantage, favor, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members.

For copyrights, Article 9 (1) of TRIPS states that the Member States are obliged to abide by Articles 1-21 of the Berne Convention. Article 5 (1) & (2) of the Berne Convention states that authors shall enjoy, in respect of works for which they are protected under the Convention, in countries of the Union (i.e. the countries to which the Convention applies) other than the country of origin, the rights which their respective laws do now or may hereafter grant to their nationals, as well as the rights specially granted by the Convention. Such rights shall not be subject to any formality and such enjoyment and such exercise shall be independent of the existence of protection in the country of origin of the work. The extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed. Article 5 (3) states that protection in the country of origin is governed by domestic law. However, when the author is not a national of the country of origin of the work for which he is protected under this Convention, he shall enjoy in that country the same rights as national authors.

For patents and industrial designs, the Paris Convention contains the right of priority (i.e. where any person who has duly filed an application for a patent or industrial design in one of the countries of the Union, shall enjoy, for the purpose of filing in the other countries, a right of priority).

With the view to cater to the special needs, economic, financial and administrative constraints and the need for flexibility to create a viable technological base of the least developed countries (LDCs), Article 66.1 of TRIPS further states that such LDC Members shall not be required to apply the provisions of this Agreement, other than Articles 3, 4 and 5, for a period of 10 years from the date of application. The Council for TRIPS shall, upon duly motivated request by a LDC Member, accord extensions of the said period as well. Additionally, Article 66.2 states that developed country Members shall provide incentives to enterprises and institutions in their territories for the purpose of promoting and encouraging technology transfer to LDC Members in order to enable them to create a sound and viable technological base. It should be noted that such treatment for an LDC exempts it from most provisions of

TRIPS, except Article 3, 4 & 5. The general transition period for LDCs was extended twice as per the decisions of the TRIPS Council in 2005 for 8 years, till July 2013 and following that, in June 13, for a period of 8 years (i.e. July 1, 2021). In accordance with WTO's Doha Ministerial Conference declaration on TRIPS Agreement and Pharmaceutical Products in 2001, LDCs have further been granted a specified transition period for pharmaceutical products, initially for a period of 15 years, till January 2016. This was followed by a subsequent extension for 17 years, till January 1, 2033. The decision accorded legal privilege to the LDCs, providing waiver of patent rights in producing pharmaceutical products, and for using mandatory licensing mainly for exports. Nonetheless, it should be noted that once the transition period expires or any member state ceases to be a LDC (whichever is earlier), it shall not be able to enjoy benefits provided to an LDC.

Bangladesh, being an LDC, has been able to enjoy the benefits of Article 66.1 as well as the pharmaceutical waiver. Around 20% of the drugs produced in Bangladesh are generic versions of patented drugs that have specifically benefitted from the flexibilities of the TRIPS Agreement. However, as Bangladesh is scheduled to graduate soon from a LDC to a developing country, which shall mean that it shall cease to enjoy the special benefits accorded to LDCs under the TRIPS Agreement. Following that, major impact will fall on the export as well as domestic market-oriented pharma industry. For instance, it shall increase prices of specific pharma products if requirements for patenting and licensing are enforced.

It is observed that Bangladesh is not a signatory to other significant international treaties like Patent Cooperation Treaty (for patents), Madrid Protocol (for trademarks), Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (for GIs) which assists in granting international protection for IPRs, thereby aiding a country to avoid going through the hassle of registration and protection of IPR in a foreign country. Moreover, in order to make its laws and policies compliant with WTO, it is important that Bangladesh amends its current laws, rules and regulations in regards IPR to ensure a more effective enforcement of IPR of the right holders.



ARBITRATION
AND MEDIATION
OF IP DISPUTES





Amongst the modes of alternative dispute resolutions (ADRs), various jurisdictions have considered mediation and arbitration as the most suitable methods of ADRs for resolving disputes in relation to intellectual property rights. Mediation is a voluntary process whereby the parties to an existing legal relationship submit to an independent third party (i.e. a mediator), who listens to the contending parties and aids them in reaching a settlement and the mediator's decision is not binding on the parties. On the other hand, arbitration is another mode of ADR where parties submit their dispute to an independent and impartial arbitrator who adjudicates the matter and provides a decision upon hearing the parties and such decision becomes binding on the same. It is pertinent to mention that in terms of initiating any form of ADR, the parties to the pre-existing legal relationship should have a validly incorporated clause regarding arbitration/mediation or a separate agreement concerning the same.

It is noticed that parties are more inclined to resorting to litigation in the event of an IP dispute between them. However, for cross-border IPR disputes, ADR has proven to be quite effective in resolving the same. This is because firstly, there is a single procedure which excludes processes in various different jurisdictions with different outcomes and the associated hurdles of multi-jurisdictional litigations. Secondly, parties are free to choose the applicable law, language and place of the proceeding and they can also decide on the arbitrator based on his/her expertise in resolving the dispute. Thirdly, ADR can be impartial towards the laws, processes and institutional cultures of the parties in dispute, thereby obliterating any strategic advantages which may be availed by any party due to familiarity of the applicable law. Fourthly, unlike litigation, ADR processes are completely confidential. Finally, arbitral awards are binding on the parties and unlike litigation, where the final decision can be contested by means of 1-2 rounds, normally, arbitral awards may not be subject to appeal. It should be noted that the New York Convention for the Recognition and Enforcement of Foreign

Arbitral Awards of 1958 (“The New York Convention”), requires member states to enforce foreign arbitral awards without scrutinizing its merits. Bangladesh is a signatory to the New York Convention and hence, foreign arbitral awards are binding for all purposes on the persons as between whom it was made, and may accordingly be relied on by any of those persons by way of defence, set off or otherwise in any legal proceedings in Bangladesh and shall be enforced in the manner as if it were a decree of the court (s. 45 of Arbitration Act 2001).

Nevertheless, it should be borne in mind that ADR is not a suitable/preferred mode if the parties are seeking to achieve goals which may only be obtained through the process of litigation. Thus, for example, if the party is seeking to obtain a legally binding precedent, in that scenario, litigation stands as the better and more suitable option and ADR may not prove to be an effective mode of dispute resolution.

The arising of any IP dispute between the parties is likely to hinder the commercialization and proper use of the IPR. ADR modalities effectively provide ways of resolving disputes in an efficient, cost-effective and quick manner, thereby preserving the business relationship of the parties. ADR can thus be considered as an efficacious and fruitful mode of resolving IP disputes.





CONCLUSION





Registration of Intellectual Property Rights allow individuals a way to protect their ideas, expressions and other unique creations of their intellect. It allows businesses to protect their distinct marks associated with their goods and services, research and development activities and creates a strong position for them to negotiate in the event of licensing and addressing counterclaims. It further allows businesses to build value in the competitive market. Depending on the type of business, the IP rights should at first be ascertained and all necessary activities in protecting the same should be undertaken. Where IPR of businesses are already protected, businesses should consider entering into special arrangements (i.e. NDA, Confidentiality Agreements, strenuous IPR clauses stipulated into the pre-existing agreement, etc.), to ensure protection of their IPR in the event of sharing the same with third parties.

Legal Counsel is one of the leading law chambers in Bangladesh founded in 2009. Legal Counsel is best known for its highest level of professionalism, efficiency and quality of works. Providing services in both piece-meal basis and retainership mode, Legal Counsel is a 'full-service corporate law firm' with strong holds in both legal advisory services and dispute resolutions. Legal Counsel's clients cover a wide horizon of sectors and their head-quarters are based in over 26 countries in 6 continents. Legal Counsel has allied law firms in 16 countries.

As a part of its social responsibilities, it has always been the pioneer in legal innovations and providing effective and continuous pro-bono services. The partners of Legal Counsel along with all its associates take immense pleasure and professional satisfaction in doing extra hours of work on a routine basis to pursue manifold pro-bono activities. Head of Chambers of Legal Counsel, Mr. Omar H. Khan is maintaining the fortnightly 'Your Advocate' column in the Daily Star since 2009 and is the author of a unique law book, titled 'Legal Stories of Life'. The other partner, Ms. Miti Sanjana maintains 'Pathoker Ulik' (Readers' Advocate) for the daily Prothom Alo, which is the most popular law column of the country. All the associates also regularly write in different dailies, journals etc. The Quarterly News Bulletin of Legal Counsel has already gained popularity amongst the readership. In pursuit of excellence, Legal Counsel focuses on continuing capacity building of its associates and client organizations. It has the following well-articulated and well implemented policies in place:

- Anti-Corruption and Anti-Bribery Policy
- Child Protection Policy
- Environmental/Green Policy
- Lawyers' Employment Handbook
- Professional Codes of Conduct
- Pro-Bono Policy

Our Team:

Omar H. Khan, Barrister-at-Law, Head of Chambers, LL. B (Hons), University of London

Miti Sanjana, Barrister-at-Law, Partner, LL. B (Hons), University of London

Moshfeque M. Rizvi, Barrister-at-Law, Partner (Development), BA (Hons) in Jurisprudence (Law), The University of Oxford, BCL, The University of Oxford

Rabiya J. Firoz, Barrister-at-Law, Chief Executive Lawyer, LL. B (Hons) University of London, LL.M, City University

Afrin Jahan Khan, LL. B (Hons) University of London, LL.M, Eastern University

Nuzhath Islam, Barrister-at-Law, LL. B (Hons), University of London

Md Shah Ifran, Barrister-at-Law, LL. B (Hons) University of London

Ishtiak Abdullah, Barrister-at-Law, LL. B (Hons), University of London, LL.M, Dhaka University

Atmaja Bhattacharjee, Barrister-at-Law, LL.B (Hons), University of London, LL.M, University of Derby

Tahminisha Sayarah Khan, Barrister-at-Law, LL.B (Hons) University of London

Mohammad Shahrulkh Sadek, Barrister-at-Law, LL.B (Hons) University of London

Anthonia Costa, LL.B (Hons), University of London, LL.M, Eastern University

Farhana Azad, LLB (Hons), University of London

A. T. M. Golam Gous, Of Counsel

Khandekar Sarwar Hossain, Income Tax Lawyer & Of Counsel



**INTELLECTUAL
PROPERTY**



LEGAL COUNSEL

Momtaz Vision, Suite B-4 (Level-2), House 11/A,
Road: 99, Gulshan-2, Dhaka-1212, Bangladesh
www.legalcounselbd.com