

INFRINGEMENT OF PATENTS & PENALTIES

Intellectual Property Rights- Paper 4

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INFRINGEMENT OF PATENTS & PENALTIES

Chapter 1- MEANING OF THE TERM ‘PATENT’

A Patent is a form of industrial or intellectual property. A patent is a right granted to a person who has invented a new and useful article or an improvement of an existing article or a new process of making an article. It consists of an exclusive right to manufacture the new article invented or manufacture an article according to the invented process for a limited period. After the expiry of the duration of patent, anybody can make use of the invention.¹

The term patent shall also mean a grant of some privilege, property or authority made by the Government or the Sovereign of the country to one or more individuals. The instrument by which grant is made is known as ‘Patent’.²

The term Patent acquired statutory meaning in India when the Patents Act, 1970 was enacted.³

Patent under the Act, is granted by the Controller to the inventor for a period of 20 years. It is the exclusive right to make use, exercise and vend his inventions. The Patents (Amendment) Act, 2005 defines patent under section 2(m) as: ‘Patent’ means a patent for any invention granted under this Act. The Act conveys to the inventor substantive rights and secures to him the valuable monetary right which he can enforce for his own advantage either by using it himself or by conveying the privileges to others. He receives something tangible, something which has present existing value which protects him from some competition and is the source of gain and profit.⁴

¹ Law of Intellectual Property- Dr. S.R. Myneni

² Law relating to Intellectual Property- Dr. B.L Wadehra

³ Ibid.

⁴ Ibid.

After the expiry of the period for which exclusive right is granted to the inventor, the invention can be put to use by any person other than the one to whom a patent had been granted. The person to whom a patent is granted is called patentee.⁵

An invention is the creation of intellect applied to capital and labour, to produce something new and useful. Such creation becomes the exclusive property of the inventor on grant of patent. The patentee's exclusive proprietary right over the invention is an intellectual property right. The owner of the patent, i.e patentee is entitled to deal with his such property in the same manner as owner of any other movable property deals with his property. This means that the patentee can sell the whole or part of his property (patent). He can also grant licence to others to use the patented property. He can also assign such property to any other. Such sale, licence, assignment of patented property naturally has to be for valuable consideration, acceptable mutually.⁶

A patent being a creation of statute is territorial in extent. A patent granted in one state cannot be enforced in another state unless the invention concerned is also patented in that state. A patent is not granted for an idea or principle as such, but for some article or the process of making some article applying the idea.⁷

⁵ Law relating to Intellectual Property- Dr. B.L Wadehra

⁶ Ibid.

⁷ Law of Intellectual Property- Dr. S.R. Myneni

Chapter 2- THE OBJECTIVE BEHIND A PATENT LAW-

The Patent law recognizes the exclusive right of a patentee to gain commercial advantage out of his invention. This is to encourage the inventors to invest their creative faculties, knowing that their inventions would be protected by law and no one else would be able to copy their inventions for certain period during which the respective inventor would have exclusive rights.⁸

A patent is to encourage and develop new technology and industry. An inventor has exclusive right to keep it secretly. He may disclose the new invention only if he is rewarded. The patent is granted for a statutory period and after the expiry of monopoly period others can use the invention or improve upon it.⁹

A patent when granted confers on the patentee he exclusive right to use the invention during the term of the patent, or as long as it is in force, on payment of the renewal fee from time to time. Patents have assumed an international character. The international convention for the protection of industrial property (i.e Paris convention) and the TRIPS Agreement of WTO provided patent rights for industrial property in all the countries of the union for the protection of industrial property. In India, the rights conferred on a patentee are purely statutory rights conferred by the Patents Act, 1970 and as amended from time to time.¹⁰

Principles underlying the Patent law in India-

To be patentable, the invention must be a new product or process; useful and capable of industrial application. Another feature of an invention to be granted patent is that it should involve technical advancement as compared to the existing knowledge or have economic significance or both. The invention must be non-obvious to a person possessed of average skill in the art. What is obvious to a person skilled in the art cannot be patented. For instance, an invention in carpentry may be non-obvious to a

⁸ Law relating to Intellectual Property- Dr. B.L Wadehra

⁹ Law of Intellectual Property- Dr. S.R. Myneni

¹⁰ Ibid.

layman but it may be obvious to a carpenter of average skill. Such obvious invention would not be patentable.¹¹

The element of novelty in an invention is dependent upon the state of prior art, i.e the existing knowledge and similar inventions already known in the particular field. There would be no novelty if there has been prior publication and prior use of same or an identical invention. For the purpose of patent, the invention must be a new one. It means that the invention must involve any innovation or technology which has not been anticipated by publication in any document or used in the country or elsewhere in the world before the date of filing of patent application with complete specification. That is to say, the subject-matter must not have fallen in public domain.¹²

The invention besides being new and non-obvious, must also be useful. An invention which is new and also non-obvious but which cannot be put to any beneficial use of mankind, cannot be patented.¹³

The invention must be non-obvious to a person skilled in the art to which the invention relates.¹⁴

The question whether there is an invention is a question of fact in each case. What is protected is the result of an invention i.e the resultant product. An improvement on something known is a subject matter of a patent, provided it results in a new product or process or a more useful or a more economical product or process.

¹¹ Law relating to Intellectual Property- Dr. B.L Wadehra

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

Rights Granted Under Indian Law

Patents issued by the Indian Patent Office confer upon the patent holder, whether product or process, an exclusive right, under which, no third party can exercise the patentee's right without the patentees consent. More specifically, the rights conferred, in respect of a product patent, are the act of making, using, offering for sale, selling or importing for those purposes the patented product in India and in respect of a process patent, the act of using that process, using, offering for sale, selling or importing for those purposes the product obtained directly by that process in India. Additionally, the product obtained by using the patented process is not one in respect of which no patent shall be granted under this Act. It means that no process patent will be granted if the resulting product is unpatentable under the Act. Such rights have been conferred by Section 48 of the Patents Act. However, patents granted in India are in addition subject to the conditions specified in Section 47, which are as follows:

- (1) any machine, apparatus or other article in respect of which the patent is granted or any article made by using a process in respect of which the patent is granted, may be imported or made by or on behalf of the Government for the purpose merely of its own use;
- (2) any process in respect of which the patent is granted may be used by or on behalf of the Government for the purpose merely of its own use;
- (3) any machine, apparatus or other article in respect of which the patent is granted or any article made by the use of the process in respect of which the patent is granted, may be made or used, and any process in respect of which the patent is granted may be used, by any person, for the purpose merely of experiment or research including the imparting of instructions to pupils; and
- (4) in the case of a patent in respect of any medicine or drug, the medicine or drug may be imported by the Government for the purpose merely of its own use or for distribution in any dispensary, hospital or other medical institution maintained by or on behalf of the Government or any other dispensary, hospital or other medical institution which the Central Government may, having regard to the public service that such

dispensary, hospital or medical institution renders, specify in this behalf by notification in the Official Gazette.¹⁵

Inventions which are not Patentable under The Indian Patents Act, 1970-

Sections 3 and 4 of the Indian Patents Act, 1970 lists the inventions which are not patentable and considered as not being inventions. They are follows-

An invention which is frivolous or which claims anything obviously contrary to the well established natural laws; an invention, the primary or intended use or commercial exploitation of which could be contrary to public order or morality or which cause serious prejudice to human, animal or plant life or health, or to environment; the mere discovery of a scientific principle or the formulation of an abstract theory or discovery of any living things or non-living substance occurring in nature; the mere discovery of a new form of a known substance which does not result in the enhancement of the known efficacy of that substance or the mere discovery of any new property or new use for a known substance or of the mere use of a known process, machine or apparatus unless such known process results in a new product or employs at least one new reactant; a substance obtained by a mere admixture resulting only in the aggregation of the properties of the components thereof or a process for producing such substance; the mere arrangement or re-arrangement or duplication of known devices each functioning independently of one another in a known way; a method of agriculture or horticulture; any process for the medicinal, surgical, curative, prophylactic, diagnosis, therapeutic or other treatment of human beings or any process for a similar treatment of animals to render them free of disease or to increase their economic value or that of their products; plants and animals in whole or any part thereof other than micro organisms but including seeds, varieties and species and essentially biological processes for production or propagation of plants and animals; a mathematical or business method or a computer programme per se or algorithms; a

¹⁵ http://techcorplegal.com/Legal/patent_infringement.html

literary, dramatic, musical or artistic work or any other aesthetic creation whatsoever including cinematographic works and television productions; a mere scheme or rule or method of performing mental act or method of playing game; a presentation of information; topography of integrated circuits; an invention which in effect, is traditional knowledge or which is an aggregation or duplication of known properties of traditionally known component or components.¹⁶

¹⁶ Law relating to Intellectual Property- Dr. B.L Wadehra

Chapter 3- INFRINGEMENT OF PATENTS-

Patent infringement is the commission of a prohibited act with respect to a patented invention without permission from the patent holder. Permission may typically be granted in the form of a license. The definition of patent infringement may vary by jurisdiction, but it typically includes using or selling the patented invention. In many countries, a use is required to be commercial (or to have a commercial purpose) to constitute patent infringement.¹⁷

The infringement of patents means the violation of the monopoly rights conferred by the grant.¹⁸ A patent confers the exclusive right on the patentee to make, distribute or sell the invention in India. An infringement would be when any of three rights is violated. A patentee may assign license all or some of these rights. The exercise of the rights so transferred in favour of the assignee or the licensee by the assignor or the licensor would not amount to infringement of the patents.¹⁹ Nobody else except the grantee can use patented invention or patented process for manufacturing the articles or substances. Hence infringement consists in the violation of any of these rights.²⁰

In case of a product patents rights of the patentee are infringed by anyone who makes or supplies that substance commercially. In case of a process patent, the use of such a method or process in India by anyone other than the patentee amounts to infringement.²¹

Whether the act of a person other than the patentee amounts to infringement or not would depend upon:

¹⁷ <http://en.wikipedia.org>

¹⁸ Law of Intellectual Property- Dr. S.R. Myneni

¹⁹ Law relating to Intellectual Property- Dr. B.L Wadehra

²⁰ Law of Intellectual Property- Dr. S.R. Myneni

²¹ Law relating to Intellectual Property- Dr. B.L Wadehra

(i) The extent of the monopoly right conferred by the patent which is interpreted from the specification and claims contained in the application of the patentee. Any action which falls outside the scope of the claims would not amount to infringement.

(ii) Whether he is infringing any of the monopoly rights of the patentee to make, distribute or sell the invention.²²

Construction of claims and the Infringement-

The construction of claims is important since the action of a defendant, whether or not an infringement, would depend upon the scope of monopoly rights conferred by the claims put up by the patentee. To constitute an infringement of a product patent, the infringing article must take each and every essential part of the claim. However, even if some non-essential features are omitted or substituted by equivalents, the infringement would remain. If a patent has several essential features but the patentee claims only a few of them, the infringer can take advantage of the situation by designing around the few claimed features. That would not be easily possible if the patentee had claimed all the essential features of his invention.²³

When a particular combination is claimed as an essential feature of the invention, use of any other combination to achieve a similar result would not amount to infringement.²⁴

Case law

In the case of Richardson vs Castrey,²⁵ the patentee of an apparatus to be used in manufacturing wine glass brought out an action for infringement of his patent and

²² Law relating to Intellectual Property- Dr. B.L Wadehra

²³ Ibid.

²⁴ Ibid.

²⁵ 4 RPC, 265

alleged that the defendants were using the process described in the patentee's specification. The defendant denied infringement. It was held at the trial that:

- (i) the process which the defendant used was not the one which the plaintiff claimed to have invented,
- (ii) according to the true construction of the specification, the patent was for a particular combination,
- (iii) the defendants had not used that combination and, therefore, had not infringed.²⁶

What can amount to infringement-

- (1) The colourable imitation .of an invention.
- (2) Immaterial variation in the invention.
- (3) Mechanical equivalents.
- (4) Taking essential features of the invention.²⁷

All the above acts often overlap each other when an infringement of a patent or process occurs.²⁸

A colorable variation or immaterial variation amounting to infringement is where an infringer makes slight modification in the process or product but in fact takes in substance the essential features of the patentee's invention. Infringement by mechanical equivalents would occur when he uses mere substitutes for those features so as to get the same result for the same purpose as obtained by the patentee.²⁹

²⁶ Law relating to Intellectual Property- Dr. B.L Wadehra

²⁷ <http://www.delhilaw.firm.in/articlenews/patentinfringement.htm>

²⁸ Ibid.

²⁹ Ibid.

Infringement by mechanical equivalents would occur when he uses mere substitutes for those features so as to get the same result for the same purpose as obtained by the patentee.³⁰

Infringement to be decided on the facts of each case:

Since patented inventions involve complicated scientific principles and mechanisms, there can be no generalised formula as to the acts which would constitute infringement. Whether there is an infringement or not, would depend upon the facts of each case. This is so because the determination of the question whether there has been an infringement or not, would depend upon the claim of each patentee and the case made out against the infringer and what the infringer has to say in his defence.³¹

Use of chemical equivalents:

When a chemical equivalent is used by the infringer, it will involve infringement if the chemical equivalent was known at the time the specification of the patentee was filed. If, however, the chemical equivalent was not known, then the use of chemical equivalents will not infringe the patent. For example, when a patented process relies for achieving its result on the use of a particular chemical A, it is no infringement if another manufacturer produces the same result by the use of other chemicals B and C, if it was not known at the time the patented process was invented that in the course of the process the use of B and C results in the production of chemical A.³²

Combination claims:

An invention is often a combination of a number of parts acting upon each other in a particular manner. Where the invention claimed is of such a combination, in order to constitute infringement, it must be shown that the infringer's selection and

³⁰ Law relating to Intellectual Property- Dr. B.L Wadehra

³¹ Ibid.

³² Ibid.

arrangement of parts is substantially the same as the patentee's selection and arrangement of parts.³³

Doctrine of pith and marrow:

The pith and marrow of the invention is the essence of the invention which if taken and reproduced in the infringed article even by incorporating a colourable variation of it within the invention, has resulted in infringement. Courts apply the doctrine of pith and marrow which means that the court is not to detect an absolute similarity between the two but is to see whether the pith and marrow of the invention has been taken and if it has been done so, there is an infringement. The question to be answered is whether the infringing article or process is substantially the same as the patented article or process. If the answer is 'yes', there has been an infringement.³⁴

In the law of patents, it is not sufficient merely to have registration of a patent. The court looks at the whole case, the strength of the case of the patentee and the strength of the defence such as those falling under section 107, read with 64 of the Patents Act.³⁵

CASE LAWS WHERE PATENTS WERE HELD TO BE INFRINGED-

Colourable imitation-

*Young & Beilby vs Hermand Oil Coy*³⁶

Y and B, being the owners of patents relating to the manufacture of mineral oil and the distilling of shale and other oil yielding minerals, granted a licence to H.Coy. Under this licence the H.Coy paid royalty on the operations in certain retorts; subsequently, they erected other retorts and refused to pay royalty in respect of these retorts. In an action brought by Y and B against the H.Coy for royalties in respect of these retorts, it

³³ Law relating to Intellectual Property- Dr. B.L Wadehra

³⁴ Ibid.

³⁵ Ibid.

³⁶ 9 RPC 373

was decided in favour of the defenders, that these retorts did not infringe the plaintiff's patents. On appeal it was held by a majority of the Inner House that the decision of the Lord Ordinary was right. On appeal to the House of Lords it was held that on the true construction of Y and B's patents, they included a process as well as an improved method of carrying out the process, and the defender's retorts were an infringement of the process and a colourable imitation of the patented methods. Appeal was allowed with costs.

Invention-

*Macdonald vs Fraser*³⁷

M patented an apparatus for testing house drains, the leading features in which were a fume or smoke chamber connected with the drain on one side and on the other with bellows or other air- pressure blower, by means of which the fumes or smoke of acid or burning material placed in the chamber were blown into the drain. The sides of the chamber were double for a certain distance from the top and the space between the inner and outer sides contained water and a movable bell shaped cover slipped into the space and rested upon the water and automatically indicated leakage in a drain. The pressure with which smoke was pumped into the drain was also automatically regulated. F subsequently patented an apparatus for smoke testing and other purposes, the main features of which were the same as M's except that an air pump was substituted for bellows. M thereupon sought an interdict against F, who denied infringement and the validity of M's patent. Held that M's patent was good and that in as much as F's apparatus consisted of the same combination of the same parts and was capable either as made or with slight modifications of performing the functions which constituted the merits of M's invention, it was an infringement.

Patent for a combination-

*Wenham Gas Coy. Vs Champion Gas Lamp Co.*³⁸

³⁷ 10 RPC 386 (390)

The owners of a patent for an improved lamp brought an action for an infringement. The plaintiffs claimed in their specification a combination of subordinate parts. The defendants denied infringement and alleged the invalidity of the patent on the ground of want of novelty and anticipation and also by amendment at the trial on the ground that the invention was not of such a meritorious character as to be patentable. There were differences between the plaintiff's lamp and that of the defendants and the plaintiff's had recently used a burner different from that described in their specification and more like the defendant's burner. It was held on evidence that the defendant's lamp was not materially different from the plaintiff's, the differences between the two having not been put to the witnesses, but only pointed out by the counsel in argument; secondly, that no anticipation was shown on the whole combination, or the subordinate parts claimed; thirdly that the plaintiffs combination, consisting of old and new elements, was a combination arriving at an old result by new means, and was meritorious and useful. Judgment was given for the plaintiff. Costs on the higher scale were refused on the ground that the necessity for scientific evidence was largely due to the unfortunate wording of the specification.

Mechanical combinations-

*Hayward vs Pavement Light Coy.*³⁹

The plaintiffs were the owners of a patent for 'Improvement in pavement lights' having for its object lights so constructed as to divert the rays of light in an inclined direction into the rooms which it is desired to light by using glass moulded so as to consist of an angle or series of angles. It was held that the defendants used lights of glass moulded so as to consist of a curve. It was thus held that the defendants had infringed the plaintiffs' patent.

Immaterial variations where defendant's tool substantially the same as plaintiffs' -

*Moore vs Bennett*⁴⁰

³⁸ 8 RPC 313

³⁹ 1 RPC 207

The plaintiffs, as beneficial owners of a patent for certain tools for shaping the heads of bottles, had granted a licence to the defendant R to use the patented inventions on payment of certain royalties. The defendant R claimed to use, without payment of royalty, a certain tool as being outside the patent. The plaintiffs brought an action against him for an injunction to restrain him from using such tool, except under the licence and for an account of profits derived by him from making bottles with this tool, and for royalties. It was held that the difference relied on by the defendant R between the tool used by him and the patented tool was not sufficient to prevent the former from being an infringement of the patent, and that the conduct of the parties was in accordance with this being the case and that plaintiffs were entitled to succeed.

CASE LAWS WHERE PATENTS WERE HELD TO BE NOT INFRINGED

Claim construed to be for a combination not infringed by the defendant-

*Garrard vs Edge*⁴¹

The patentee of improvements in pressing tiles brought an action for infringement. The defendants denied infringement and alleged that the patent was invalid on the grounds that part of the alleged invention was not subject-matter and that the whole was anticipated. It was held at the trial of the action that the invention of the plaintiff consisted of several items and that the defendant had not taken a sufficient part of the combination to constitute an infringement and the action was dismissed with costs. The plaintiff went in appeal. In the Court of appeal it was held that by assuming the first claim to be good subject-matter, it was a claim for a combination consisting of an invertible box or mould, an invertible upper die and an invertible lifting plate of which the lower part had a smaller area than the upper part; that the defendants had the invertible box which was old but instead of the reversible upper die and lifting plate

⁴⁰ 1 RPC 129

⁴¹ 6 RPC 563

had renewable plates and consequently had not taken such part of the combination as to infringe. Second, that if the second claim could be supported, which was doubted, it was a claim for a combination of a reversible lifting plate with the lower part smaller in area than the upper part, and that the defendants whose lifting plate was renewable and had the lower part slightly leveled off did not infringe this combination. The appeal was dismissed with costs.

Claim construed to be for a particular combination not infringed by defendants-

*Boyd vs Horrocks*⁴²

The plaintiff obtained a patent for 'Improvement in Winding Machines', claiming as his invention not only an entire machine, but also a number of subordinate inventions, and brought an action against the defendants for infringement. The defendants denied infringement and alleged that the patent was invalid for want of novelty and utility and also for want of subject-matter. They also alleged prior user and sale by patentee. Held, at the trial: (i) that the inventions claimed in the plaintiff's specification were new and useful and proper subject-matter for a patent; (ii) that the defendants had infringed the patent. The defendants appealed. It was held that plaintiff's invention was for an improvement in a well known machine for effecting an old object in a better way, that he must be confined to the particular details invented by him and that the defendants had not taken these and therefore had not infringed the patent.

Claim for a particular combination held to be not infringed by the defendant-

*Tucker vs Kaye*⁴³

Patentee of improvements in locks, sued K for infringement. K alleged the invalidity of the patent for want of novelty and want of subject-matter and denied that his lock was an infringement. Locks were proved to have been known prior to the date of the patent with a mechanism at the side similar to the plaintiff's for moving a latch, whereas the plaintiff's mechanism was on the face of the lock. The plaintiff described

⁴² 6 RPC 152

⁴³ 8 RPC 230

his invention as of making locks without projecting or protruding bolts. The defendant's lock had projecting bolts. It was held at the trial that the plaintiff's alleged invention was not subject matter and that the defendant had not infringed the patent. The plaintiff appealed and on appeal it was held that there was no infringement. Accordingly the appeal was dismissed.

Chapter 4- RELIEFS AND PENALTIES IN CASE OF INFRINGEMENT

Whenever the monopoly rights of the patentee are violated, his rights are secure by the Act through judicial intervention. The patentee has to institute a suit for infringement.⁴⁴ Rights of the patent holder are exclusive rights to make, use, exercise, sell or distribute the articles manufactured in accordance with the patent or manufactured in accordance with the patented process.⁴⁵

INSTITUTION OF A SUIT FOR INFRINGEMENT-

Section 104 of the Act provides that a suit for infringement shall not be instituted in any court inferior to a District Court having jurisdiction to try the suit. In appropriate cases, where the High Court has original jurisdiction to try the suit, the suit shall be instituted in the High Court. When an action for infringement has been instituted in a District Court and the defendants make a counter-claim for revocation of the patent, the suit is transferred to the High Court for its decision because High Court has the jurisdiction to try cases of revocation. Section 104A provides for burden of proof in case of suits concerning infringement.⁴⁶

ONUS OF ESTABLISHING INFRINGEMENT-

The onus is on the plaintiff to establish infringement.⁴⁷

⁴⁴ Law relating to Intellectual Property- Dr. B.L Wadehra

⁴⁵ Law of Intellectual Property- Dr. S.R. Myneni

⁴⁶ Law relating to Intellectual Property- Dr. B.L Wadehra

⁴⁷ Ibid.

PROCEDURE TO BE FOLLOWED IN THE SUIT-

The procedure followed in conducting a suit for infringement is governed by the provisions of Code of Civil Procedure.⁴⁸

WHEN CAN THE SUIT BE INSTITUTED-

A suit for infringement can be instituted only after the patent has been sealed. When a specification has been accepted and published, i.e. during the period when opposition has been called and is being decided, the applicant cannot institute a suit for infringement, but damages sustained due to the infringement committed during the period, i.e between the date of publication of acceptance of complete specification and the date of grant may be claimed in another suit which would be suit for damages but not a suit for infringement. When the term of patent has expired and infringement occurred during the term of the patent, a suit can be instituted during the term or even after the expiry of the term. In case a patent had lapsed and was subsequently restored, no suit or other proceedings can be brought for infringement committed between the date on which the patent ceased to have effect and the date of publication of application for restoration.⁴⁹

PERIOD OF LIMITATION FOR INSTITUTING A SUIT-

The period of limitation for instituting a suit for infringement is three years from the date of infringement. The plaintiff is not obliged to give a notice to the defendant (infringer) before instituting a suit. Court will issue a notice.⁵⁰

WHO IS ENTITLED TO SUE-

Only the person who has a right in the patent can institute a suit for infringement. The persons who are entitled to sue are as follows:-

⁴⁸ Law relating to Intellectual Property- Dr. B.L Wadehra

⁴⁹ Ibid.

⁵⁰ Ibid.

- (a) The patentee.
- (b) The exclusive licensee if the license is registered.
- (c) A compulsory licensee when the patentee refuses or neglects to institute proceedings.
- (d) A licensee other than a compulsory or exclusive licensee can bring an action for infringement depending upon the terms of the contract between the licensor and licensee.
- (e) An assignee can sue only after the application for registration of the assignment in his favour has been filed. If a patent is assigned after the commencement of action, the assignee is to be joined as a co-plaintiff. An assignee cannot sue for infringement which occurred prior to the assignment.
- (f) When a patent is jointly owned by two or more co-owners, one of them can institute a suit for infringement, but the other co-owners have to be joined as co-plaintiff or co-defendant.⁵¹

PERSONS WHO CAN BE SUED-

- (a) Person who infringes the patent that violates the monopoly right of the patentee can be sued for infringement.
- (b) When two or more persons have jointly infringed the patent, both of them have to be sued as co-defendants.
- (c) Agents and servants of a principal who is responsible for the infringement can also be sued either individually or collectively along with their employer/principal.
- (d) The consignees of an infringing article can be made a party to the proceedings in an infringement suit.⁵²

⁵¹ Law relating to Intellectual Property- Dr. B.L Wadehra

⁵² Ibid.

BURDEN OF PROOF-

In any suit for infringement of a patent, where the subject matter of patent is a process for obtaining a product, the Court may direct the defendant to prove that the process used by him to obtain the product, identical to the product of the patented process, is different from the patent process-

- (i) The subject matter of the patent is a process for obtaining a new product; or
- (ii) There is a substantial likelihood that the identical product is made by the process and the patentee or a person deriving title or interest in the patent from him, has been unable through reasonable efforts to determine the process actually used. However, the patentee or a person deriving title or interest in the patent from him, first proves that the product is identical to the product directly obtained by the patented process.⁵³

In considering whether a party has discharged the burden imposed upon him, the Court shall not require him to disclose any manufacturing or commercial secrets, if it appears to the Court that it would be unreasonable to do so.⁵⁴

ACTS WHICH ARE NOT INFRINGEMENT-

- a) Any act of making, constructing, using, selling or importing a patented invention solely for uses reasonably related to the development and submission of information required under any law for the time being in force in India, or in a country other than India, that regulates the manufacture, construction, use, sale or import of any product.
- b) Importation of patented products by any person from a person who is duly authorized under the law to produce and sell or distribute the product.⁵⁵

⁵³ Law of Intellectual Property- Dr. S.R. Myneni

⁵⁴ Ibid.

⁵⁵ Ibid.

DEFENCES WHICH THE DEFENDANT MAY SET UP IN THE SUIT –

The defendant against whom a suit is filed for infringement may set up one or more of the following defences:-

1. That the plaintiff is not entitled to sue for infringement. (The right to sue can be exercised only by a registered proprietor of a patent or a registered assignee or an exclusive licensee. Any alleged assignment which is not registered will not confer the right to sue on the assignee.)
2. That there has been no infringement or any threat or intention to infringe. (This defence can be set up only when no actual tangible evidence of infringed article or process has been produced by the plaintiff. The defendant may also plead that there has been no infringement by stating that he has the licence or implied permission to use the patent, but in such a case the onus is on the defendant to prove the existence of licence or implied permission to use the invention.)
3. That there was a leave and licence, express or implied, to use the invention.
4. Estoppel or Res Judicata.
5. That the claims alleged to be infringed are invalid on grounds:
 - a. that the invention was subject matter of a valid claim of earlier priority date or a prior grant.
 - b. that the patent was granted on the application of a person not entitled to apply.
 - c. that the patent was obtained wrongfully.
 - d. that the subject of any claim of the complete specification is not an invention within the meaning of this Act.
 - e. that the invention so far as claimed in any claim is not new since it was publicly known or publicly used in India before the priority date of the claim.
6. At the time of infringement there existed a contract relating to the patent containing a condition which is unlawful.
7. Act complained of falls within the scope of innocent infringement, that is, the defendant was unaware of the existence of the patent when the alleged act of the infringement occurred or was done after failure to pay renewal fee or was done before the date of amendment of specification. However this defence is

available only against a claim for damages or account of profits and not where the relief sought is an injunction.

8. Acts complained of are in accordance with the conditions which provide that in circumstances the invention can be used by the Government.
9. That the alleged use is for research or instruction of pupils. However, convincing evidence of such use has to be furnished by the defendant.
10. Counter-claim for revocation of the patent by the defendant.⁵⁶

EXPERT EVIDENCE

Expert evidence in a suit is normally furnished before the court by the parties in a proceeding, due to the scientific and technical complexity involved in the drafting of a patent specification and therefore fair disposal of the dispute between the parties necessitates calling experts evidence to assist the court.⁵⁷

Section 115 provides that in any suit for infringement or in any proceeding before a court, the court may at any stage on its own or on application by any of the parties, appoint an independent scientific expert to assist the court or to inquire and report upon any questions of fact or of opinion.⁵⁸

The experts may be called to explain the practical working of a machinery and to explain to the court whether the specification is really new or not, or if there exists any difference in the patentee's invention and that of the alleged infringer. Though experts are called to assist the court, the decision which prevails is that originating from the mind of the judge, keeping in view the totality of the facts and circumstances of the case, including the expert's opinion⁵⁹.

⁵⁶ Law relating to Intellectual Property- Dr. B.L Wadehra

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Ibid.

POWER OF THE COURT TO MAKE DECLARATIONS TO NON-INFRINGEMENT-

Any person may institute a suit for a declaration that the use by him of any process, or the making, use or sale of any article by him does not or would not constitute an infringement of a claim of a patent against the patentee or the holder of an exclusive licence under the patent if it is shown that the plaintiff has applied in writing to the patentee or exclusive licensee for a written acknowledgment to the effect of the declaration claimed and has furnished him with full particulars in writing of the process or article in question and that the patentee or licensee has refused or neglected to give such an acknowledgment. A suit for declaration may be brought at any time after the publication of grant of a patent.⁶⁰

POWER OF THE COURT TO GRANT RELIEFS IN CASES OF GROUNDLESS THREATS OF INFRINGEMENT PROCEEDINGS-

Where any person threatens any other person by circulars or advertisements or by communications, oral or in writing addressed to that or any other person, with proceedings for infringement of a patent, any person aggrieved thereby may bring a suit against him praying for the reliefs of a declaration to the effect that the threats are unjustifiable; an injunction against the continuance of the threats; and such damages, if any, as he has sustained thereby. The court may grant to the plaintiff all or any of the reliefs prayed for on proving the acts. A mere notification of the existence of a patent does not constitute a threat of proceeding within the meaning of this section.⁶¹

⁶⁰ Law of Intellectual Property- Dr. S.R. Myneni

⁶¹ Ibid.

Chapter 5- RELIEFS IN AN ACTION FOR INFRINGEMENT-

Section 108 provides that the reliefs which a Court may grant in any suit for infringement, include an injunction subject to such terms, if any, as the court thinks fit and damages or an account of profits. An order for delivery or destruction of infringer's articles may also be passed. The Court may also order that the goods which are found to be infringing and materials and implements, the predominant use of which is in the creation of infringing goods, shall be seized, forfeited or destroyed, as the Court deems fit under the circumstances of the case without the payment of any compensation.⁶²

INJUNCTION

An injunction is an order of a Court prohibiting someone from doing some specified act or commanding someone to undo some wrong or injury. Generally it is a preventive and protective remedy aimed at preventing future wrongs.⁶³

Injunctions are of two kinds:- Temporary/Interlocutory injunctions and Final Injunctions.

A. Temporary/Interlocutory injunctions-

These are the Court orders which are in force for a specified time or until further orders of the Court. An interlocutory injunction may granted at any time during the proceedings of the suit.⁶⁴

The plaintiff may, at the commencement of the suit or any time during the suit, move the Court for grant of an interim injunction to restrain the defendant from committing and continuing to commit the acts of alleged infringement.⁶⁵

Certain principles are followed by the Courts while granting of interlocutory injunction(s). Firstly, the plaintiff must establish a prima facie case in his favour. Secondly he must also establish that the balance of convenience lies in his favour.

⁶² Law relating to Intellectual Property- Dr. B.L Wadehra

⁶³ Ibid.

⁶⁴ Ibid.

⁶⁵ Ibid.

The balance of convenience will be in favour of the plaintiff when relief given to him will not offend the interest of the party who is alleged to have caused infringement.⁶⁶

The question of balance of convenience for grant of interlocutory injunction arises when it is doubtful whether damages can adequately provide relief to the parties for the loss suffered.⁶⁷

Factors to be taken into consideration for deciding the balance of convenience are whether the patent is old or new; whether the term of the patent is to expire before the proceedings can be heard; whether the validity of the patent has been challenged; whether it is possible to compensate the plaintiff by award of damages when he succeeds at the trial; whether the defendant can be adequately compensated by the plaintiff's undertaking as to payment of damages. Depending upon the above factors or any other relevant factors, the court may grant or refuse an interlocutory injunction.⁶⁸

In patent cases, the onus of showing a prima facie case justifying the grant of an injunction is a heavy one and it is comparatively easy for the respondent to establish a defence sufficient to prevent the grant of such an injunction.⁶⁹

It is also a settled law that the Courts will refuse to grant injunction and at any rate interim injunction, when the patent in question is a new one, the validity of which has not been established in any legal proceedings and the validity whereof is under serious dispute or challenge. When the patent which is sought to be enforced is a recent one, an interlocutory injunction should not be granted.⁷⁰

⁶⁶ Law relating to Intellectual Property- Dr. B.L Wadehra

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ Ibid.

⁷⁰ Ibid.

The Supreme Court, in the case of *Morgan Stanlex Mutual Fund vs Kartik Das* (1994) 4 SCC 225, laid the following principles: (a) whether the refusal of injunction would involve greater injustice than the grant of it would involve. (b) The Court would expect a party applying for injunction to show utmost good faith in making the application. (c) The general principles like prima facie case, balance of convenience and irreparable loss would also be considered by the Court.⁷¹

B. Final Injunction-

Such injunction is granted at the termination of the trial. The time for which the final injunction is in force is the remaining term of the patent at the time of grant of final injunction.⁷²

DAMAGES OR ACCOUNT OF PROFITS

A successful plaintiff in a suit for infringement is entitled to the relief of damages or account of profits. However both reliefs cannot be granted together. There are certain cases when damages or account of profits cannot be granted.⁷³

In a suit for infringement of a patent, damages or an account of profits shall not be granted against the defendant who proves the infringement was innocent and that at the date of the infringement the defendant had no reasonable grounds for believing that the patent existed.⁷⁴

⁷¹ Law relating to Intellectual Property- Dr. B.L Wadehra

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Law of Intellectual Property- Dr. S.R. Myneni

In a suit for infringement of a patent, the Court may refuse to grant any damages or an account of profits if the infringement was committed after the failure to pay renewal fee within the prescribed time and before any extension of the period.⁷⁵

Where the specification has been amended and the infringement was committed before the date of such amendment, the plaintiff may be entitled to damages or account of profits in such a case if it is established by him that the original specification had been framed in good faith and with reasonable skill and knowledge.⁷⁶

The damages are awarded to compensate for the loss or injury suffered by the plaintiff due to the action of the defendant.⁷⁷

Section 108 provides that the Court may either award damages or account of profits but both of them cannot be claimed together. The plaintiff has to prefer either of the two. The account of profits are determined on the basis of actual use of the patentee's invention by the infringer during the period of commission of the act of infringement. Account of profits is the part of profits which can be attributed to the use of the patentee's invention by the infringer.⁷⁸

⁷⁵ Law of Intellectual Property- Dr. S.R. Myneni

⁷⁶ Law relating to Intellectual Property- Dr. B.L Wadehra

⁷⁷ Ibid.

⁷⁸ Ibid.

Chapter 6- PENALTIES-

CONTRAVENTION OF SECRECY PROVISIONS RELATING TO CERTAIN INVENTIONS-

If any person fails to comply with any secrecy provisions under section 35 or makes or causes to be made an application for the grant of a patent in contravention of section 39 direction given by the Controller prohibiting the public or communication of information relating to inventions relevant for defence purposes, he shall be punishable with imprisonment for a term which may extend to two years, or with fine or both.⁷⁹

FALSIFICATION OF ENTRIES IN REGISTER-

If any person makes a false entry in any register kept under this Act, or a writing falsely purporting to be a copy of an entry in such a register, or produces or tenders, or causes to be produced or tendered, in evidence any such writing knowing the entry or writing to be false, he shall be punishable with imprisonment for a term which may extend to two years, or with fine or with both.⁸⁰

UNAUTHORISED CLAIM OF PATENT RIGHTS-

If any person falsely represents that any article sold by him is patented in India or is the subject of an application for a patent in India, he shall be punishable with fine which may extend to one lakh rupees.⁸¹

WRONGFUL USE OF WORDS 'PATENT OFFICE'-

Any person who represents the place of his business is having any connection with the Patent Office or his place of business is officially connected with the Patent Office,

⁷⁹ Law of Intellectual Property- Dr. S.R. Myneni

⁸⁰ Ibid.

⁸¹ Ibid.

shall be liable to punishment with imprisonment upto six months or with fine or with both.⁸²

REFUSAL OR FAILURE TO SUPPLY INFORMATION-

If any person refuses or fails to furnish the required information to the Central Government and to the Controller he shall be punished with fine which may extend to ten lakh rupees. If any person furnishes information or statement which is false, he shall be punishable with imprisonment which may extend to six months, or with fine, or with both.⁸³

OFFENCES BY COMPANIES-

If the person committing an offence under this Act is a company, the company as well as every person in charge of the company for the conduct of its business at the time of the commission of the offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly. Where an offence has been committed by a company and it is proved that the offence has been committed with the consent of or that the commission of the offence is attributable to any neglect on the part of any director, manager, secretary or other officer shall also be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.⁸⁴

⁸² Law of Intellectual Property- Dr. S.R. Myneni

⁸³ Ibid.

⁸⁴ Ibid.

Chapter 7- CONCLUSION-

A patent when granted confers on the patentee the exclusive right to use the invention during the term of the patent, or as long as it is in force, on payment of the renewal fee from time to time. Patents have assumed an international character. A Patent being a form of industrial or intellectual property, it is imperative that it is recognized by law.

The Patent law recognizes the exclusive right of a patentee of an invention to gain commercial advantage out such invention in order to encourage the inventors to invest their skill, labour and expense, knowing that their inventions would be protected by the law and no other person would be able to copy their inventions for certain period during which the respective inventor would have exclusive rights over his invention. In the absence of a law protecting inventions from copying, there would not be myriads of products available in the markets world over. Technological development would obviously come to a standstill as no inventors would want to invest their time, labour, skill and money in products they know could be copied by some other persons at a later stage.

The fact cannot be ignored that a patent aims at encouraging and developing new technology and industry. An inventor has exclusive right to keep it secretly. He may disclose the new invention only if he is rewarded. The patent is granted for a statutory period and after the expiry of monopoly period others can use the invention or improve upon it.

Rights of the patent holder are exclusive rights which extend not just to making but also using, selling or distributing the articles manufactured in accordance with the patent or manufactured in accordance with the patented process. Whenever the monopoly rights of the patentee are violated, his rights are protected by the Act through the intervention of the courts of law whereby the patentee has to institute a suit for infringement.

The patentee can seek relief from the Court. The reliefs which a Court may grant in any suit for infringement include an injunction or damages or an account of profits. So in a way it can be said that a patentee's rights are protected by the Courts and this is in the best interest of the society as a whole.

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