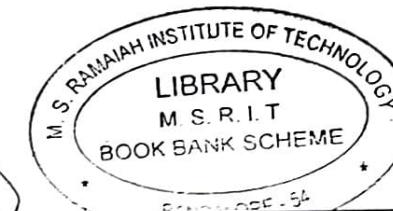


The amendments to the specification cannot be sought by the applicant or any person other than the applicant as a matter of right. The Controller, in case amendment is sought prior to the grant of the patent, and the High Court after such grant on revocation proceedings initiated before it, may grant the amendment in full or in part in exercise of their judicial discretion.



5

Rights conferred on a Patentee

The purpose of applying for a patent is to seek an exclusive right to use the invention: the right to manufacture the invented product and market it. The patent secures the exclusive right over the invention. In case an inventor does not apply for a patent, he would still retain the right to manufacture and market his invented product but he cannot exclude others from producing the same product and marketing it. Everybody else also has an equal right to make, use and market such invention.

An inventor can exclude others from exercising such rights only when he files application for a patent and a patent is granted to him after all the statutory procedural formalities are fulfilled.

An employee can be prevented from using the invention of the employer, which is not patented, by initiating the procedure of breach of confidence or fraud, by the employer against such employee.

Rights conferred on a patentee under the Act are:

- (i) to exploit the patent,
- (ii) to licence the patent to another,
- (iii) to assign the patent to another,
- (iv) to surrender the patent,
- (v) to sue for the infringement of the patent.

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PATENT RIGHTS ARE CONDITIONAL

All the rights granted to a patentee are conditional. They are subject to the conditions imposed under section 47 of the Act. Such conditions are:

- (1) Manufacture or import of the patented invention may be made by the Government for the purpose of its own use. For instance, manufacture of a drug by a patented process by the Government for distribution in Army Hospitals.
- (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 patented process/product may be used for the purpose of experiment or research or imparting of knowledge to pupils. For instance, use of a patented invention in Bhabha Atomic Research Centre

for teaching chemistry of nuclear fission to a class of apprentices in the said Research Centre.

- (4) In 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.

RIGHTS OF PATENTEES

Section 48 of the Act provides as under:

- Subject to the other provisions contained in this Act, a patent granted under this Act shall confer upon the patentee:
- the exclusive right, where the subject-matter of the patent is a product, to prevent third parties, who do not have his consent, from the act of making, using, offering for sale, selling or importing for those purposes that product in India, and
 - where the subject-matter of patent is a process, the exclusive right to prevent third parties, who do not have his consent, from the act of using that process, and from the act of using offering for sale, selling or importing for those purposes the product obtained directly by that process in India

The right to exploit the patent

Section 48 confers the right to exploit the patent on the patentee or his licensee or his assignee or his agent when such a right is exercised within the conditions imposed by section 47 of the Act.

The term of every patent granted, after the commencement of the Patents (Amendment) Act, 2002 and the term of every patent which has not expired and has not ceased to have effect, on the date of such commencement, shall be 20 years from the date of filing of an application for patent.

The explanation added to section 53 by the Patents (Amendment) Act, 2005 states that in case of international application filed under Patent Co-operation Treaty designating India, the term shall be 20 years from the international filing date accorded under Patent Co-operation Treaty.

A patent shall cease to have effect therein on the expiration of the period prescribed for the payment of the renewal fee. On cessation of Patent right due to non-payment of renewal fee or on expiry of the term of patent, subject-matter covered by said patent shall not be entitled to any protection.

Right to licence

Section 70 of the Act confers, *inter alia*, the right on a grantee or proprietor of a patent to grant licence(s). For instance, a patentee of invention of new sound system has a right to license his right to another party to make and sell the system in a particular territory.

Right to assign

Section 70 also confers on the patentee the right to fully or partially assign his patent to another or others.

Such assignment and licensing should always be in writing in express agreements. Such agreement should be registered to avoid litigation later.

The right to surrender the patent

A patentee is not under an obligation to maintain his monopoly right on the patent for the entire term of the patent. He may surrender the patent any time.

Section 63 provides that a patentee may, at any time by giving notice to the Controller, offer to surrender his patent. The Controller, before accepting the offer of surrender, publishes the offer in India to give opportunity to the parties having any interest, for instance licensees, to oppose the offer of surrender.

Right to sue for infringement

The exclusive right conferred by a patent can be meaningful and lasting only when the statute confers a right on the patentee to take legal action for protection of his patent rights. Patentee, his assignee, licensee or agent has the right to institute a civil suit in a court not lower than the District Court in case of any infringement.

EXCEPTIONS AND LIMITATIONS

The Act confers on the patentee certain exclusive rights. However, the Act provides certain limitations on the exercise of such rights.

These are:—

- Government use of patent.
- Compulsory licences and licences of rights.
- Use of inventions for defence purposes.
- Revocation for non-working of patents.
- Limitation on restored patents.

These limitations are being discussed below in some details:

Power of the Central Government to use invention for purposes of Government

Section 99 of the Act defines the meaning of the "use of invention for purposes of Government".

Section 100 of the Act provides that at any time after the application for a patent had been filed at the Patent Office or patent has been granted, the Central Government may use the invention for Government purposes.

In case of such use of invention made by the Government before the priority date of the relevant claim of the complete specification filed by the applicant for grant of patent, if there has been a due record of such invention in a Government document or tests or trials have been performed by Government otherwise than in consequence of the communication of invention by the patentee, the Government would be entitled to make use of such invention without payment of royalty or other remuneration to the applicant.

If, however, the invention has been made use of by Government without the same invention having come on Government record or been tried or tested, the Government would be liable to pay to the patentee mutually agreed

compensation and if mutual agreement is not arrived at, the compensation payable to the patentee will be determined by the High Court on a reference made to it under section 103 of the Act.

However, if the patented product involved is a medicine or a drug or an article of food, the royalty and other remuneration payable to the patentee shall not exceed 4% of the net ex-factory sale price in bulk of the patented article.

Where the Government had made use of the invention in any of the above situations, it shall notify the patentee providing him with information regarding the use of invention.

The right to make use by Government of such invention shall include the right to sell the goods made in exercise of such right of the Government.

In case the patentee has already granted exclusive licence of the patent or has assigned the patent on payment of royalty and other benefits, the Government would give notice to such exclusive licensee or assignor also.

Acquisition of invention and patent by the Central Government

Section 102 lays down that the Central Government on being satisfied that it is necessary that an invention mentioned in an application for a patent or in any already granted patent, should be acquired for public purpose, it would publish a notification to that effect in the Official Gazette. Upon such publication, the invention or the patent and all the rights in respect of the same shall stand transferred and be vested in the Central Government.

Notice of acquisition shall be given by Government to the applicant, and, where a patent has been granted, to the patentee and other persons having interest in the patent.

The applicant or the patentee in such a case, shall be paid compensation, as may be agreed upon between the Central Government and the applicant or the patentee. If no such agreement is arrived at, the compensation will be determined by the High Court on a reference made to it under section 103 of the Act.

Government use of invention without payment of royalty

Without prejudice to what has been indicated above regarding the payment of royalty by the Government to the applicant or the patentee, the Government can use a patented invention without payment of royalty in the following situations:

- (1) When the Government imports or makes or uses any machine, apparatus, or article or any process involved in using or distributing any medicine or drug. [section 99(3)]
- (2) When an invention has been used by the Government before the priority date of the relevant claim of complete specification filed by an inventor before the Controller, if the same invention had been duly recorded in a Government document or had been tested or tried by the Government otherwise than in consequence of communication of the invention by the patentee to the Controller. [section 100(2)]
- (3) When any machine, apparatus or any article in respect of which patent had been granted and the Government makes use of such patent, to

Rights Conferred on a Patentee

make or import such article for the mere purpose of its own use. [section 47(1)]

- (4) When any process in respect of which patent had been granted, is used by Government for the mere purpose of its own use. [section 47(2)]

In all other situations, for use of a patent by the Government either after the complete specification had been filed or after the patent had been granted, the Government would have to pay royalty either as mutually agreed by the Government and patentee or in the absence of such agreement, as may be determined by the High Court on a reference made to it under section 103.

Compulsory licences

Section 84 of the Act stipulates that at any time after the expiration of three years from the date of grant of patent, any interested person may make an application to the Controller for grant of compulsory licence on patent on any of the following grounds:

1. that the reasonable requirements of the public with respect to the patented invention have not been satisfied, or
2. that the patented invention is not available to the public at reasonably affordable price, or
3. that the patented invention is not worked in the territory of India.

Apart from the right to use the patented invention in accordance with the terms and conditions of the licence, the licensee can also institute proceedings against infringements.

The reasonable requirements of the public have not been satisfied—

- (a) As a result of the refusal of the patentee to grant licences on reasonable terms—
 - (i) an existing trade or industry or its development is prejudiced; or
 - (ii) the establishment of any new trade or industry in India is prejudiced; or
 - (iii) the trade or industry of any person or classes of persons trading or manufacturing in India is prejudiced; or
 - (iv) the demand for the patented article is not being met to an adequate extent or on reasonable terms from manufacture in India; or
 - (v) a market for the export of the patented article manufactured in India is not being supplied or developed; or
 - (vi) the establishment or development of commercial activities in India is prejudiced.
- (b) By reason of the conditions imposed by the patentee upon the grant of licences, or upon the purchase, hire or use of the patented article or process, the manufacture, use or sale of materials not protected by the patent, or the establishment or development of any trade or industry in India is prejudiced; or
- (c) The patented invention is not being worked in India on a commercial scale to an adequate extent, or to the fullest extent that is reasonably practicable; or

- (d) The demand for the patented article in India is being met to a substantial extent by import from abroad either by the patentee or by persons claiming under him or by infringers.

Section 90 lays down:

The terms and conditions of a compulsory licence should conform to the following requirements:

- (1) that the royalty to be paid is reasonable, having regard to the nature of the invention, the expenditure incurred by the patentee in making or developing the invention and in obtaining a patent and keeping it in force and other relevant factors;
- (2) that the patented invention is worked to the fullest extent by the licensee with reasonable profit;
- (3) that the patented article is made available to the public at a reasonable price;
- (4) that the licence granted is a non-exclusive licence;
- (5) that the right of the licensee is non-assignable;
- (6) that the licence is for the balance term of the patent unless a shorter term is consistent with public interest.
- (7) that the licence is granted with a predominant purpose of supply in the Indian Market and that the licensee may also export the patented product, if need be in accordance with section 84(7)(a)(iii).
- (8) that in case of semi-conductor technology, the licence granted is to work the invention for public non-commercial use.
- (9) that in case the licence is granted to remedy a practice determined after judicial or administrative process to be anti-competitive, the licensee shall be permitted to export the patented product, if need be.

Use of the invention for defence purposes

Where the Controller finds that an application made before him for a patent belongs to a class notified to him by the Central Government as relevant for defence purposes or even otherwise, the invention appears to the Controller to be of such relevance, he may give direction prohibiting or restricting the publication of such information. The Controller will notify the claim for issue of such direction by him. The Central Government thereupon may give notice to the Controller to the effect that invention in question would be prejudicial to the Defence of India, whereupon the Controller would revoke the direction about prohibition or restriction mentioned above.

Where, however, the Central Government formulates opinion that the invention in question is relevant for defence purposes, it will notify to the Controller accordingly before acceptance of complete specification by the Controller. Thereupon, the direction prohibiting or restricting publication of information would continue to be in force.

During the continuance in force of the direction of prohibition or restriction above mentioned, the Government may purchase the invention and in a case where the Central Government finds that the applicant for the patent has suffered hardship, it may pay the said applicant by way of solatium.

All orders passed by the Controller or the Central Government containing direction about secrecy and all other orders relating thereto, shall be treated as final and shall not be called in question in any court on any ground whatsoever.

HOW THE RIGHTS OF A PATENTEE ARE ENFORCED ?

The question of enforcement arises after the rights have been given to a person and there has been infringement of such rights.

The rights of a patentee can be enforced by:-

- (a) a suit for infringement of a patent,
- (b) an action for specific performance of a contract, e.g., a contract between a patentee and a licensee,
- (c) an action for recovery of royalties.

DUTIES OF A PATENTEE

The patentee is duty-bound to ensure that the monopoly right created by a patent is not used unfairly and does not act prejudicial to the public interest. The responsibility of the patentee to work the patent in India in such a manner is that the reasonable requirements of the public with respect to patented invention are satisfied and the patented product is available in the market in appropriate quantity and reasonable price.

The failure of the patentee to discharge his duties would result in denial of patent rights by Government granting compulsory licences or licences of rights on the patent.

Section 122 of the Act provides that refusal or failure to furnish any information to the Central Government or the Controller shall be punishable with fine which may extend to ten lakh rupees.

An over zealous patentee who threatens another by making unjustifiable threats of an action for infringement is restrained from doing so. The Court, under provisions of section 106, may grant relief in cases of groundless threats of infringement proceedings to such a threatened party.

6

Transfer of Patent

A patent is a transferable property. It can be transferred from the original patentee to any other person by assignment by the patentee or by operation of law, for example, devolution of the right on legal heirs. Transfer of a patent can also occur by grant of licence by the patentee to another person to work the patented invention.

Where there are two or more co-owners of a patent, one single co-owner cannot assign or license the patent, except with the consent of the other co-owner.

FORMS OF TRANSFER OF PATENT RIGHTS

The patentee is authorised to assign, grant licence(s) or otherwise deal with the patent for a consideration.

The transfer of patent rights are generally in the following forms:-

- (1) Assignment.
- (2) Licence.
- (3) Transmission of patent by operation of law.

ASSIGNMENT

Assignment, as defined in Black's Law Dictionary, means the transfer by a party of all of its rights or interest in the property.

In case of intangible property like a patent, the transfer is made through an agreement to this effect.

The difference between assignment and licence

A licence merely confers a personal privilege to do some particular act(s) which the licensee can perform. There is no transfer of interest in licence. On the contrary, assignment means the transfer of interest in the patent: whole or in part of the patent rights, e.g., for the whole of India or a part thereof.

Assignee

The person in whose favour a right has been assigned is the assignee and the person who assigns the right (patentee himself or his agent) is the assignor. In case an assignment has been made in favour of a person who has since died, the term assignee would denote the legal representative, that is the person who in law represents the estate of the deceased person. Where assignment is made in favour of two or more persons, they become owners of such interest in the patent

Transfer of Patent

Kinds of assignment

There can be three kinds of assignments:-

- (i) Legal assignment.
- (ii) Equitable assignment.
- (iii) Mortgage.

Legal assignment

An assignment of an existing patent through an agreement which has been duly registered is a legal assignment. A legal assignee has the right to have his name entered in the Register of patents maintained in the Controller's Office as proprietor of the patent and can thereafter exercise all the rights conferred on him by the proprietor of patent.

For instance, a patentee A in respect of a machine useful in the automobile industry assigns his right in the patent to B through an agreement which is written and duly registered in the Patent Office. Thereupon, B becomes the proprietor of the patent.

Equitable assignment

Any document such as letter but not being an agreement, which is duly registered with the Controller in which patentee agrees to give another person certain defined right in the patent with immediate effect, is an equitable assignment. An assignee in such a case cannot have his name entered in the Register as the proprietor of patent. He can only have a notice of his interest entered in the register. He can convert the equitable assignment to legal assignment by getting a written agreement to this effect and having it duly registered.

For instance, a patentee D writes a letter to E whereby he assigns to E the right to make and sell the invention within the territory of Delhi. D has transferred his proprietary right through equitable assignment to E to the extent mentioned in his letter.

Mortgage

A mortgage is also a form of assignment. A mortgage is a document transferring the patent rights either wholly or partly to the mortgagee with a view to secure the payment of a specified sum of money. The mortgagor (patentee) is entitled to have the patent re-transferred to him on refund of the money to the mortgagee. The mortgagee (a person in whose favour a mortgage is made) is not entitled to have his name entered in the Register as the proprietor, but he can get his name entered in the Register as a mortgagee.

Conditions to create a valid assignment

The creation of any interest in the patent has to satisfy the following conditions:-

- (1) The assignment is reduced to writing in a document containing all the terms and conditions governing the rights and obligations between the parties.

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4 feet)

(2) The written agreement is duly registered under the provisions of Indian Patents Act.

Section 68 provides that the assignment of a patent shall be valid only if the assignment is in writing and the agreement of assigning is reduced to the form of a document which embodies all the terms and conditions governing the rights and obligations of the parties, and the application for registration of such deed of assignment is filed with the Controller within six months of the execution of such document; *National Research Development Corporation of India, New Delhi v. Delhi Cloth and General Mills Co. Ltd.*, AIR 1980 Del 132.

LICENCE

A patentee can transfer a right by a licence agreement permitting a licensee to make, use or exercise the invention.

License agreement contains all the terms and conditions of licensing between the licensor and the licensee.

The kinds of licence

The different kinds of licences are—

(1) Voluntary Licence

Voluntary licence is a written authority granted by the owner of the patent to another person(s) empowering the latter to make, use, sell the patented article in the manner and on terms and conditions provided in the licence. The terms and conditions are settled between the patentee and the licensee. Controller or Government have no role in the matter of grant of licence. So it is termed as voluntary licence.

(2) Statutory Licence

Examples of statutory licensing in patents are 'compulsory licences' and 'licences of right'.

In statutory licensing, the Controller and the Central Government play an important role. The circumstances of grant of such licences, their terms and conditions do not depend upon the will of the parties as is the case in grant of voluntary licences.

(3) Exclusive/limited licence

Depending upon the degree and extent of rights conferred on the licensee, a licence may be exclusive or non-exclusive limited licence.

An exclusive licence confers all exclusive rights, (to make, distribute or sell) on the licensee excluding all other persons. For example, A, a patentee in India grants a licence to B to exploit the invention in India. A does not confer any other person such right. B gets an exclusive licence in the patent.

A limited licence imposes certain limitations on the right of the licensee. The limitations may relate to persons, time, place of manufacture, use or sale. For example, A grants a licence to B to manufacture the patented article, and gives C the licence to sell it in the territory of Uttar Pradesh only. Both B and C get limited licences.

(4) Express/implied

An express licence is the one in which the permission to use the patent is given in express terms. For example, "I, the patentee of authorises X to" would constitute a clause in an express licence. It is not valid unless it is written in a document embodying the terms and conditions of the licence and the document is registered with the Patent Office.

In an implied licence, the permission is not given in express terms in writing but it is implied from the circumstances. For example, where a person buys a patented article either directly or indirectly from the patentee or his licensee, there is an implied licence to the buyer to use the article in any way or to resell it.

Rights conferred on a licensee

A licence, which is valid and registered, confers certain rights on the licensee to make, use or exercise the patented invention. Subject to any valid conditions or limitations imposed on a licence, a licensee will have the right to initiate proceedings against infringement of the rights accruing to him under the licence, if he holds exclusive licence. If his licence is non-exclusive, the infringement proceedings can be instituted by the patentee or the licensee if the terms of agreement of licence contain such clause authorising the licensee to institute such proceedings.

TRANSMISSION OF PATENT BY OPERATION OF LAW

When a patentee dies, his interest in the patent passes to his legal representative. A patent also can be acquired by the Government under the Act when reasonable requirements of public have not been met.

Registration of assignment/licence is essential

The Act provides that an assignment or licence of a patent can be valid only when it is in writing and registered with the Controller of Patents.

However, the Controller or the High Court, during proceedings before either of them, have the discretion to accept or reject the unregistered documents of transfer of patent rights as evidence of the title of any person in the patent or any interest therein.

The registration of the transfer of right in a patent is, therefore, preferable since the holder of a title in a document which is registered, is entitled to sue for infringement. In case the document is not registered, the assignee or licensee has to first prove his title, only then would he be entitled to sue for infringement.

CERTAIN RESTRICTIVE CONDITIONS TO BE AVOIDED

Patentees are allowed the liberty to impose certain restraints on the licensees. For instance, a patentee may restrain the licensee from selling the patented article in a particular territory or not to seek items manufactured by patentee's competitors. However, the patentee cannot impose such restrictions on the licensees which are against public interest.

The restrictive conditions which cannot be imposed on a licensee in any contract for sale or lease of patented articles or licence to manufacture or use such

articles or licence to work any patented process are provided in section 140 of the Act as below:

- (i) to require the licensee to acquire from the licensor or the patentee or to prohibit him from acquiring any article other than the patented article or the article made by the patented process.
- (ii) to prohibit the licensee or to restrict him to use an article other than the patented article or the article made by the patented process which is not supplied by the licensor.
- (iii) to prohibit the licensee or to restrict him to use any process other than the patented process.
- (iv) to provide exclusive grant back, preventing the challenges to validity of patent and coercive package licensing.

Any such condition laid down by the patentee on a licensee shall be void.

When a restrictive condition can be imposed :

A patentee who has licensed a wholesaler or retailer to sell the patented article may prohibit them from selling his competitor's goods. He can also insist that the spare parts required for repairing the patented article leased or licensed should be purchased from him only. This is a reasonable requirement to preserve the reputation and quality of the patented article and is, as such, permissible.

Revocation and Surrender of Patents

PROTECTION OF SECURITY OF INDIA

Section 157A inserted by the Patents Amendment Act, 1999 and substituted by the Patents (Amendment) Act, 2002 lays down that the Central Government shall not disclose any information relating to any patentable invention or any application relating to the grant of patent under this Act when it considers the same to be prejudicial to the interests of security of India. The Central Government has also been given the authority by this new section to take any action, including the revocation of any patent, which the Government considers necessary in the interest of security of India.

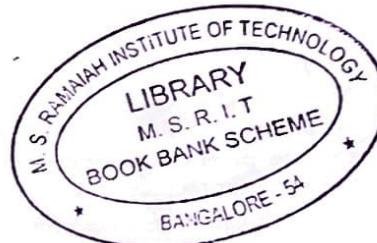
However, the expression 'security of India' includes any action necessary for the security of India which—

1. relates to fissionable materials or the materials from which they are desired,
2. relates to the traffic in arms, ammunition and implements of war, to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a Military establishment,
3. is taken in time of war or other emergency in international relations.

However, before taking any such action the Government has to issue a notification in its Official Gazette declaring its intention to take such action.

The Patents Act, 1970, provides various grounds for, and modes of revocation of, a patent. They are—

- (1) Where the patent or the mode in which it is exercised is mischievous to the State or generally prejudicial to the public, it may be revoked under section 66. Before revocation the patentee will be given an opportunity of being heard.
- (2) Where at any time after the grant of a patent, the Central Government is satisfied that a patent is for an invention relating to atomic energy, for which no patent can be granted under section 20 of the Atomic Energy Act, 1962, it may direct the Controller to revoke the patent, after giving a notice to the patentee. (section 65)
- (3) Where a compulsory licence has been granted and the reasonable requirements of public in respect of the patented invention have not been satisfied or the patented invention is not available to the public at a reasonable price, the Controller may revoke the patent under section 89.



- (4) The Central Government may petition the High Court to revoke a patent on the ground that the patentee has failed to comply with its request to use the patented invention for purpose of Government on reasonable terms under section 64(4).
- (5) A patent can be revoked by the High Court on petition by an interested person on any of the grounds stated under section 64(1).

Revocation of the Patent

The patent may be revoked by the High Court on a petition of any interested person or of the Central Government or on a counter-claim in a suit for infringement of the patent on the grounds:

- (a) that the invention claimed in any claim of complete specification, was already claimed in a valid claim of the earlier priority date contained in complete specification of another patent granted in India.
- (b) that the patent was granted on an application of the person not entitled to apply for the patent.
- (c) that the patent was obtained wrongfully in contravention of the rights of the petitioner.
- (d) that the claim of the complete specification is not an invention within the meaning of the Act.
- (e) that the invention, as claimed, is not new having regard to what was publicly known or used in India or elsewhere before the expiry date of the claim.
- (f) that the invention is obvious or does not involve any inventive step.
- (g) that the invention is not useful.
- (h) that the complete specification does not sufficiently and fairly describe the invention and the method by which it is to be performed.
- (i) that the scope of the claim of the complete specification is not sufficiently and clearly defined or is not fairly based on the matter disclosed in the specification.
- (j) that the patent was obtained on a false suggestion or representation.
- (k) that the subject of the claim is not patentable under the Act.
- (l) that the invention claim was secretly used in India.
- (m) that the claimed invention failed to disclose the requisite information and undertaking regarding the foreign application.
- (n) that the applicant has contravened any direction for secrecy passed by Controller or the Central Government.
- (o) that the leave to amend the complete specification was obtained by fraud.
- (p) that the complete specification does not disclose or wrongly mentions the source of geographical origin of biological material used for the invention.
- (q) that the invention so far as claimed in any claim of the complete specification was anticipated having regard to the knowledge, oral or

otherwise, available within any local or indigenous community in India or elsewhere.

Lapsing of patent for non-payment of renewal fee

Section 53(2) lays down that patent shall cease to have effect if the renewal fee is not paid within the period prescribed or the extended period.

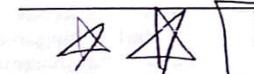
Surrender of Patents

A patentee may at any time offer to surrender his patent, by giving notice in the prescribed manner to the Controller. When such notice is received, the Controller will publish the offer in the prescribed manner and also notify every person whose name appears in the register as having an interest in the patent. Any person interested may, within the time prescribed after publication, give notice to the Controller of opposition to the surrender. The Controller will notify the patentee of such notice. After hearing the parties, if so desired by the parties, the controller may accept the offer and revoke the patent if he is satisfied that the patent may be properly surrendered. The aggrieved party may appeal against the decision of the Controller.

The procedure for surrendering a patent is contained in section 63.

Limitation on restored patents

Section 62 of the Act provides that on a patent which has once lapsed due to non-renewal for non-payment of renewal fee, certain limitations are imposed on the rights of the patentee when the same is restored. The Controller may impose conditions for protection or compensation of persons who may have begun to make use of the invention or avail themselves of the invention during the period when the patent was not effective due to such lapse. In such a case, the patentee loses his right to sue for infringement of a patent committed by another person between the date on which the patent ceases to have effect and the date of the publication of the application for restoration of patent.



A patent confers the right to exclude others from making, using, offering for sale, or selling the invention in India. Any person who infringes a patent in India without the permission of the patentee commits an offence. A patentee may transfer all or part of the rights so transferred to another person, either by assignment or by licence.

In case of a product patent, the patentee has the exclusive right to make, use, sell, offer for sale, or import the product. Any person who makes or supplies the product or uses such a method amounts to infringement.

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

- (i) the extent of the infringement interpreted from the point of view of the patentee.
- (ii) whether he is in a position to make, distribute or sell the product.



CONSTRUCTIVE INFRINGEMENT
The construction of a claim is important to determine whether or not an infringer has infringed the claim. If the rights conferred by a claim are infringed, then the claim is said to be infringed. Infringement of a product patent means that the accused product contains all the essential integer of the claim. If any feature is omitted or substituted by the accused product, then the accused product has several essential features which are not present in the claim. An infringer can take advantage of these features. That would not amount to infringement.

When a particular claim is infringed, the entire family of claims is also infringed. Invention, use of any other product or process amounts to infringement.

In the case of Richardson v. Kao, the court held that a product can be used in manufacturing without infringing the patent.

indigenous community in India

fee
to have effect if the renewal fee
ended period.

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Infringement of Patents

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 these rights is violated. A patentee may assign or 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 patent.

In case of a product patent, the 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.

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

- 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.
- whether he is infringing any of the monopoly rights of the patentee to make, distribute or sell the invention.

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 integer 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 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.

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.

In the case of *Richardson v. Castrey*, 4 RPC 265, the patentee of an apparatus to be used in manufacturing wine glass brought out an action for infringement of

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

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

What can amount to infringement

- The colourable imitation of an invention
- Immaterial variations in the invention.
- Mechanical equivalents.
- Taking essential features of the invention.

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

A colourable 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.

Infringement to be decided on the facts of each case

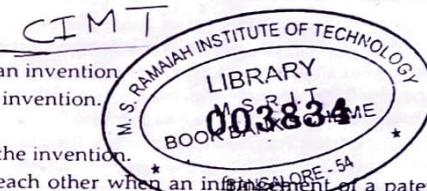
Since patented inventions involve complicated scientific principles and mechanisms, there can be no generalised formula as to the act(s) which would constitute infringement. Whether there is an infringement or not, would depend upon the facts of each case. This is so because the determination of the 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.

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. 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.

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

When a patentee describes his invention in the claim by reference to a specified number of integers, say, six integers and one of such integers was not the essence of the invention, a person who takes five of such integers and adds one of his own to replace the non-essential one would be guilty of infringement.

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 so done, 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.

PATENT LAW AND THE COURT

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.

PATENTS HELD TO BE INFRINGED

Colourable imitation—Process of distilling oil

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 the *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, the Lord Ordinary decided, in favour of the defenders, that these retorts did not infringe the plaintiff's patents. The pursuers appealed. Held, on appeal, by a majority of the Inner House (The Lord Justice Clerk dissenting), that the decision of the Lord Ordinary was right. The pursuers appealed to the House of Lords. 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 that the defender's retorts were an infringement of the process and a colourable imitation of the patented methods. Appeal was allowed with costs; *Young & Beilby v. Hermand Oil Coy.*, 9 RPC 373.

Invention

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

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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 removable 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 inasmuch 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; interdict as granted accordingly; *Macdonald v. Fraser*, 10 RPC 386 (390).

Patent for a combination

The owners of a patent for an improved lamp brought an action for 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 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. 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 plaintiff's 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; *Denham Gas Coy. v. Champion Gas Lamp Co.*, 8 RPC 313.

Patent for a combination with immaterial variations

P brought an action for infringement of a patent for a combination. The defendants alleged that the articles complained of were not copies of the patented article. They also, by their defence, set up the invalidity of the patent, and by their particulars of objections raised objections, to the title of the invention, and the sufficiency of the specification, but did not allege that the invention was not novel, or that the patentees were not the true and first inventors. The plaintiff also claimed for infringement of Trade Mark, and the defendants counter-claimed for damages for threats, but those parts of the case were abandoned. Defendant's counsel sought to put in cross-examination certain specifications in proof of common knowledge prior to the date of the patent. This being objected to and the objection being sustained, he asked leave to amend the particulars of objections by including the specifications, which was refused. Held

that the defendant's injunction was granted, validity of the patent issues disposed of by the

Mechanical combination

The plaintiffs were lights' having for its obj inclined direction into moulded so as to consis used lights of glass mou had infringed the plaint

Immaterial variation: D

The plaintiffs in the action for telephonic purposes regulators operating in an alleged to be an infringement mouthpiece and a ball metallic conductor so as denied the alleged infringement contain either of the elements in a closed circuit. Held: meaning of the specific language regulators covered by the claim operate in a closed circuit in the usual form, including the patent had already been issued. *United Telephone Coy. v. S.*

Immaterial variations—I

The plaintiffs, as beneficiaries, were shaping the heads of both patented inventions on plaintiff's use, without payment of fees. The plaintiffs brought an action against defendant R, using such tool, except that it was derived by him from making arrangements with the defendant. It was arranged that the Judge would decide the case in the affirmative, the plaintiffs contended that the difference relied upon between the two tools and the patented tool was sufficient to constitute infringement of the patent. In view of this being the case, a judgment was given in favor of the plaintiffs. *Patents Coy. v. Rylands*, 2 R. 179.

that the defendant's articles were infringements of the plaintiff's patent, and an injunction was granted with damages, and a certificate was given that the validity of the patent came in issue. The plaintiff was awarded the costs of the issues disposed of by the Court; *Peckover v. Rowland & Coy.*, 10 RPC 118.

Mechanical combinations—Immaterial variations

The plaintiffs were the owners of a patent for 'Improvements 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. Held that the defendants used lights of glass moulded so as to consist of a curve. Held that the defendants had infringed the plaintiffs' patent; *Hayward v. Pavement Light Coy.*, 1 RPC 207.

Immaterial variation: Defendant's instruments held to infringe plaintiffs'

The plaintiffs in the action were the owners of a patent claiming a combination for telephonic purposes of a diaphragm or tympanum with electric tension regulators operating in a closed circuit. The defendant's instrument, which was alleged to be an infringement, consisted of a disc of carbonised leather behind a mouthpiece and a ball of carbonised wood suspended by means of a flexible metallic conductor so as to rest lightly by gravity against the disc. The defendant denied the alleged infringement and contended that his instrument did not contain either of the elements of the plaintiffs' combination, and did not operate in a closed circuit. Held: (i) that the defendant's disc was a diaphragm within the meaning of the specification; (ii) that the defendant's disc and ball were tension regulators covered by the specification; (iii) that the defendant's instrument did operate in a closed circuit; (iv) that the plaintiffs were entitled to an injunction in the usual form, including as they were holders of a certificate that the validity of the patent had already come in question, costs as between solicitor and client; *United Telephone Coy. v. St. George*, 3 RPC 321.

Immaterial variations—Defendant's tool substantially the same as plaintiffs'

The plaintiffs, as beneficial owners of a patent for, *inter alia*, 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 the profits derived by him from making bottles with this tool, and for royalties. The parties arranged that the Judge should try the question whether the tool used by the defendant R was an infringement of the plaintiff's patent and that if he found in the affirmative, the plaintiffs should be at liberty to apply for an injunction. 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 the plaintiffs were entitled to succeed; *Useful Patents Coy. v. Rylands*, 2 RPC 255 (*Moore v. Bennett*, 1 RPC 129, distinguished).

PATENTS HELD TO BE NOT INFRINGED

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

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. Held, at the trial of the action by *Kay, J.*, 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 appealed. Held, by the Court of Appeal, that 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 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 levelled off, did not infringe this combination. The appeal was dismissed with costs; *Garrard v. Edge*, 6 RPC 563.

In the Indian context the Patent (Amendment) Act, 2002 inserted section 107A, providing certain acts not to be infringement of patents.

Claim construed to be for particular combination not taken by the defendant

The patentee of an invention of improvements in flats, and in fasteners for securing the card clothing thereon and thereto, brought an action for infringement against defendants, also patentees of inventions for a similar object. The defendants denied infringement and by their pleadings raised the ordinary objections to validity. At the trial, they put forward the common dilemma that they had not infringed, or that the plaintiff's patent was void, but the question of validity was not really gone into. The old method of attaching card clothing to the flat, and of stretching the foundation of the clothing was by drilling holes in the flat, rivetting on the foundation on one side, then stretching the foundation tight by pincers, and rivetting it on the other side when stretched. The disadvantages were, the foundation puckered between the rivets, the holes were numerous, and were expensive to make, the rivets collected dirt, and the edges of the foundation being exposed were frayed. In 1877, the defendants substituted nicks for the holes, and sewed the foundation to the flat by wires. In 1886, they invented a method of fastening by a strip of metal under the heads of the rivets, turning it down over the edge of the foundation. Neither of these inventions were really successful nor practically used. In the plaintiff's invention, dated in 1888, the flat was made with a rib at each side of the under surface. The fasteners on each side consisted of a strip of metal, the top edge made in the form of a three-sided recess or 'C' gripping the foundation, the middle part of the fastener being flat, and the lower part bent round and grasping the rib under the flat. The lower

part was bent round the rib after the 'C' had been fixed, and in the process of fixing the fastener the requisite stretch was given to the foundation. In effect, the plaintiff's fastener formed a continuous clamp of a special form, encasing the edges of the foundation and of the flat. It was successful in getting rid of the old difficulties. In his specification, the plaintiff laid great stress on the grip obtained by the 'C' and also by the lower bent part. The alleged infringement was a third invention of the defendants. Their fastener was formed of continuous clamps, enclosing part of the foundation, the sides of that end of the flat, and was bent under the flat; the upper part had a serrated edge; there was no rib under the flat. One clamp was first fixed on, the foundation was then pushed tight and stretched by a steel comb, and the other clamp fixed on. Held, at the trial, that the plaintiff's invention was a specially contrived clamp, by which stretching was obtained during the course of the fastening, and was essentially an invention of mechanical detail, and that the defendants had not infringed. On appeal to the Court of Appeal, this decision was affirmed. The plaintiff appealed to the House of Lords. Held, that the plaintiff's invention was for a new mechanical mode of obtaining an old result, *viz.*, to fasten the foundation perfectly flat, and with an even stretch on the flat, that in effect the plaintiff had claimed the mode and thing he had described, and had, therefore, included in his invention the merit of stretching by the same operation, that the doctrine of mechanical equivalents did not apply, that though the invention claimed was no doubt useful, ingenious and meritorious, the defendants had not infringed, as their fastener did not grip the edge of the foundation separately, and they did not stretch in the same manner as the plaintiff. Appeal was dismissed; *Tweedale v. Ashworth*, 9 RPC 121.

Claim construed to be for particular combination not infringed by the defendants

The plaintiff obtained a patent for 'Improvements 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 defendants appealed. Held, that the 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. In the court below, numerous issues in addition to that of infringement were found in the plaintiff's favour; but in the Court of Appeal the only question discussed was that of infringement. The action was dismissed with costs; *Boyd v. Horrocks*, 6 RPC 152 (*Curtis v. Platt*, 11 L.T.N.S. 245, followed; *Proctor v. Bennis*, 4 RPC 333, distinguished).

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

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

Infringement of Patents

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 his invention as of making locks without projecting or protruding bolts. The defendant's lock had projecting bolts. Held, at the trial, that the plaintiff's alleged invention was not subject-matter, and that the defendant had not infringed. The plaintiff appealed. Held, by the whole court, that there was no infringement, and by *Kay, L.J.*, that there was no subject-matter. Appeal dismissed; *Tucker v. Kaye*, 8 RPC 230.

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

The patentee of an apparatus to be used in manufacturing wine glass brought an action for infringement of his patent, and by his particulars of breaches alleged that the defendants were using the process described in the specification. The defendants denied infringement, and put in issue the validity of the patent and alleged prior use of the invention by several persons. The Judge at the trial decided to dispose of the evidence of one alleged user before going into the other. Held: (i) that the process described in the particulars of breaches was not that which the plaintiff claimed to have invented; (ii) that, according to the true construction of the specification, the patent was one for a particular combination; (iii) that the defendants had not used this combination, and had not therefore infringed; (iv) that the prior user gone into was proved; (v) that the action must be dismissed with costs; *Richardson v. Castrey*, 4 RPC 265.

Infringement not found

The owners of a patent for 'Improvements in or relating to one-way clutches for velocipedes and other machinery' brought an action for infringement. The claim relied on was for a one-way clutch 'in which the pawls are carried in recesses in the circumference of the inner part and adapted to engage with ratchet teeth in the inner circumference of the outer part and in which the said pawls have their inner ends rounded to engage in rounded seatings—all this was common—and their outer ends acted upon by spiral springs inserted in tangential holes in such a way that the said springs tend both to force the engaging ends of the pawls outwards into engagement with the ratchet and to force each pawl as a whole back against its seating, substantially as set forth'. The defendant relied at the trial on non-infringement. Held, at the trial, that the claim was a very limited one, and that the defendant had not taken the special features of the invention, and had not infringed the patent. The action was dismissed with costs. The plaintiffs appealed to the Court of Appeal. Appeal dismissed with costs; *Riley v. Taylor*, 27 RPC 589 (747).

Patent held to be valid, but not infringed—the doctrine of 'pith and marrow'

In 1928 Letters Patent were granted in respect of 'Improvements in and like devices'. Claim was as follows: 'A ram of the type set forth in which the supporting rod engages with the piston in other than a rigid manner to allow of relative displacement, the distance between both elements when at their limiting positions in the internal combustion engine cylinder away from the ram proper

being equal to the suction stroke of the piston'. In 1935 the plaintiffs commenced an action for infringement of the patent. In the alleged infringement, the working piston was rigidly attached to the supporting rod, but there was a second piston which was attached thereto. The defendants denied infringement and alleged that the patent was invalid by reason of lack of novelty and subject-matter and insufficiency. Held, that the patent was valid, and that in this case the doctrine of "pith and marrow" had no application and that there was no infringement; *Haage v. Pegson Ltd.*, 53 RPC 58.



Action for Infringement

Whenever the monopoly rights of the patentee are violated, his rights are secured again by the Act through judicial intervention. The patentee has to institute a suit for infringement. The reliefs which may be awarded in such a suit are—

- (1) Interlocutory/interim injunction.
- (2) Damages or account of profits.
- (3) Permanent injunction.

WHERE A SUIT IS TO BE INSTITUTED

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 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.

PROCEDURE FOLLOWED IN THE SUIT

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

WHEN CAN A 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—a separate 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 proceeding 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.

When a patent was obtained wrongfully by a person and later granted to the true and first inventor, no suit for infringement can be instituted for any infringement occurring before the period of such grant to the true and first inventor.

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.

WHETHER A NOTICE OF THE SUIT TO BE SERVED ON THE DEFENDANT

The plaintiff (person who makes a plaint, i.e., institutes a suit) is not obliged to give a notice to the defendant (infringer) before instituting a suit. Court will issue a notice.

WHO IS ENTITLED TO SUE

Only the person who has a right in the patent can institute a suit for infringement.

The following persons are entitled to sue:

- (1) The patentee.
- (2) The exclusive licensee if the licence is registered.
- (3) A compulsory licensee when the patentee refuses or neglects to institute proceedings.
- (4) A licensee other than the above two licensees can bring an action for infringement depending upon the terms of the contract between the licensor and licensee.
- (5) Assignee—He 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.
- (6) Co-owners of a patent—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-owner(s) have to be joined as co-plaintiff or co-defendant.

The Patents (Amendment) Act, 2002 inserted section 104A providing the burden of proof in case of suits concerning infringement. In any suit for infringement and in case of patented process for obtaining a product, the court may direct the defendant to prove that his product is different from the patented process. This Amending Act also provides that certain acts are not to be considered as infringement.

PERSONS WHO CAN BE SUED

- (1) Person who infringes the patent that violates the monopoly right of patentee can be sued for infringement.
- (2) When two or more persons have jointly infringed the patent, both of them have to be sued as co-defendants.
- (3) 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.
- (4) The consignees of an infringing article can be made a party to the proceedings in an infringement suit.

ONUS OF ESTABLISHING INFRINGEMENT

The onus is on the plaintiff to establish infringement.

ACTS NOT TO BE CONSIDERED AS INFRINGEMENT

- (1) 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 country other than India, that regulates the manufacture, construction, use, sale or import of any product.
- (2) Importation of patented products by any person from a person who is duly authorised under the law to produce and sell or distribute the product.

DEFENCE WHICH MAY BE SET UP BY THE DEFENDANT

The defendant may set up one or more of the following defences:

- (1) That the plaintiff is not entitled to sue for infringement.
- (2) That there has been no infringement or any threat or intention to infringe.
- (3) That there was leave or 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 as far as claimed was subject-matter of a valid claim of earlier priority date or a prior grant—[section 64(1)(a)],
 - (b) that the patent was granted on the application of a person not entitled to apply—[section 64(1)(b)],
 - (c) that the patent was obtained wrongfully—[section 64(1)(c)],
 - (d) that the subject of any claim of the complete specification is not an invention within the meaning of this Act—[section 64(1)(d)],
 - (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—[section 64(1)(e)].
- (6) At the time of infringement there existed a contract relating to the patent containing a condition which is unlawful under the provisions of section 140.

(7) Act concerning the defence
alleged
renewal
section
However
account

(8) Acts concerning
section
can be

(9) That the
convincing
(10) Counter
Some of these

Plaintiff not entitled

The right to sue a registered as not registered succeed in such to prove that he assignee or an assignee

Denial of infringement

The defendant has been no threat or intention to infringe successfully sued process has been

The defendant that he has the the onus is on him permission to sue

Estoppel or res judicata

The principle

upon or decided for the same will depend on

(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—section 111.

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 conditions specified in section 47. Section 47 provides that in certain circumstances the invention can be used by the Government.

(9) That the alleged use is for research or instruction of pupil(s). However, convincing evidence of such use has to be furnished by the defendant.

(10) Counter-claim for revocation of the patent by the defendant.

Some of these defences are explained briefly:

Plaintiff not entitled to sue

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. The defendant will succeed in such defence only when the plaintiff who has instituted the suit fails to prove that his name is entered in the Register as the registered proprietor or assignee or an exclusive licensee.

Denial of infringement

The defendant can plead that there has been no infringement, or there has been no threat or intention to infringe. However, such a defence can be successfully 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.

Estoppel or res judicata

The principle of Estoppel means that an individual is barred from denying or alleging a certain fact or state of act because of that individual's previous conduct, allegation or denial. In simple terms, this means that an individual cannot turn around and deny his previous statement. In patent law an illustration of the application of this principle would be a case where a patentee assigns the right in the patent to an assignee through a registered assignment and later alleges infringement of his patent by the assignee. The patentee is estopped from so alleging by his previous conduct. He cannot allege infringement by the assignee later. The defendant can plead the defence of estoppel in such cases.

The principle of *res judicata* also means that a matter already judicially acted upon or decided between the two parties cannot be re-opened and re-adjudicated for the same cause of action. Whether the defence of *res judicata* applies or not will depend on what questions/disputes have been settled in the previous suit

between the same parties. The decision of a court on a question is, however, not binding on the persons who were not the parties in the suit in which the decision was pronounced. For instance, when the plaintiff is the same but the defendant (infringer) is a person other than the defendant in the previous suit, the defendant in the later suit will not be entitled to invoke the ground of *res judicata* to his advantage.

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 expert evidence to assist the court.

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 question(s) of fact or of opinion.

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 opinion.

RELIEFS AVAILABLE IN AN ACTION FOR INFRINGEMENT

A successful plaintiff is entitled to certain reliefs.

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 up 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.

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. Injunctions are of two kinds—

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 be granted at any time during the proceedings of the suit.

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.

Certain principles are followed by courts while granting of interlocutory injunction(s).

These principles are:

(i) Plaintiff must establish *prima facie* case in his favour.

(ii) He must also establish that the balance of convenience lies in his favour.

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.

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.

The factors to be taken into consideration for deciding the balance of convenience are:

(a) whether the patent is a new or old one;

(b) whether the term of the patent is to expire before the proceedings can be heard;

(c) whether the validity of the patent has been challenged;

(d) whether it is possible to compensate the plaintiff by award of damages when he succeeds at the trial;

(e) 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.

Principles of interlocutory injunction against infringement of patent

The principles upon which an interlocutory injunction may be granted in a patent case are the same as in a case under the provisions of Order XXXIX, rules 1 and 2 of the Civil Procedure Code, through interim injunction restraining the defendant from infringing a patent does not come strictly within this scope of order XXXIX. The plaintiff in a patent case must show a *prima facie* case of infringement and further that the balance of convenience and inconvenience is in his favour. 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.

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.

The Madras High Court in case of *Wockhardt Ltd. v. Hetero Drugs Ltd.*, (2006) 32 PTC 65, laid down the following principles for granting the interim injunction:

- (1) whether the plaintiff has a *prima facie* case;
- (2) whether the balance of convenience is in favour of the plaintiff; and
- (3) whether the plaintiff would suffer an irreparable injury, if his prayer for introductory injunction is disallowed.

Usually the prayer for introductory injunction is at a stage when the instance of the legal right asserted by the plaintiff and its alleged violation are both contested and uncertain and remain uncertain till they are established at the trial on evidence. Among other things, the interlocutory remedy is intended to preserve in *status quo*, the right of parties which may appear on a *prima facie* case.

Principles laid down by the Supreme Court for the grant of interim injunction

The Supreme Court, in the case of *Morgan Stanlex Mutual Fund v. Kartick Das*, (1994) 4 SCC 225, referred in *Wockhardt Limited v. Hetero Drugs Ltd.*, (2006) 32 PTC 65, laid down 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.

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 the final injunction.

For instance, a patent for an invention which is not an invention for a food or drug is sealed in the year 1980. In the year 1989 there had been an infringement of the patent. The patentee filed a suit in 1990. The final injunction in the suit was granted in 1992. The injunction will remain in force until 1994 since the term of the patent expires in the year 1994. Thereafter, the general public has the right to exploit the patent without being held liable for infringement.

DAMAGES OR ACCOUNT OF PROFITS

A successful plaintiff in a suit for infringement is entitled to the relief of damages or account of profits, but both reliefs cannot be granted together.

In certain cases, however, damages or account of profits cannot be granted. Such exceptions are:

- (i) When the infringement was innocent, that is, the defendant was not aware that the patent existed.
- (ii) The infringement was committed after the failure to pay renewal fee within the prescribed time and before any extension of the period.
- (iii) 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.

The damages are awarded to compensate plaintiff due to the action of the defendant.

The amount of damages awarded is proportionate to the party and shall be such sum of money in the same position as he would have been in,

The assessment of damages takes into

(1) Where the patentee manufactured the goods and did not grant licence, the measure of damages would have earned if the same were sold.

(2) Where a patentee grants licence, the measure of damages would be royalty, the measure of damages as royalty, had the infringer been granted a licence.

(3) The assessment of damages would take into account the loss resulting from the infringement by the defendants.

For instance, an infringer sells the patented product in the market and he also applies for injunction. The infringer would be liable for his action of infringement and the damages.

The quantum of damage is determined by all such factors.

ACCO

Section 108 provides that the compensation for damages and account of profits but both of them cannot be awarded together.

The account of profits are determined by the value of the infringer's invention by the infringer and the account of profits is determined by the use of the patentee's invention.

OBJECT OF AWARDING DAMAGES

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

MANNER OF ASSESSMENT OF DAMAGES

The amount of damages awarded is proportionate to the injury suffered by the party and shall be such sum of money which will put the injured party in the same position as he would have been in, if he had not encountered the wrong.

The assessment of damages takes into account the following factors:—

- (1) Where the patentee manufactures the patented product himself and does not grant licence, the measure of damages will be the profit which he would have earned if the sales of the infringing articles which had substituted his articles were not made and instead only the patented goods were sold.
- (2) Where a patentee grants licences for working the invention for payment of royalty, the measure of damages awarded would be the sum payable as royalty, had the infringer been the licensee of the patent.
- (3) The assessment of damages would include the pecuniary equivalent of the loss resulting from the natural consequences of the acts done by the defendants.

For instance, an infringer manufactures the patented invention, sells it in the market and he also appoints others to manufacture and market the invention. The infringer would be liable for all the damages caused by his action of infringement and also that of his appointees.

The quantum of damage is determined by the court, on careful consideration of all such factors.

ACCOUNT OF PROFITS

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.

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Patent Agents

To practise as a Patent Agent under the Act, a person has to get his name registered as a Patent Agent by making an application in Form 22 as specified in the Patents Rules, 2003 at the Head Office or the Patent Office.

QUALIFICATIONS OF A PATENT AGENT

The Patents (Amendment) Act, 2002 has made some special provision. A person shall be qualified to be a Patent Agent, if he is a citizen of India, has completed 21 years of age, has obtained a degree in science, engineering and technology from any university recognised by law in territory of India and in addition has passed the qualifying examination for the purpose or is an advocate or has minimum of 10 years experience as examiner or as Controller.

RIGHTS OF PATENT AGENTS

Every Patent Agent shall be entitled to practise before the Controller and prepare all documents, transact all business and discharge such other functions as may be prescribed by the Controller. Patent Agent is authorised to sign all applications and communications to the Controller on behalf of the person concerned, upon his being authorised in writing to do so by that person.

DISQUALIFICATION FOR REGISTRATION AS A PATENT AGENT

The Patents Rules, 2003 provides for disqualification.

No person is eligible to be registered as a patent agent, if he—

- (i) has been adjudged to be of unsound mind by a competent court;
- (ii) is an undischarged insolvent;
- (iii) being a discharged insolvent, has not obtained from the court a certificate to the effect that his insolvency was caused by misfortune without any misconduct on his part;
- (iv) has been convicted by a competent court whether within or outside India of an offence to undergo a term of imprisonment; unless the offence of which he has been convicted, has been pardoned or unless on an application made by him, the Central Government has, by order in this behalf, removed the disability.
- (v) being a legal practitioner has been guilty of professional misconduct; or
- (vi) being a chartered accountant, has been guilty of negligence or misconduct.