
UNIT 4 INDIAN PATENT LAW

Structure

- 4.1 Introduction
 - Objectives
- 4.2 The Patent System
- 4.3 Patentable Inventions
 - What is a Patentable Invention?
 - What is Not Patentable?
- 4.4 Procedure for Obtaining Patent
- 4.5 Consequences of Grant of Patent
 - Rights of a Patentee
 - Limitations on Patentee's Rights
 - Revocation of Patent for Non-working
- 4.6 Transfer of Patent
 - Assignment
 - Licence
 - Transmission of Right by Operation of Law
- 4.7 Infringement of Patent
- 4.8 Summary
- 4.9 Answers and Hints to SAQs

4.1 INTRODUCTION

Patent is a monopoly right granted by the State to an inventor for a limited period, in respect of the invention, to the exclusion of all others. A system of patents serves many useful purposes. If the invention is commercially utilized, the patent ensures just reward in terms of money and recognition for the inventor, for all the time and effort, knowledge and skills, money and other resources invested to come up with the invention. For the society, commercial exploitation of an invention means newer and better products, higher productivity, and more efficient means of production. The objective of granting the patent is to ensure that it is worked (utilized) in the country; and it is not meant to block production or further research and development. A patent system encourages technological innovation and dissemination of technology. This in turn stimulates growth and helps the spread of prosperity and better utilization of resources. In an age when technology and knowledge are the greatest generators of wealth, the number of patents filed and granted nationally and internationally is a good indicator of the health of science and technology in a country. Patent is granted by a State and hence has territorial applicability. That is, it is valid only in the country, which grants the patent. There is no mechanism to obtain a global patent and you have to apply separately in all the countries where you want the invention to be protected.

However, the **Patent Cooperation Treaty (PCT)** of the World Intellectual Property Organisation (WIPO) seeks to facilitate grant of patents in the participating countries. There were 123 countries, party to the PCT as on October 15, 2003. India joined the PCT on December 7, 1998. Under the PCT, one international application for patent on an invention can be filed in any country party to the PCT, designating other PCT countries where the patent is sought. The effect of it is that the patent in a designated state, when granted, will have the same priority date as for the first international application. However, in each designated country, a separate application for patent is to be filed as per the requirements of that country. Each country has to examine the application independently for granting a patent.

The grant of a patent confers essentially monopoly rights on the inventor for a limited period. In turn, it is obligatory for the inventor to disclose complete details of the invention to ensure that it can be worked on a commercial scale. Once the term of

patent expires, the invention comes into the public domain. In India, all patents are granted for period of 20 years.

Objectives

After studying this unit, you should be able to:

- recognize the patentable inventions;
- understand the inventions which cannot be the subject-matter of patents and the reasons thereof;
- understand the meaning of specifications;
- enlist the main steps involved in patent processing;
- spell out the acts which amount to infringement of patent; and
- understand the procedure for getting the relief in case of infringement of patent.

4.2 THE PATENT SYSTEM

The practice of granting monopolies by patent has a long history of over 600 years. The term **patent** can be traced to the term *Letters Patent*, a grant in the form of a document rolled up with the King's or Queen's seal appended at the bottom, conferring certain rights and privileges on an individual. The grant was not sealed or closed but it was open to public. Though *letters patent* were granted for various purposes, they were most often granted to inventors, and hence the word 'patent' was eventually used to describe the inventor's monopoly.

The law relating to patents in India is governed by Indian Patents Act, 1970 as amended by Patents (Amendment) Act, 1999 and Patents (Amendment) Act, 2002, which came into force with effect from May 2, 2003. In our discussion, we will refer to this act as the **Indian Patents Act (IPA)**.

The purpose of patents is to afford protection to the inventor for the invention for a limited period in exchange for the disclosure of all the necessary knowledge to ensure its commercial working. It provides an exclusive right to the inventor for exploiting the invention and affords protection against unauthorised use of the invention by third parties. The main objective of national patent legislation is to accelerate the technological and industrial development of the country.

A patent is an exclusive monopoly right granted to the inventor (patentee) to **make, use, license** or **sell** the invention for a limited period of time. After the expiry of the patent term, anybody from the public can use the invention as it passes into public domain.

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2 min.

SAQ 1

Will a patent granted in India protect your rights in the USA? Why?

After learning about the main aim of patent filing, let us discuss about what can be patented.

4.3 PATENTABLE INVENTIONS

4.3.1 What is a Patentable Invention?

According to the Indian Patent Act, a **patentable invention** is defined as

“a new product or process involving an inventive step and capable of industrial application.”

Invention must be ‘new’

Something that is already known is not patentable. An invention is deemed to be new on the *priority date* if it does not form part of the state-of-the-art i.e., part of the knowledge available to the public. Priority date is usually the date on which the applicant for patenting his invention first makes the application.

Prior written or oral disclosure of the invention or any other way of making the knowledge available in a public manner before the date of filing of the patent application makes the invention a part of the *prior art* or *state of the art*.

For example, an inventor in England was denied the patent for an improved design of a ballpoint pen just because he had published its details prior to filing the patent application and hence the invention did not qualify on the ground of novelty.

Invention must involve an ‘inventive step’

According to the definition of the **inventive step**, the invention must be non-obvious to a person skilled in that particular art, i.e. it must not follow plainly or logically from what is already known. The question whether an invention involves an inventive step has to be decided in the context of any prior publication or public use.

Many common examples of an inventive step can be cited from pharmaceutical, chemical or mineral processing industries where the process improvement can result into efficient use of resources. One example of such inventive step can be drying of substances without detriment to desired characteristics but enhancing other characteristics like shelf life or stability etc.

In a case before the Lahore High Court, the patent of a tube well strainer, Tej, was infringed. The strainer was produced by a new combination of known processes and methods. The defendant pleaded that Tej was an invention of an American Strainer, Cook. The American strainer was made out of a solid drawn tube and a special mechanical process was used to make slots on the tube. The owner of the patent argued that the strength requirements for his strainer were totally different as they were used in the alluvial plains where the water was close to the surface, and no great pressures were met. To meet the requirements of his situation, a new process of manufacture was designed and developed for making the Tej strainer, which was different and far less costly than the Cook’s. The court held that the Tej strainer possessed novelty, utility and showed sufficient inventive skill and the patent awarded on it was valid.

Invention must be having ‘industrial application’

To be patentable, the invention has to be capable of industrial application, that is, it can be *made* or *used* in an industry. However, *industry* in this context does not necessarily imply the use of machinery or manufacturing of an article. It may include any useful, practical activity as distinct from purely intellectual or aesthetic activity.

4.3.2 What is Not Patentable?

The main categories, which do not qualify for patentability under the IPA are:

- An invention, whose use could be contrary to the public order or morality or which causes serious prejudice to human, animal or plant life or health or to the environment. For example, a new type of gambling machine.

- Inventions relating to atomic energy. This is so because the Central Government has the sole responsibility for the development of atomic energy and for obvious reasons will not like its programmes to be hampered by patent claims.
- An invention which is frivolous or which claims anything obviously contrary to well established natural laws. For example, an invention that claims a perpetual motion machine will not be patentable because the claim would be contrary to well-established laws of nature.
- The mere discovery of a scientific principle or the formulation of an abstract theory. For example, a discovery merely unveils a hidden thing; it does not involve an act that makes it useful; it is therefore not an *invention* and hence not patentable. Similar reasoning applies to the formulation of an abstract theory.
- Discovery of any living thing or non-living substances or objects occurring in nature;
- A substance obtained by a mere admixture of the components, or a process of producing such mixture;
- Mere arrangement or rearrangement or duplication of known devices, each functioning independently of one another in a known way without changing the end results;
- An invention which in effect is traditional knowledge;
- A mathematical or business method or a computer programme per-se or algorithms.

Besides these rather obvious items the following items are also not inventions within the meaning of the Patents Act, as a matter of policy and are therefore, not patentable:

- A method of agriculture or horticulture;
- Any process for the medicinal, surgical, curative, prophylactic, diagnostic, therapeutic or other treatment of human beings and animals;
- Plants and animals in whole or part thereof other than micro-organisms;
- Seeds and biological processes for production of plants and animals;

The following two categories belong to different fields of intellectual property and are not subject matter of patents:

- A literary dramatic, musical or artistic work including cinematographic work and television productions (covered by copyright);
- Topography of integrated circuits (separate field).

In the case of substances falling within certain categories no claim for patenting the substance can be entertained; however, claims for the methods or processes of manufacture of these substances can be patented. Such categories of substances are:

- Substances which could be used as food or medicine or drug;
- Substances prepared or produced by chemical processes (which include biochemical, biotechnological and microbiological process).

However a claim for patenting a substance can be entertained if the substance itself is intended for use as medicine or drug – excepting chemical substances which are ordinarily used as intermediates in the preparation or manufacture of any medicines. Computer programmes and microorganisms have emerged as two special categories where patent protection is increasingly sought.

Under the Indian law, computer programmes are protected under the Copyright Act, 1957; they are not entitled to protection through patents. However, the British law recognises that under certain circumstances Computer programme can be patented. Such will be the case when a computer programme enables the computer to carryout a system that produces a required result. A computer so programmed is a modified equipment to operate in a new way and as such the computer, along with the programme is patentable.

In 1980, the US Supreme Court granted a patent to Dr. Ananda Chakraborty for a genetically engineered bacterium, which could degrade oil spills. It did not exist in nature. It satisfied the criteria of novelty, non-obviousness and utility for a patentable invention. For the first time in history a living entity, the engineered microorganism, was accorded the status of a product. In the same year, the US Patent office granted a patent to Dr. Stanley Gohen and Dr. Herbert Boyer for the method and composition for replication of exogenous genes in micro organisms though the criterion of non-obviousness was not considered in many countries as clearly satisfied. With biotechnology and genetics emerging as major fields of research, employment of living entities – microorganism, viruses, genetic elements like DNA, RNA, enzymes, plant cell lines, animals, etc. – has become inevitable and common in developing newer technologies. In view of their far-reaching importance for advancement of science and technology and the vast potential for creating wealth and profits, it is imperative to offer intellectual property protection to technologies and technological products emerging from application of living entities. It may be mentioned here that patent protection involving living entities bristles with serious ethical and legal issues and even the USA could not grant patent protection to the creation of the animal clone that resulted in the birth of Dolly, the cloned sheep.

A point to remember in this context is that in the field of biotechnology, the distinction between ‘discovery’ and ‘invention’ in many cases may not be very clear and even though discoveries may relate to living entities they may qualify as inventions. The definitions of ‘discovery’ and ‘invention’ therefore need to be reviewed to make differentiation between them easy and unambiguous.

SAQ 2

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5 min.*

State whether following inventions qualify for patent in India? Give reasons if not patentable.

- i) A vehicle travelling faster than speed of light.
 - ii) Process of drying milk.
 - iii) New type of gambling machine.
 - iv) A tune for a song.
 - v) A new procedure for brain surgery that does not need anaesthesia.
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4.4 PROCEDURE FOR OBTAINING PATENT

Who can Apply for Patent?

An application for a patent for an invention may be made by a person claiming to be the true and first inventor of the invention or his assignee, or by the legal representative of any deceased person who immediately before his death was entitled to make such an application. The term true and first inventor means that the claimant has to be the actual inventor and not merely be the first importer of the invention or the first person to whom the invention is communicated from outside India.

In case the inventor is employee of an organization, the inventions made during the employment would be patentable in the name of the employee. However, the

ownership of the patent (i.e. rights of using, manufacturing, selling etc.) will be dependent on the terms of contract between the employee and employer. It is a common practice in the R&D organizations to keep the ownership rights with the employer though the patent is in the employee's (inventor's) name.

Filing a Patent Application

There is only one application filed for one invention. This must be done in a prescribed form along with the prescribed fees in the appropriate patent office. It should be accompanied by a provisional or a complete specification (see 4.4.3).

If the application is filed by the assignee, it must be accompanied with the proof of the right to make the application. Every application must state that the applicant is in possession of the invention and shall name the owner claiming to be the true and first inventor. Where the true and first inventor is not the applicant, a declaration is required that the applicant believes the person so named to be the true and first inventor.

Every international application under the Patent Co-operation Treaty (PCT) for a patent designating India shall be deemed to be an application under the Indian Patents Act if a corresponding application has also been filed before the Controller in India. Recently the World Intellectual Property Organization (WIPO) has launched the facility of electronic patent filing under PCT.

Typically, the form of application for grant of an Indian patent asks for (i) full name, address, nationality of the applicant(s) and inventor(s), (ii) patent specifications, and (iii) whether an application has been made or patent granted in a PCT or a convention country, which affords to citizens of India, or applicants for patents in India. Similar privileges as granted to its own citizens in matters of patent and which has been so notified by the Central Government with relevant dates.

Filing of Provisional and Complete Specification

A **specification** is an accurate description of the patent stating how the invention can be carried out by the method best known to the applicant. The specification ends with a claim or claims defining the scope of the invention for which protection is claimed.

Every application must be accompanied by a provisional or a complete specification. It is possible to file the application with provisional specifications. But it is necessary to file the complete specifications within one year of filing the original patent application. The application is **deemed to be abandoned** if this condition is not met. The twelve months limit can be extended to 15 months if an application is made to the Controller with such request and the prescribed fee is paid.

A complete specification filed may include claims in respects of developments of or additions to the invention described in provisional specification. The inventor is entitled to apply for a separate patent in respect of such developments/additions. In case of a convention application the patent application must be accompanied with a complete specifications only. The claim/claims of a complete specification relate to a single invention, or to a group of inventions, which form a single inventive concept e.g. in an instrument there may be 8 or 10 different inventions used. All these could be separately patented; or they can be patented together as a group; if they form an integrated instrument.

The specification must contain the following:

- Title, sufficiently indicating the subject-matter;
- Relevant drawings;

- Full and particular description of the invention;
- Details of its operation or use and the method by which it is to be performed;
- Disclosure of the best method of performing the invention;
- Claims defining the scope of the invention substantiated by the disclosure;
- Abstract providing technical information on the invention;
- Declaration as to the inventorship of the invention.

If an invention is an improvement in or modification of another invention, for which the patent has been obtained or has been applied for, the Controller may grant the patent for modification/improvement, as a **patent of addition**; however the patentee for both the original patent and the patent of addition has to be the same.

Each claim of a complete specification has a **priority date**. In a simple case, where a complete specification is filed in pursuance of a single application with a provisional specification, the priority date of a claim is the date of the filing of the application. This is true if the claim is 'fairly based' on the matter disclosed in the specification. However, in some cases, the priority date may be different than the date of filing. A detailed discussion of the issue is not within the scope of the present course.

Publication of the Application

Normally every patent application is published after 18 months of filing the application and objections are invited. The patent application shall not be open to the public for eighteen months after the date of filing, or date of priority, whichever is earlier.

However, if the invention is considered relevant for defence purposes, the Controller may issue direction to prohibit or restrict such publication. In the case of secrecy direction, the application will be published when the secrecy directions cease to operate. The publication will include the particulars of the date of application, number of application, name and address of the applicant and an abstract. Upon publication of an application, the patent office, on payment of the prescribed fees, will make the specification and drawings, available to the public. If the specification mentions a biological material, which is not available to the public, the applicant is required to deposit the material in an authorised depository institution. From this institute, the biological material mentioned in the specification is made available to the public, as necessary.

Examination of the Application

For granting a patent, examination of the application is a mandatory step. However, such examination is taken up only if the applicant or any other interested person makes a request in the prescribed manner for such examination within 48 months from the date of filing of the patent application. If such request is not made within the prescribed time, the patent application is treated as withdrawn. When the patent application is in respect of an invention for a chemical substance used as an intermediate in the preparation of a medicine or drug including insecticides etc used for protection or preservation of plants, the request for examination has to be made within a period of 12 months from 31st December, 2004 or within 48 months from the date of the application, whichever is later. If such a request is not so made, the application shall be treated as withdrawn.

After a request for examination is made, the Controller refers the application, specification and the related documents to an examiner for making a report within 18 months on:

- a) whether these are in accordance with the requirements of the IPA;
- b) whether there is any lawful ground of objection to the grant of the patent;
- c) whether the invention has been anticipated by publication before the date of filing of applicant's complete specification; and
- d) on any other matter which may be prescribed.

Of these matters, *Search for anticipation by previous publication and by prior claim* is important. This search requires investigation in the publications and specifications of prior applications and specifications of patents already granted to see whether the same invention has already been published or claimed or is the subject matter of existing or expired patents.

If the examiner raises any objections, the Controller will communicate the gist of the objections to the applicant. If the objections raised by the examiner are removed satisfactorily within 12 months, the Controller will accept the complete specification. If the objections are not removed satisfactorily, the application is refused after giving an opportunity of hearing to the applicant.

Acceptance and Advertisement of Complete Specifications

Once the complete specification is accepted, Controller notifies it to the applicant and also advertises it in the Official Gazette. On advertisement, the application and the specification with the drawings, if any, are open for public inspection.

From the date of advertisement of the acceptance of the complete specification and until the date of sealing of the patent, the applicant will have the like privileges and rights as if a patent for the invention had been sealed on the date of advertisement. However, the applicant is not entitled to initiate any proceedings for infringement until the patent has been sealed.

Opposition to the Grant of Patent

Any person interested in opposing the grant of patent may give notice to the Controller of such opposition within 4 months from the date of advertisement of the acceptance on the grounds like:

- the invention was wrongfully obtained by the inventor/applicant;
- the invention, as claimed in any claim of the complete specification has been anticipated in a specification filed for another patent earlier; or
- the invention as claimed in any claim was publicly known/used in India before the priority date of the claim; or
- the subject of the patent is not an invention, within the meaning of the Act; or
- the information furnished is false; or
- geographical origin of biological material is not disclosed or falsely disclosed; or
- in the case of a convention application (an application filed in India following a patent application for the same invention made in a convention country), the application was not made in the prescribed time. Convention country means a country notified as such by the Central Government

On receipt of the notice of opposition, the Controller shall notify the applicant of it and may give opportunity of hearing to both parties, and arrive at a decision.

Where the application for a patent along with complete specification has been accepted either without opposition or after the opposition, a patent shall be granted if the applicant makes a request in the prescribed manner for a grant of patent. The request has to be made within six months from the date of advertisement of the acceptance of the complete specification. The patent so granted shall be sealed with the seal of the patent office and the date of sealing of patent shall be entered in the register.

SAQ 3

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Depict the process of obtaining patent in the form of a Flow Chart.

4.5 CONSEQUENCES OF GRANT OF PATENT

A patent confers on the patentee, his agent or assignee the exclusive right to the patented invention for a limited period to the exclusion of all others. The patentee not only gets a monopoly right over the said invention for a limited period to make or use the invention or to market it, but also the right to prevent others from making, using or marketing such invention during the period of protection.

4.5.1 Rights of a Patentee

Right to exploit the patent

If the invention is a product, the patent confers the exclusive right to make, use, sell or import for these purposes, the invention in India. If the patent is for a method or process of manufacturing an article or substance, it confers the exclusive right to use or exercise the method or process in India. The patentee has the right to prevent third parties, from exploiting the patented invention in any such manner without the consent of the patentee. The term of every patent granted under the IPA is **twenty years** from the date of filing of the application for the patent. This includes the patents, which had not expired when the IPA came into force i.e. on May 20, 2003. It is necessary to renew the patent annually on payment of fee for it to remain valid throughout its term of 20 years. Failure to renew the patent results in loss of all patent rights.

Right to grant licence etc.

The patentee has the power to assign rights or grant licenses or enter into another arrangement for a consideration. A licence or an assignment to be valid must be in writing and registered with the Controller of Patents.

Right to surrender

The patentee is given the right to surrender the patent at any time by giving notice in the prescribed manner to the Controller. The Controller, before accepting the offer of surrender will advertise the same so as to give an opportunity to the interested parties to oppose the offer of surrender.

Right to sue for infringement

A patentee is given the right to institute proceedings for infringement of the patent in a District Court having jurisdiction to try the suit.

4.5.2 Limitations on Patentee's Rights

There are certain limitations on the rights of the patentee. They are as follows:

- any patented product or process or a product made using patented process may be used by or on behalf of the Government for its own use only – an invention is said to be used for the *purposes of Government* if it is made, used, exercised or vended for the purposes of the Central Government, State Government or a Government undertaking;
- a patented article or article made by use of patented process may be used by any person for experiment, research or for imparting instructions to pupils; and
- in case of a patent in respect of any medicine or drug, the medicine or drug may be imported by the Government for its own use or for distribution in any dispensary, hospital or other medical institution maintained by or on behalf of the Government.

Acquisition of patents and inventions by Central Government

If the Central Government is satisfied that it is necessary for public purpose to acquire an invention for which a patent has been granted or an application for patent has been filed, it can publish a notification in the official Gazette and all rights in respect of the invention stand transferred to the Central Government. The Central Government will be liable to pay compensation to the applicant or the patentee as may be mutually agreed upon.

Compulsory licences

The right of the patentee is limited by the provision for grant of compulsory licenses. The purpose of granting patents in India is primarily *to secure that the inventions are worked in India on a commercial scale and not merely to enable patentees to enjoy a monopoly for the importation of the patented article*. Patent rights are meant to encourage technological innovation and help transfer and dissemination of technology for the social and economic welfare. The benefit of the patented invention has to reach the people at a reasonably affordable price.

The IPA, provides for compulsory license of patent to a third party by the Controller, on application made at any time after expiry of three years from the date of sealing of the patent, on the following grounds:

- the reasonable requirements of the public with respect to the patented invention have not been satisfied; or
- the patented invention is not available to the public at a reasonably affordable price; or
- the patented invention is not worked in India.

If the controller is satisfied about the grounds and the facts as set out in the application, he may grant a compulsory license on the patent and direct the patentee accordingly to grant a license to the applicant. In deciding on the application, the controller is required to take into account several factors including the nature of the invention, the time which has elapsed since the sealing of the patent, the measures taken by the patentee to make full use of the invention, the ability of the applicant to work the invention to the public advantage, and the applicant's capacity to take capital risk.

The IPA also has special provision for compulsory licences on notifications by the Central Government in a case of national emergency, or of extreme urgency or of public non-commercial use.

A compulsory license can be terminated on patentee's request when the circumstances in which the grant was made no longer exist and are unlikely to recur. The holder of the compulsory license can of course object to the application and the Controller shall take into account that the licensee's interest is not unduly prejudiced.

Inventions for defence purposes

If the Controller finds that an invention is relevant for defence purposes, he may prohibit or restrict publication of information subject to ratification from the central government. No appeal lies against these directions of the Controller.

The secrecy directions are reviewed at intervals of twelve months, or on the request of the applicant, and would be revoked if found no longer necessary by the Central Government. If, in the case of an application filed by a foreign applicant, it is found that the invention is already published outside India then also the secrecy directions are revoked.

However, please note that an application in respect of which secrecy directions have been issued can still be processed to the stage of acceptance of complete specification, but the acceptance shall neither be advertised nor the specification published and no patent shall be granted.

No patent application for an invention relevant for defence purpose can be filed outside India except on the written permission of the Controller. All orders of the Controller as to secrecy, as well as orders of Central Government in this context, are final and cannot be challenged in any court on any ground.

4.5.3 Revocation of Patents for Non-working

For a patent under a compulsory licence, the Central Government or any person interested can make an application after the expiration of two years from the date of compulsory license for revocation of the patent.

The grounds for the revocation would be:

- the invention has not been worked in India; or
- the reasonable requirements of the public have not been satisfied; or
- the invention is not available to the public at reasonable price.

The controller, after giving opportunities to the patentee to oppose the application, may decide on revocation on merit.

4.6 TRANSFER OF PATENT

A patent is an exclusive property of the inventor and hence can be transferred from the original patentee to any other person by assignment, grant of licence, or operation of law.

The IPA requires that an assignment, licence or a creation of any other interest in a patent must be in writing, clearly specifying all the terms and conditions governing the rights and obligations of the parties. This document must be registered in the prescribed manner within the prescribed time. The person getting such entitlement in a patent has to apply in writing to the Controller for the registration of the title.

4.6.1 Assignment

An assignment means transfer of interest in the patent by the patentee to another person in whole or in part valid over entire or a part of India. The person to whom the

right in patent is assigned is called the *assignee* and the person who assigns the right is called the *assignor*.

There are three kinds of assignment:

Legal assignment

When the assignor assigns the right in a patent through an agreement duly registered, the assignment is called a **legal assignment** and the assignee's name will be entered in the Register of Patents maintained by the Patent Office as the proprietor of the patent. The legal assignee shall thereafter have all the rights conferred by the assignor.

Equitable assignment

When the patentee agrees to give another person certain defined right in the patent with immediate effect, by a document (e.g. a letter), and not by an agreement, the assignment is termed as an **equitable assignment**. However, such an assignment cannot be registered in the Register of Patents. The assignee can convert the equitable assignment to legal assignment by getting the document in writing and getting it duly registered.

Mortgage

When the patentee transfers the patent rights either wholly or in part to the mortgagee to secure a specified sum of money, such assignment is called **mortgage**. The patentee can get the patent re-transferred on refund of the consideration money.

4.6.2 Licence

A licence confers a privilege on another person through an agreement to make, use or exercise the invention. The person to whom the privilege is transferred is called the **licensee**. The licence agreement does not transfer any interest in the patent. A licence merely transfers a right in patent as compared to an assignment in which there is transfer of interest. There are three kinds of licences:

Voluntary licence

When the patentee, by a written agreement, empowers another person to make, use or exercise the patented invention in a particular manner and on agreed terms and conditions it is called a **voluntary licence**. The Controller of Patents and the Central Government do not have any role in such licence.

Statutory licence

When the licence is granted by the Controller and the Central Government as a compulsory licence it is termed as **statutory licence**. In this case, the terms and conditions of the licence agreement do not depend upon the will of the patentee and the licensee.

Exclusive licence

In case of exclusive licence, the patentee confers exclusive right to make, use, sell or distribute the patented invention to a particular person to the exclusion of all others. Such a person will hold an exclusive licence in the patent. The exclusive licensee has the right to initiate infringement proceedings against an infringer. The patentee has the right to impose certain restrictive conditions on the rights of the licensee. But no such restrictions can be imposed which are against the public interest.

For example, in a license to manufacture or use a patented article, or to work a process protected by a patent, it shall not be lawful to insert a condition that will require the licensee to acquire from the licensor, or his nominees, any article other than the patented article or an article other than that made by the patented process.

4.6.3 Transmission of Right by Operation of Law

When a patentee dies, the interest in patent passes to his legal representative.

Another mode of transmission of patent by operation of law is provided where the Central Government acquires a patent from the patentee for public purpose.

4.7 INFRINGEMENT OF PATENT

What Amounts to an Infringement?

A patentee has an exclusive monopoly rights over the patented invention to make, use, sell or distribute the invention in India. If any person, other than the patentee or assignor or mortgagor, violates this exclusive right, there will be infringement of patent rights.

Whether the alleged act of a person amounts to an infringement or not depends upon the extent of the monopoly right conferred by the patent. These can be inferred from the specification and claims made by the patentee contained in the patent application.

An important provision pertains to the *burden of proof* in case of infringement. If the patent pertains to a process for making a product, and a person makes an identical product, then in a case of infringement he is obliged to prove that the process used to make the product, is different from the patented process. However, the patentee has to prove that the product being made by the infringer is identical to the product from his process. He also has to prove that he is not able to determine the process used by the infringer through reasonable efforts.

The following acts of the defendant can amount to infringement:

- colourable imitation of patented invention; or
- copying essential features of patented invention; or
- variation of non-essential features of patented invention; or
- chemical or mechanical equivalents.

Suit for Infringement

When any person infringes the rights of the patentee, a suit for infringement of patent should be instituted in the District Court having jurisdiction to try the suit.

A suit for infringement can be instituted only if the patent has been sealed. The patentee cannot institute a suit for infringement during the period between date of advertisement of acceptance of the complete specification and the date of sealing of patent. However, he can claim damages sustained due to infringement during the said period in a separate suit after sealing of patent.

A suit for infringement of a patent, whose term has expired, can be instituted for claiming damages if the infringement occurred during the term of patent.

In case the patent was wrongfully obtained by the patentee and was later granted to the true and first inventor, a suit for infringement occurring before the grant of patent cannot be instituted.

Where a patent had lapsed but was subsequently restored, the proceedings for infringement cannot be instituted against any infringement committed between the date on which the patent ceased to have effect and the date of advertisement of application for restoration.

Acts not Constituting Infringement

Where the patented invention is merely used for the purpose of experiment or research or for imparting instruction to pupils, it does not amount to infringement of patents.

Similarly, any act of making, using or selling a patented invention solely for development of information required under any relevant law does not amount to infringement. Also the importation of patented products by any person from a person who is duly authorised by the patentee will not constitute infringement.

Limitation Period for Institution of Infringement Suit

The period of limitation for instituting a suit for infringement is 3 years from the date of infringement. However, it is not necessary to send a notice of infringement to the defendant before filing the suit for infringement.

Relief in Suit for Infringement

The patentee, on being successful in a suit for infringement is entitled to an injunction (or restraining), damages or accounts, and otherwise. 'Injunction' is a normal remedy, though discretionary on the part of the Court. It stops the infringement during the pendency of the proceedings. 'Damages' account for the loss in money terms suffered by the owner of the patent due to infringement.

'Accounts' relates to the account of net profits earned by the defendant (infringer). If there are no profits, 'accounts' is not a remedy. Damages and Accounts are alternative remedies; the owner can choose only one of them, not both.

'Otherwise' as a remedy is a general provision which authorises the court to grant such other reliefs as it may deem necessary for complete redressal of the complaint. For example, the court may order that the infringing goods or materials and implements shall be seized, forfeited or destroyed.

4.8 SUMMARY

- Patent grants exclusive rights to the inventor (patentee) to **make, use, licence** or **sell** the invention for a limited period of time.
- Patent is territorial in nature.
- In India the patent is valid for 20 years subject to annual renewal during this period.
- A patent is granted for an invention, which is **new** (novel), has an **inventive step** and is **capable of industrial application**.
- Patent application is filed with the Controller of Patents in India along with provisional or complete specifications.
- Claim or claims define the scope of the invention for patent protection.
- Once granted, the patent is sealed in the name of patentee.
- The patentee can exploit the patent working or selling or by assigning or licensing.
- The patentee has rights to file suit against infringement of the patent and get the compensation for it.

SAQ 1

Patent is territorial in nature. Hence patent granted in India cannot protect rights in USA. A separate patent application should be filed in the USA for obtaining patent rights there.

SAQ 2

- i) No. It is against established natural laws.
- ii) Yes. If an inventive step is involved in it.
- iii) No. It may be contrary to public morality.
- iv) No. A song tune may be copyrighted and not patented.
- v) No. Surgical and medical procedures cannot be patented.

SAQ 3