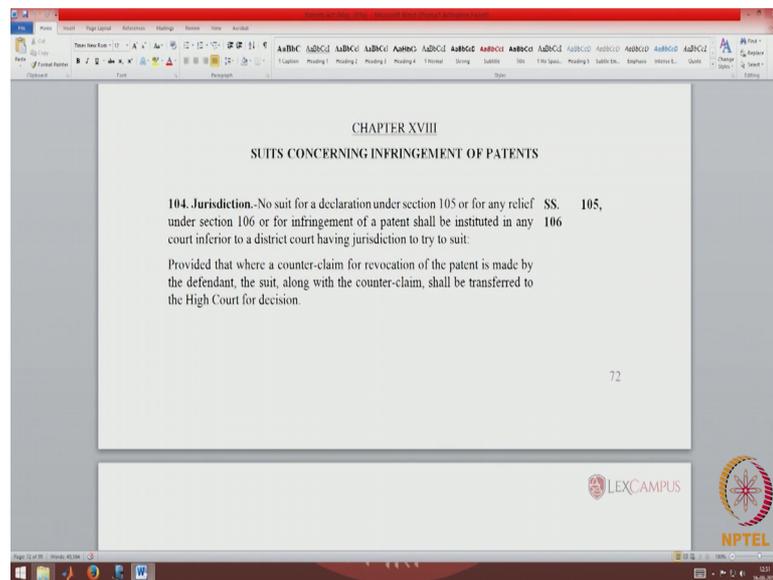


Patent Law for Engineers and Scientists
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Lecture – 70
Patent Enforcement, International Arrangements & Other Miscellaneous
Provisions
Infringement Suits & Defenses

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Chapter 18 deals with suits concerning infringement of patents. Now this is the point section 104 is the first section under the chapter. This is the point at which patents can be enforced. Now all this while we were looking at filing an application for a patent prosecuting the patent in the patent office. The patent being granted there are be in certain correction; how the register is maintained, how the patent office functions powers of the controller, we saw various things pertaining to the grant and the process of grant of a patent. We also saw after grant; how can we; how can a patent be a licensed; that is compulsory licensing and in cases where the government is interested, how it can be acquired.

We had not seen anything on enforcement of the patent. So, for whatever we have seen pertain to the process of granting of patents and how the granted patent operates within the patent office, if it is granted, you could file up after waiting for 3 years, you could file a compulsory license of the different varieties, there are certain compulsory licenses for

which you do not have to wait in all these cases. We are not looking at the patentee enforcing the rights in a patent. So, this chapter specifically deals with enforcement of the patent, right. So, once you have a grant and you find that a competitor is using the technology that is covered by your patent or in other words the competitor is infringing your patent.

Then there is an option for the patentee to approach the court and get certain reliefs. Now which court just see approach. So, that is decided in 104. Now which court does he approach? It could be the court where if he gets a relief from that court, it could be binding on the defendant. So, that is the most logical step; any patentee would take, the patentee would want a court to give a decision in an infringement suit where it can be enforced on the defendant. So, for instance if the defendant is in Assam and the patentee is in Delhi and the patentee files a case in Delhi and tries to serve a notice on the defendant who is in Guwahati, they may be difficulty in serving the notice and even if you receives the notice; that person will have to come and appear here and order passed by the Delhi high court has to be enforced in a different jurisdictional territory this can all lead to difficulties.

So, the act tells us which courts have jurisdiction and if you know how courts are structured. We have the lower courts; by the lower courts, we can refer to those courts at the Munsiff courts and above that we have the district courts which are the civil courts and the district courts are much similar to the sessions court, which have power over criminal matters and above the district court, you have the high court and above the high court, you have the supreme court. Now this is the hierarchy of courts in India.

Can you file an infringement suit before a Munsiff court which is the lowered lowest court you cannot. So, 107 tells you which court has been empowered with the jurisdiction which means which are the courts that can take up a case of infringement. So, 104 tells us that no suit for declaration under 105, we will see what 105 is or any relief under 106 which is also a declaratory suit, but not pertaining to infringement of a patent 105 and 102 do not pertain to infringement of a patent or for infringement of patent. So, in this sentence, you had seen 3 types of suits that is a suit under 105 A, suit under 106 or a suit for a infringement for a patent shall be instituted in any court inferior to a district court having jurisdiction to try the suit.

So, from this, we understand that if there is an infringement action on a granted patent then you cannot approach any court lower than the district court inferior means lower. So, you cannot file an infringement suit before a Munsiff; the Munsiff court is not a place where that is a lowest court you cannot file a case before the Munsiff court, you have to go to the district court and any court above because when you say that instituted in a court inferior to a district court which means you could file it in the district court or in a court above it the most critical word here is having jurisdiction these words are critical because even if it is a court above the district court the court should have jurisdiction.

Now, the supreme court of India though it is the highest court does not have the jurisdiction to decide an infringement suit when in infringement suit goes on appeal to the supreme court; obviously, the supreme court has jurisdiction, but you cannot file a fresh case before the supreme court because the supreme court is not a court having jurisdiction to try an infringement suit an infringement suit has to be filed using the original jurisdiction of a court by original we mean the case the instance where a case is filed for the first time. So, a case is filed for the first time or can be filed for the first time before the district court or in some cases in the high court where the high court has a original jurisdiction where the high court has or is empowered to determine matters at the first instance.

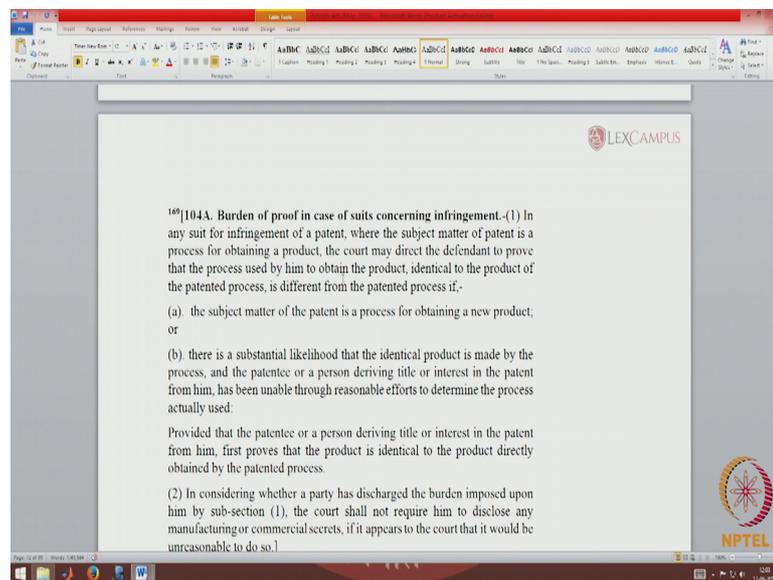
Now, this clause that approach the district court has a small exception to it. Now you would normally approach the district court, but if after you file the case for an infringement suit a counter claim for revocation of a patent is made by the defendant. So, in an infringement suit the patentee has filed an infringement suit and the defendant who is the alleged infringer makes a counter claim a counter claim is a claim against another claim; a counter claim for revocation meaning which the patentee tries to enforce the patent by filing an infringement suit and the defendant who is the other party in that infringement suit raises a defense that this patent is invalid you can raise all the grounds of invalidation or revocation under 64.

So, when a claim for revocation is raised by the defendant the suit along with the counter claim shall be transferred to the high court for decision. So, what is this stellar, even if you file a patent case before a district court, if the opponent that is the defendant raises a validity of the patent has an issue in the form of a counter claim, the counter claim is

nothing, but a claim that the defendant makes in a normal case the defendant does not make any claim, the defendant will just defend this case; if a defendant is alleged of infringement the defense will be I am not infringing non infringement will be or her defense.

But if the defendant has a room or if the facts allow him or her to raise invalidity as a defense and this we get from section 107, the defenses that can be raised in an infringement suit includes the grounds of revocation under 64. So, if the facts allow the defendant to raise in validity of the patent as a defense to say that if you are alleging infringement in turn I am alleging your patent is invalid. So, if the defendant can take that or the defendant can takes that counter claim the suit has. Now if it was filed before a district court it has to be transferred to the high court. Now what is the reason behind it; we will soon find it because there are certain other provisions of the patents act which may throw some light as to why we have this provision that has been where the suit has now to be transferred to the high court for a decision.

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In section 104, we saw the jurisdiction or the power of the court to take up a matter pertaining to a patent infringement or a declaratory suit pertaining to section 105 and 106 we saw we saw the courts that can take up in matter pertaining to the sections and we also saw that it had to be the court not inferior than a district court. Now of these 3 categories of suits a declaratory suit under 105 a declaratory suit under 106 and an

infringement suit an infringement suit, we would rather, we would call it a suit under 108 because a reliefs in a suit for infringement are determined by that section.

So, there is no separate section on infringement of patents we have 107 on defenses that can be raised in an infringement suit and 108 which details the relief. So, in a suit for infringement and we understand these 2 types of suits or types of cases as provisions that are there to assist either the patentee or the defendant or the potential infringer or the competitor an infringement suit can be filed by a patentee. Whereas, the declaratory suits under 105 and 106 can be filed by a person who would be affected by the patent in most cases we can call that person a competitor or we could also called that person a potential infringer.

So, right now, we are going to concentrate on the provisions of infringement suit and infringement suit once we complete infringement suit, we will come back to 105 and 106 normally in a case, the burden of discharging the proof what we call the burden of proof rest on the person who alleges a fact to be true if a person alleges a particular fact to be true then the burden is on that person to prove it. So, infringement normally when a person alleges infringement it is on the patentee who alleges infringement to prove that the infringement has occurred.

So, in a infringement suit the patentee would normally describe the right that he holds which will be in the form of a patent giving the documentation tracing his grant from the patent office. So, he will have the certificate of a patent as a document in the suit and he will also have a proof of infringement, if it is a product then he will he would have purchase that product or if it is a process then he would have some description about the process or the product the dresses from the process and he will make a comparison between what he has patented to the infringing product or process and try to prove infringement. Now this is the task of the patentee to do to prove infringement.

But in some cases the burden may shift on the other person that is it may shift on the defender. Now let us look at one such case, section 104 A describes a case where the burden shifts on the defendant. So, when the patentee l h is infringement the burden of proving infringement in particular cases will shift on the defendant let us look at that case 104 A 1 in any suit for infringement of a patent where the subject matter of the patent is a process for obtaining a product. So, it has to be the patent should pertain to a

process the court may direct the defendant to prove that the process used by him to obtain the product identical to the product of the patented process is different from the patented process, if the subject matter of the patent is a process for obtaining a new product or there is substantially likelihood that the identical product is made by the process and the patentee or a person deriving title or interest in the patent from him has been enabled through reasonable efforts to determine the process actually used provided that the patentee or a person deriving title or interest in the patent from him first prove that the product is identical to the product directly obtained by the patented process.

So, the section contains certain steps certain responsibilities. So, the first responsibility is on the patentee and that you will find in the proviso which starts here. Now the first responsibility is that the patentee or the person deriving title or interest first proves that the product is identical to the product directly obtained by the patented process. So, the initial burden is on the patentee to prove that the product created by the process which the defendants using is identical to the product that has been patented. So, what requires to be done there has to be a product to product mapping product to product mapping in the sense that the product created by the defendant should be mapped with the patented with the product directly obtained by the patented process which we will capture captured in a patents specification.

So, this much the patentee will have to do the patentee we will have to take the product of the defendant and show that the product is identical to the product that is directly obtained by the patented process. Now once the patentee discharges this burden then the burden will shift to the defendant; what you can find here? The court may direct the defendant to prove that the process used by him to obtain the product is different from the process .Now this is what the defendant would prove. Now if the defendant has a defense then the defend will try to prove that it may appear identical, but the process I have used is different.

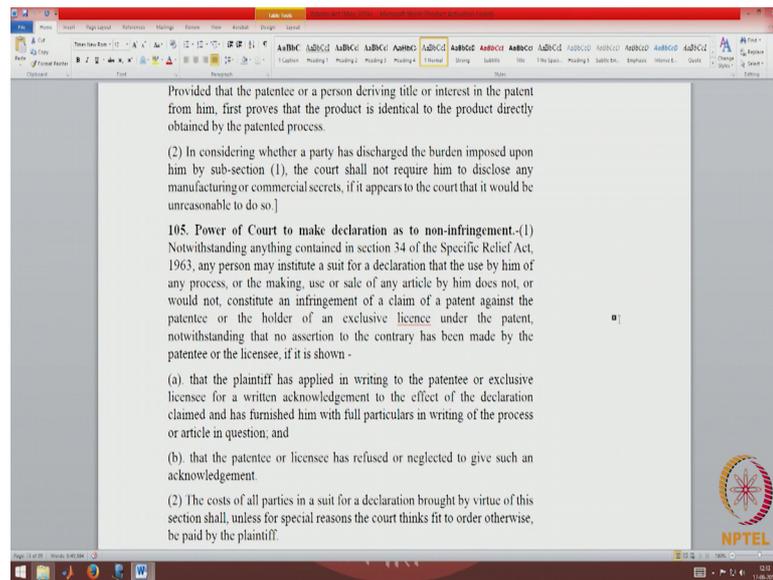
Now, why does the burden shift on to the defendant the reasons are given in a and b, the burden will shift to the defendant if the subject matter of a patent is a process for obtaining a new product which means the new product if the defendant case is that the new product could be created by different processes and the process used by the defendant is different from the process that is being used by the patentee. So, the first reasoning of the defendant to demonstrate that he is using a different process would

require that the subject matter of the patent is a process for obtaining a new product and we know that is the subject matter of the patent is the product itself then the product will cover always all methods of manufacture or making and a product patent will be a much more comprehensive right. So, this section will step in 104 A will step in only if the subject matter of a patent is a process for obtaining a new product.

So, that is a requirement for this section to be applied where the dispute is with regard to product itself which is patented this section will not have any bearing. So, the facts that attract this section require the dispute or the subject matter of the dispute to be covered by a process patent rather than a product patent and once the patentee raises in objection or is able to prove that the defendant product is identical to his patented process, then the defendant can raise in defense saying that he is using a different patented process. Now the conditions; A, the subject matter of the patent should be a process for obtaining a new product or there is a substantial likelihood that the identical product is made by the process and the patentee has been or the person deriving title through him has been unable by through reasonable efforts to determine the process actually used.

So, that burden again shifts because the patentee is unable to determine; what is been the product process that has been used. So, there is a substantial likelihood that the identical product is made by the process, but the patentee is not able to know what that processes. So, in these 2 cases or in either of these cases the burden would shift on the defendant and the defendant, if he has to come clean in an infringement suit, one of the defenses available to him is to say that he is non infringing that is the first line of defense. If a infringement suit is filed against a person the first line of defense could be to say that there is an allegation of infringement; what I am doing does not amount to infringement this is the defense of non infringement my activity does not infringe the patent.

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Now, 2 continuous in considering whether a party has discharged the burden imposed upon him by subsection one, the court shall not require him to disclose any manufacturing or commercial secrets if it appears to the court that it would be unreasonable to do. So, so there is a protection for disclosing manufacturing and commercial street secrets, what we could also called trade secrets. So, if there is a trade secret involved in the defendant disclosing the process then the court will not require him to disclose the process, rather there are procedures by which the defendants process can be disclosed in confidence to the court and the court will make a determination.

So, there are provisions by which disclosure; a confidential disclosure can be made to the court. So, 104 A applies only in cases where process patents are involved and the patentee is able to show that the defendants product is identical to his product which was obtained by a process once the patentee demonstrate that the 2 products are identical the defendant can take a defense that his process is different. Now when he takes that defense; obviously, the patentee will not be able to prove what that processes because through reasonable efforts even not be able to find out what that processes. So, hence the burden is cost on the defendant. So, when the defence says that my process is different he has to demonstrate that he is using a different process.

Now, in cases where the defendant fields that his trade secret or commercial secret or manufacturing secret could be revealed, there is a protection in subsection 2 which the

court can take care of and the court can ask for a confidential disclosure. Now we saw that the first defense in 104 A, we saw that the first defense that the defendant can take when a suit for infringement or in an infringement cases filed against him is to say that the activity I am engaging in does not amount to infringement like we saw in 104 A, the defendant can actually say the processes different which means it does not amount to infringement.

So, that is the defense of non infringement and we say that that is the first line of defense a person can take to say that the matter that is covered by the patent is not being done by the defendant. So, what the defendant is doing is different from what is covered in the patent and hence we say that there is no infringement and we call that to be the defense of non infringement. There are other defenses allowed in the patents act 107 list, the defenses that can be raised in a suit for infringement 107 1 states that in any suit for infringement of a patent every ground on which it may be revoked under section 64 shall we shall be available as a ground for defense.

So, all the grounds under 64 by which you could revoke a patent can be raised as a defense in an infringement suit which means the defendant can apart from saying he is non infringing which is the first line of defense, in addition to that he could also say that the patent is invalid and seek its revocation and we saw the grounds in 64, there are many grounds, the defendant could depending on the facts and circumstances of the case the defendant could use multiple grounds to say that the patent is invalid and needs to be revoked or the patent was obtained by wrongful contact and needs to be revoked there are multiple section 64 is not just invalidation of patent, but revocation results in an invalidation. So, that is why we call if the defense of invalidity.

So, first in 104 A, we saw the defense of non infringement that a defendant can take non infringement as a defense saying that what he is doing is different from what is covered by the patent the second defense or alternatively or in addition to that defense the defendant can raise invalidity as a defense invalidity. By invalidity, we mean that the patent can be revoked for grounds that are mentioned in section 64. Now we had mentioned that infringement and invalidity are like sides of a same coin on one side of the patent there is the fact that the patent if it is valid, it can be enforced and enforcement is done through infringement proceedings you do not want people who are using your invention without paying you a royalty to exist.

So, what you would do is you will file cases against them allege infringement prove it and stop them from using your invention. So, this is what we call the enforcement part of a patent this is one side of the coin at the same time the patent is also susceptible to an invalidity challenge. An invalidity challenge is if the patent has to be enforced the patent in the first place has to be valid, you cannot enforce a invalid patent. So, when the defendant raises challenges to invalidity which could be the patent lacks novelty there is no novelty the patent lacks inventive step there is no utility in the patent and a host of other grounds that are available under 64. So, this part of the coin that is the validity part can be challenged by the defendant. So, the patent in a same proceeding in the proceeding in which the patentee tries to enforce the patent by filing an infringement suit, the defendant can raise in validity as a challenge. So, that both infringement and invalidity can be determined by the same court.

Normally the court will look at invalidity first. The reason being is the patent is invalid, there is no need for the court to look into the issue of infringement, if the patent is held to be valid then the court will look at whether there is infringement or not. So, if a defendant raises 64 the grounds in 64 in addition to a defense that his process is different and he is non infringing, the court will first look into the 64 grounds and the court will first look at the issue whether the patent is valid in the first place once. The patent is held to be valid then the court will look at infringement the allegation of infringement and see whether the defense of infringement holds good and at the end the court will come to a conclusion whether there is an infringement and whether the reliefs for infringement can be granted as claimed by the patentee.

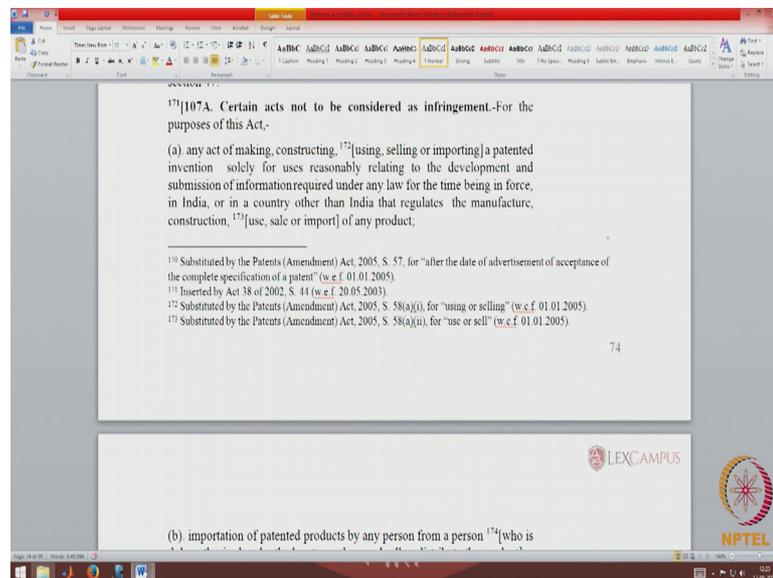
So, the defenses in a suit of infringement, we saw that they could be non infringement could be a defense 104 A describes non infringement a particular type of non infringement pertaining to patented processes invalidity could be a defense and 107 1 talks about invalidity, 107 2 states that in any suit for infringement of a patent by the making using or importation of any machine apparatus or other article or by using any process or by importation use or distribution of any medicine or drug, it shall be a ground for defense that such making using importation or distribution is in accordance with any or more of the condition specified in section 47.

Now, section 47, we found we had seen that already that section 47 pertains to certain conditions on which a patent is granted the grant of a patent is subject to certain

conditions now and the wording is again repeated here and we had given the cross reference to section 47 for that reason you will find that there are certain things that subject to which a patent is granted. So, if those things happen or of a person engages in those things then it will be regarded as a defense it will be a ground for defense for instance a person is importing using or distributing any medicine or drug as mentioned in section 47 then that will be a defense in a suit for infringement.

So, we can regard these as the statutory defenses. These are the statutory defenses because they are contained in the statute. So, we have seen 3 types of defenses the first defense is the defense of non infringement the second as a defense of invalidity raising the grounds under section 64 to invalidate the patent and eventually revoke it and the third set of defenses are the statutory defenses. Now the statutory defenses also include what we can find in 107 A. Now 107 A was introduced by an amendment in the year 2002. So, that is why it figures as a separate section. So, it is we can understand that as another statutory defense or another set of statutory defenses available in an infringement suit.

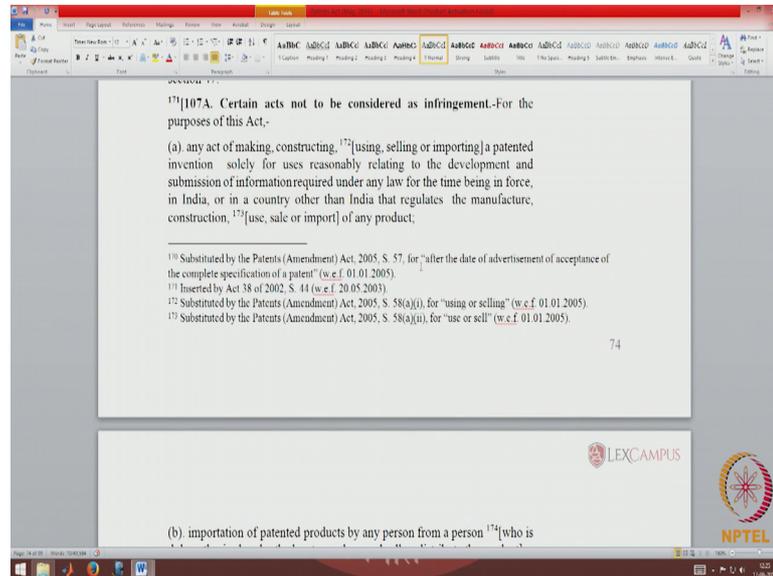
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Now, let us look at 107 A. Now 107 A is divided into 2 parts, a is what is generally called the Bolar exemption or the Bolar exception and b pertains to what we call parallel importation. So, a pertains to what is an known patent law as the Bolar exemption and b pertains to the defense of parallel importation. Now let us take a; now 107 A reaches for

the purpose of this act, there is a and b and it continue saying that shall not be considered as infringement of patent rights. So, a and b what is contained in a and b will not be regarded as infringement of a patent, right.

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Now, let us look at a first any act of making constructing using selling or importing a patented invention solely for uses reasonably relating to development and submission of information required under any law for the time being in force in India or in a country other than India that regulates the manufacture construction use sale or import of any product. Now what you need to understand is if a person makes constructs use sells or imports a patented invention for uses relating to development and submission of information required under any law in India or elsewhere any law in any part of the world.

Now, this would mean a defendant can import or he can make use even sell even sell certain quantities of the patented invention provided that use pertains to development and submission of information required under any law. Now let us look at there is an some detail. Now assume that the drug regulatory authority in India requires certain tests to be done before the drug can be approved. Now also assume that that particular drug is patented in India and the patent holder is a different company. Now if a company in India wants to get a marketing approval, they will have to submit certain tests to show that

their drug is an equivalent or their drug is a bio equivalent to an existing drug so, that they can also get an approval from the drug regulatory authority.

Now, normally in a normal case, we know from the wording of section 48 that an act of manufacture an act of using an act of selling would amount to infringement, but an exception is made here if that act is being done for the purpose of development and submission of information required under any law. So, if the drug controller or the drug regulatory authority requires information on that patented process to be submitted and a company mix that submission which would involve use of a patented invention that will not amount to infringement because this section protects statutorily the person from doing such acts the reason for this is that assume that a patent will expire in the year 2018 say on January first 2018 a patent would expire.

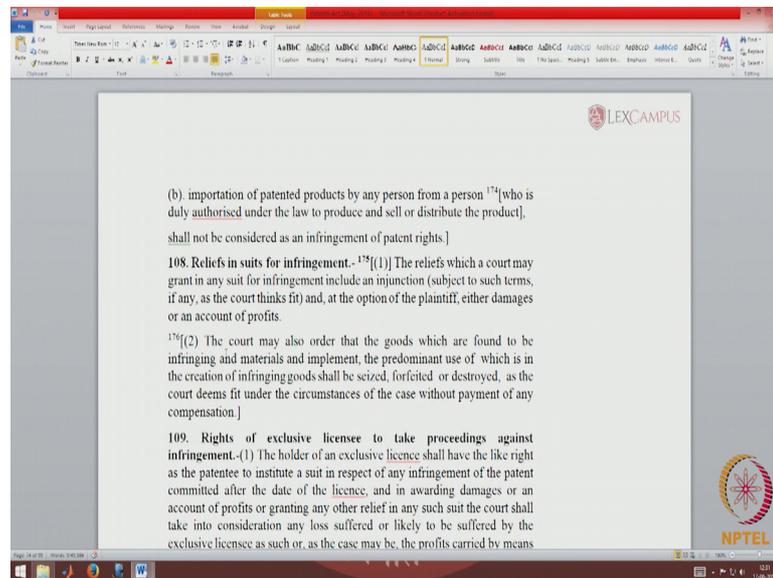
Now, a generic company in India which is interested in manufacturing that article post expiry of the patent which when it falls into the public domain can do some preparatory work, get all the approvals have everything in place. So, that the day the patent expires the next day, they can launch their product in the market. So, this provision exists to ensure that the time taken in doing the preparatory work in launching a drug, this is especially true for drugs in launching a drug which is patented can be cut down by getting approvals that are mandated by the law where such approval require submission of information development and submission of information. So, the purpose of this is to ensure that when a patent expires immediately other people can manufacture and supply.

Now, normally if there is no regulator this provision will not be required it all assume that there is a paper clip patent and the paper clip patent will expire on Jan first 2018, a competitor who wants to flug the market with pins the very next day can have all the necessary ingredients stocked up in his premises in his manufacturing unit and then day the patent expires, he can start manufacturing and he can flug the market with his goods because now the patent has expired in a product like a paper clip there is no requirement for a regulatory approval it is a simple product, but some products like drugs and medicines required regulatory approval. So, that itself could take many months to get.

So, to cut the lead time this provision enables a company to use a patented invention for the purposes of developing and submitting information required under any law. Now that law could be an Indian law, it could also be a foreign law, for instance is Indian

companies want to submit information to the FDA in the United States, they could still make manufacture or cell within India even if there is a patent by using this provision. So, this is what we call the Bolar exemption.

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B talks about parallel importation, b states that importation of patented products by any person from a person who is duly authorized under the law to produce and sell or distribute the product shall not be considered as infringement.

So, if a product is sold in a foreign country and you purchase it by paying the price in that country and then you import that product into India; that importation will not be considered as infringement in India because of this provision because the price for the product has already been paid and the channel by which it was procured was an authorized channel because you paid it in a foreign country and you purchase it for a price using the legitimate channels. You can now import it into India because it was already sold in a foreign country and just because is a patent in India there will not be any bar on importation because it was procured by the through the right channel and what the wording here is who is duly authorized under the law to produce and sell or distribute the product.

So, a person who is duly authorized under the law in that country to produce and sell or distribute the product, if you purchase the patented product from such a person and imported into India; that would not amount to an infringement. Now there are 2 or rather

3 types of parallel importation. There is something which we call the international parallel importation when we have the national parallel importation and the regional parallel importation. Now you we regarded as international, if we recognize a sale in any part of the world as amounting to the first sale that it is based on a first sale doctrine in the united states we regard that that we regard that as authorizing a person to import it into an another country.

Regional in certain trade areas like a customs union; you could a sale in a particular country which forms a part of a trade union could amount to an exhaustion of rights, in the sense that if it is sold in one country within the trade union, it could now go to a free trade union, it could now go to another country and that will still be regarded as coming under this standard, the national variation means that the sale has to be within the country only then it would amount to exhaustion of rights. So, a sale in a foreign country will not amount to exhaustion of rights because the sale has not happened within the territory the first sale has not happened within the territory.

So, there is you will find some information on these how these standards operate, but for the purpose of the Indian act we have what is called an international standard of parallel importation which means that any person if you buy from any person who is duly authorized by the law in which he operates to produce and sell or distribute a product then that will allow you to import the product into India. Now we saw that defenses that a person can raise and the defenses as we mentioned can be broadly summarized into 3 one a defense of non infringement 2 a defense of invalidity 107 A and the statutory defenses 107 2 and 107 capital A, these are all the statutory defenses because these defenses are created by the statute the patents act the patents act created these defenses.