

INTELLECTUAL PROPERTY PORTFOLIO MANAGEMENT

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Welcome friends. So, now we are moving to applications of this portfolio management. When you have a large number of assets in your portfolio, it is also very important to keep the security of those assets. Now, you will argue that because we have already protected our technologies, all these technologies are protected technologies.

We have received the grant of patents, and we have received the grant of registration for the designs. We have received the grant of trademark. So, this is already a protection. This is already a security. What next security are you talking about?

The grant is one part. It is like your land, and your property is registered in your name. But it is always possible that there may be some unauthorized person who may try to use your property without your consent. and that is where the next level of discussion comes into the picture if there is someone who is trying to use your IP without your permission, we have to go to court, and this is known as IP infringement. So, in this particular session we are going to focus on this IP infringement.

In fact, Let me also tell you that there are organizations that are running their business models around this IP infringement. They will try to sue you that you have used their IP without their consent, so you have to pay this much amount as compensation to them, and so that is not a very fair use of IP. But if I talk of in all fairness If I have something with me, I am the owner of a particular property, I will not like my property to be used without my permission.

Whether I want money or I do not want money, that is a second matter. my permission whether I have authorized that user for using my property or not that is a very important thing. So, in this particular session, we are going to discuss the issue of patent

infringement and IP infringement, and this is going to ensure the success of my portfolios. So, in this particular session, we are going to talk about what are the different types of IP infringements, the basic features of patent infringement, then who can enforce rights against any infringer, and how patent infringements can be prevented; it is very important, it is both policy label versus managerial issue. that is how you can reduce and prevent your patent infringements.

Then, defenses to patent infringement and how you can defend your patent infringement. Particularly, we are going to speak about the Indian Patent Act which is helping you Whenever there is a case of infringement, when you are going to code about your particular issue of IP infringement, you have to use the Indian Patent Act. And then what are the remedies etc are available for a patentee in case of patent infringement.

And all these things we are going to discuss with the help of some very popular infringement cases and the verdicts given by the courts in respect of those popular cases so that we can understand that whenever there is a case of IP infringement Both parties, there are very serious consequences of IP infringement, and millions of dollars of compensation will be paid if the case is proven. So, as we already know right from the beginning of this particular course that a patent owner has the right to exclude all others from using the patented invention. Here I am writing it in a slightly different way. Generally, we say that a patent owner, or IP owner, has the exclusive right to use it.

Generally we say that if I am owning a particular IP, I have the exclusive right of using this particular product. But here I am saying that I have the exclusive right to exclude all others from using my invention that you will not use, you will not be able to use, you will not be permitted. So, I am excluding all of you from using my patented invention. Only I will decide who will use it and who will not use it. So, I am able to, that is the right of excluding.

It is not a public property, it is a private property. So, I ensure who can be used and who should not be used. And right related to anyone who practices the invention without the owner's consent infringes his rights. So, therefore, whoever is going to use my IP without my consent without my consent is amounted to infringement of IP. If you start using my invention without my knowledge without my permission, it is considered to be an infringement of my IP rights.

So, patent protection we all know since the beginning of this course; therefore, the issue of foreign filing, issue PCT, etc, is there because patent protection is a territorial right.

Territorial rights mean that within a particular country, you are going to exercise this particular exclusive right, and therefore, it is effective only within the territory of India, in our case, or wherever you are. So, within the territory of your country. And we all know that there is no concept of a global patent, but there is a concept of foreign filing.

So, you can go for foreign filing to take the benefit of this territorial right in different foreign countries. After understanding this basic characteristic of IP with respect to infringement, the three very important types of infringements which you can find in the literature that is direct infringement, indirect infringement and willful infringement. So, let us see what are these different types of infringements. So, direct infringement which is as the name indicates it occurs when a product substantially close to a patented product or invention is marketed, sold or used commercially without the permission from the owner.

So, I have this particular pointer And this particular pointer is from a very popular company Logitech. And another company Globitech, it also makes a similar kind of pointer which uses almost all the technological feature which is available in Logitech. So, that is an example of direct infringement. That is an example of direct infringement.

And a very popular, very recent case of the direct infringement is Lava v. Ericsson, which came to India's Delhi High Court. And in this case, Ericsson's core activities like designing and manufacturing telecom equipments, establishing communication network systems, then it is leading innovations in telecommunication, data communication, and mobile networks. So, we all know about this company Ericsson. In India we also know about Lava and Lava is again a mobile manufacturing company.

It is making mobiles in India. However, many times, there are some question marks on the Lava's performance etc. Like in this case of direct infringement it is something related to SEP. SEP some of you may be aware is known as Standard Essential Patents.

So, whenever you are working in the field of let us say mobile communication, you are working in the field of computers etc. There are or even electrical engineering also, there are certain Standard Setting Organizations which are known as SSOs. For example, 5G phones are coming and 6G phones are coming. So, there will be a minimum standard for this 5G phone. If I say that my phone is 5G enabled, so there will be some minimum standard.

Because of these minimum standards, you can use SIM card of one company in any mobile phone. Or you can use the same mobile phone in India, China, America, Japan,

Europe, or wherever you want to go, you can use the same mobile phone because of these standards. If standards are not there, we may require a different mobile phone for using Airtel SIM or we may require a different mobile phone, Vodafone and so on. We may require different mobile phones when we travel from one country to another country. So, because of these SSOs you are having common standards across the globe.

So, any 5G phone need to fulfill those minimum standards. You can always have more add-ons on your phone depending upon the target market for which you are going to be there in a particular area. But minimum standards need to be fulfilled and all those patents which are actually helping Organizations to achieve those minimum standards are known as SEP (Standard Essential Patents). So, this term is more popular in the field of mobile communication, in the field of IoT, etc., where you have so much of requirement of standardization.

So, Ericsson said that Lava has used their eight Standard Essential Patents (SEPs) without their consent. So, Ericsson initiated these discussions and discussions with Lava to facilitate the license acquisition. So, they said that you are using our patents without our permission. So, why not you acquire the patents from us and

there is an issue which is known as F.R.A.N.D, which is mentioned as fair, reasonable, non-discriminatory terms. Because these SEPs are essential for making a particular device. So, there is always a issue that if SEPs are given on a very high commercial rates, the price of that particular product will also increase because of high royalty payments. So, governments are trying to do a system which is known as F.R.A.N.D that all SEPs are given to users whenever there is a technology transfer on this F.R.A.N.D terms. So, that the cost can be kept within some reasonable limits otherwise it is very very difficult for users to purchase those products because of the IP royalty issues.

Ericsson said to Lava okay, we are ready to give you these, particularly eight SEPs on the front term please sign the agreement. But Lava did not agree with Ericsson's offer, and without taking any kind of licensed agreement with Ericsson, they continued using these products. Then Ericsson had to go to the court. Ericsson sued Lava that they are using their products, their technologies, and IPs, and it became a case of direct infringement. And then the Delhi High Court gave its ruling in favour of Ericsson, and around Rs 244 cr, Rs 244 cr was given.

from the as per the order from the lava to Ericsson for the royalty or damages which lava made to Ericsson. And in this discussions also, When Ericsson said that 8 SEPs were

used by Lava, the Delhi High Court agreed that 7 SEPs were actually used by Lava, but one did not amount to SEP. So, the court actually decided which are the SEPs and which are not the SEP. But the point which we are discussing that is about the direct infringement.

So, this proved the direct infringement technology is as it is used by Lava. Then comes the second type of infringement, which is indirect infringement. Now, indirect infringement is not done directly by the person who is using it, but there is a third party support. This is owner. Now, the owner is a third party and this third party is giving to a person who is infringed.

he is the infringer. So, in this way, this is not a direct infringement, but through this third-party involvement, it is an indirect infringement. This third party is promoting the direct infringement. Third party is supporting or providing the technologies from this owner. So, there are intentional, accidental, both these things.

Generally, it appears to me that it is more intentional than accidental because of the commissions or some other kind of favours that this third party gets. So, they are trying to sell the technologies, provide the technologies which otherwise may not be copied. Then the third type of infringement is willful infringement. Now, this willful infringement involves intentional disregard

for another's patent rights and encompasses both direct and intentional copying and continued infringement after notice also. So, you can say that out of three direct, indirect and willful the willful is the worst kind of you can say infringement because you are aware you are doing intentionally this kind of infringement and you are continuing even after the notices. So, somebody has noticed that you are infringing their IP and they are sending you some kind of legal notice, but still you are continuing with your practice of copying or infringing that particular IP. So, this is a case of Glenmark, which is a very popular name and Symed Labs of 2015.

Now, in this case Symed Lab had used Glenmark before the Delhi High Court for easily infringing two of its patents, both of which are Indian patents. So, Symed labs asked Delhi High Court that Glenmark is actually infringing, Glenmark is a big name. So, the first patent was granted for this particular invention. While the second patent was granted for noble process for the preparation of linear geological and related compounds.

So, both are in the pharmaceutical fields. Now, in this case, the judgment which was declared on January 2015, you all can also refer this judgment which is available online also. The judge was convinced that the plaintiff had a good prima facie case in favour of Symbio. He further decided that that protection to the patent processes ought to be granted to the plaintiff as damages will not be an efficacious remedy. There was an irreparable loss and injury because of the long uninterrupted use of patents and the balance of convenience also lay in favour of the plaintiff.

Thus, the judge granted an interim injunction restraining Glenmark from manufacturing, selling, offering for sale, advertising or directly or indirectly dealing in the production of Linezolid manufactured in a manner that results in infringement of the plaintiff's registered patents. So, here just said that whatever loss has happened to Symbio because of the continued uses of this particular product Linezolid Glenmark. So, it is impossible to actually recover those losses and immediately stop the manufacturing, selling and offering of sale, advertisement, etc, of this product by Glenmark. So, this is a willful infringement where Glenmark knowingly, intentionally, they were copying or they were infringing this particular IP of Symbio Labs. Now, you may also understand or you may also argue.

Then what is the difference between direct infringement and willful infringement? So, direct infringement and willful infringement it appears to be similar that in both the cases there is quite a bit of similarity. But in direct infringement once it is noticed, once it is noticed you stop your activities. While in case of willful infringement, even after notices, you are continuing, you are still going into the path of that infringement. So, that is, therefore, I say that willful infringement is even more, you can say, of the lower quality of infringement.

So, whenever you are going to have a patent infringement case, the patent must be a valid one. If it is a dead patent, it will not amount to the infringement. Then, infringement infringer must infringe with the purpose of operation or production, which means there should be some kind of commercial gains from this infringement. If there is no commercial gain, for example, it is used for some kind of developmental activity; it will not amount to infringement that way. And when you are using those patents or IP without the permission of patentees, that is the violation of the legal rules. So, there are three important features of patent infringement.

Now, who can actually enforce rights against the infringers? Because there may be lot of people who are involved in holding the rights also. So, patentees themselves Assignee of the patent so that you can say kind of a representative of patentee agent, there are some IP agents, they can also enforce rights against the infringers, the licensee of the patentee, you have done the some kind of license agreement for this particular IP with somebody and because that person is holding the license for some kind of commercial interest.

But now, if somebody has infringed, the benefits of this licensee will also be reduced. So, therefore, he is also given the permission to sue against the infringers. Now, how patent infringement can be prevented? So, patent infringement can be prevented by using a multi-prong approach.

Now, when I say multi-prong approach what does it mean? It means that first you need to procure the license from the patent owners. So, that when I am making a product I need to see that the technologies which I am going to use whether they are still live protected one or they are not live protected one. If they are like protected one, I have to acquire the necessary license from the owners assignees of those particular patent. Then, production of unique goods.

If I am making those goods, those products which are difficult to copy or even if it is not a good, then if your patent is simply in your Almira, in your website. it is very easy to copy. So, to avoid minimizing patent infringement, it is important that if you get a patent because out of three, one very important condition is that you need to have some kind of industrial application of your technology. So, rather than keeping your IP idle without any work. you need to make use of your IP immediately and when you make use of your IP immediately, the chances of infringement gets reduced.

Chances of infringements are more when you are not using your IP, and therefore, it remains idle, and somebody thinks that it is a very useful technology, so he starts using it. So, that is the another very important thing that you need to bring your products to the market. That will help you in minimizing the cases of IP infringement. And then, obviously, the third, which I will not recommend generally, but if nothing is working, you need to sue the infringers. So, in India, particularly in the Patent Acts of 1970, you have been given the power to sue if your exclusive rights are violated.

When your exclusive rights are violated, you have defences to patent infringement. Now, the defendant may prove that they are compliant by data that shows they are not infringing or argue that the asserted patent is invalid if that be a case. Somebody has put

me to blame that you are infringing the IP of ABC company. So, I have to justify that yes I am aware of patent of ABC company, but the technology which I am using how is it different from the claims which are made in that particular IP and that is my defence and therefore, we need to go to the court where it will be proved whether what I am claiming or what the IP owner is saying, who is correct and here comes the role of court also, that court will hear both the parties and therefore, the capability development of courts are also very important, whether they are able to appreciate the IP related matters or not.

Then, simple thing is, You may stop selling and marking the infringed products. That is one thing which you should immediately do. If it comes to your notice that you are using any kind of infringed technology, you should stop. You may negotiate a licensing fee from the patent owner.

It is possible that when it comes to your knowledge, even the patent owner will not like to go to the court immediately. First, they will like to have a discussion. okay, no problem, you have infringed my IP, I am justifying that you have actually infringed my IP, but then there can be some kind of commercial negotiation where you will try to, you, as an infringer, you should try to acquire the IP of the owner so that it becomes more legalized and proper thing and it should not be amounting to IP infringement that way. sometime it also happens that I am using a particular technology, you are the owner of that technology. Now, you are blaming me that I am infringing your IP, but in this case

I will also I may also try it has happened in many cases I may try that I will say that this IP is itself not correct. This particular technology cannot be given IP, and it is quite possible that the court may accept my logic also. So, I will say that the defendant may prove that the plaintiff has wrongfully obtained the It is not amounting to patent maybe because of some prior art issue, maybe because of any XYZ reason, maybe the information was already available in the public domain. So, those things may be possible where the defendant may come up that your IP is not valid.

And therefore, all these strategies the defendant may use for their defence against the patent infringement. Now, there are some cases in which IP infringement is not considered. For example, I am acquiring some product from outside and that product from outside is already a protected product in our country but I am not using it for any commercial gain. I am using it for further development. I want to refine it, I want to develop it, maybe for R&D purpose, etc.

So, this is not going to amount for infringement. The basic you can say thumb rule can be if I am making some money from infringing the IP, I am using some IP for my commercial gains without taking your permission that is the easiest way to understand the IP infringement. If I am using some I am violating some IP for my these classes that is if it is these classes are giving me some kind of commercial benefit yes I have inference the IP. But if it is not giving me any commercial benefit, then it will be difficult to get to sue me in the court because of developmental R&D activities, which I want to do using this particular IP.

So, you can actually use section 107-A of the Indian Patent Act which gives you the permission that you can sue a person. Now, there are different types of situations which are possible with respect to IP infringement. As we already know that IP is a territorial right, you are in India, you are a company A and you have a IP, AP. So, anybody who is making a similar kind of product using AP is certainly a case of IP infringement.

Now, there is another country, China, where AP is not registered. Now, there comes company B, which is making a similar kind of product using AP and distributing it in China. Though it is a case of IP infringement, But you cannot take any legal action against this company because IP is a territorial right. So, since you are not registered in China, your IP is not registered in China, you cannot do anything.

Yes, you can do something if AP is also registered in China. If AP is also registered in China, then you can go there and you can sue this company B in Chinese courts. But you can understand one thing, that doing these things in multiple countries is an expensive phenomenon. So, you have to be very careful that there has to be some local partner in China who can take care of all the legal proceedings. Otherwise, it becomes a very difficult case that you have protection in Japan also, you have protection in USA also, you have protection in EU also.

Now, everywhere you cannot go. That is, so even though you have IP registered in these countries, if there is a case of infringement, you are not so comfortable travelling to all the places. That is point number one. Point number two, it is also possible that somebody is company C in the USA. Now, your IP is not registered in India, and therefore, a company in the USA, this C company, is using your technology in America.

but now there comes a importer D in India who is importing the technology from USA means the product from this company C. Now, since the product has come to India, now you can sue because in India you have the exclusive right. So, nobody else can take any

commercial benefit of using this particular technology. So, therefore, if the import is happening in India, you can sue them. But if USA is exporting to Japan, to China, to EU, you cannot do legally anything in these cases.

And probably the role of governments are also very important to set up a good IP infrastructure, good IP ecosystem, so that even these kind of issues can be minimized as much as possible. The only reason is because IP is a territorial right you cannot do anything if it is if your infringement is happening in other country and the business is also happening in other country where you do not have a proper protections. So, all these things actually lead us to So, whenever there is a IP related infringement related matter you need to go to the court and in the court you may have a temporary injection which is like a court order and if this temporary injection is given it prevents a party from taking specific action or compels them to do some particular things like some kind of let us say royalty or those kind of payments are given in favour of the plaintiffs. So, it remains very effective until a final verdict is reached.

The main purpose of a temporary injection is to stop someone from the causing serious harm to another party. So, we will discuss that, okay, it will take 2 years, 3 years, but immediately on day 1 if the temporary injection is given, so at least the additional possible damages can be minimized. then the permanent injection is also there it is kind of a final court order. So, that was the intermediate court order temporary and this is final court order and in this case it is also known as perpetual injection it is forever. Court issues it after a hearing and upon the merit of the case and it is sometime involving the patent offices also so that what are their views because sometime if you are challenging the validity of a patent whether patent is actually possible or not.

So, those kind of things require the involvement of the patent office also. Damages are also part of the court orders. which are awarded by the court, it can be like a monetary compensation, it will be stopping the production of that particular activity and generally whatever is the you can say cost of court proceeding that is also part of your compensation package. So, with this we discussed that IP infringement is a very important area. only when you are able to properly protect your IP and you can minimize the cases of infringement.

Whenever there is a case of infringement you need to go to the company see whether there is a possibility of out of court settlement. And if out of court settlement is not possible you need to actually go to the court where temporary injection and then

permanent injunction are possible and many a time this may take very long time also to settle the IP related matters. So, temporary injunction is something which you should immediately request the court so that you get a temporary relief so that further damages can be stopped and it is in fact good in case of infringer also because then maybe the amount of penalty in the end will increase too much.

So, therefore, the immediate one level of relief is provided to the patent owner and with this way we are able to take more uses from our IP portfolio. With this, we come to the end of this session. Thank you very much.