

Infringement of Patents and Remedies for Infringement of Patents

Intellectual Property Rights Subject-Wise Law Notes

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Introduction to Infringement of Patents

A person infringes a patent when he uses an invention of a patentee for which he was granted the patent, without his previous authorization. A patent may sometimes be infringed by taking a part only of the invention, but that depends on whether the part for which protection is asked is a new and material part, especially in the case of combination. If it is not new and material, the court must consider what is the substance of the invention, and to do so it has to consider the relative importance of all parts of the invention. [\[1\]](#)

In an infringement action, the main function of the court is to construe the claims which are alleged to have been infringed, without reference to the body of the specification, and to refer to the body of the specification only if there is any ambiguity or difficulty in the construction of claims in question. [\[2\]](#)

Thus, a patent is infringed if a person takes the substance of patented invention and makes colorable variations to it such as omitting some unessential features and adding some new features which may be immaterial.

Case laws dealing with Infringement of Patents

Dunlop Pneumatic Tyre Co. Ltd. v. Neal [\[3\]](#): It was held that the purchaser of a patented article can carry out repairs to it; however, he cannot manufacture a new article and claim that he had not infringed the patent because in the manufacture he had used an article derived from a patented

article sold by its patentee. It was contended that the defendants cannot similarly claim, by process of "reverse engineering" that their products were new and invented goods. They were clearly inspired by the plaintiff's products and after purchasing them, copied the main elements; their effort was an act of infringement, which had to be injuncted.

Laxmi Dutt Roop Chand v. Nankau and others^[4]:

Allahabad High court observed that the infringement of a patent may be done in a number of ways, one of which is by using that patent or any colorable imitation thereof in the manufacture of patented articles. It has also been observed in some of these authorities that the infringement may not be of the complete whole of the process but it may be only in part but in the latter case what is necessary is that the protection which is sought for, for such part is material or is totally new.

Jurisdiction

Section 104 provides that a suit for infringement of patent or for a declaration as to non-infringement under section 105 or for relief in cases of groundless threats of infringement proceedings under section 106 is to be instituted in District Court having jurisdiction to try the suit. However, where a counter-claim for revocation of the patent is made by the defendant, the suit along with the counter-claim is to be transferred to the High Court for decision.

Burden of proof in case of Infringement of Patents

In any suit for infringement of a process patent, the court may direct the defendant to prove that the process used by him to obtain the identical product is different from the patented process if –

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

Though the general burden of establishing the case of infringement of a patent in relation to a new product is on the plaintiff, the burden of proving otherwise, i.e, the process by which the defendant has made the similar product under his patent will be on the defendant by virtue of section 106 of the Indian Evidence Act, 1872.^[5]

Defences against Infringement of Patents

Court's declaration as to non- infringement

At any time after the publication of grant of a patent, any person may institute a suit for a declaration that the use by him of any process, or the making, use or sale of any article by him does not or would not constitute an infringement of a claim of a patent against the patentee or the holder of an exclusive license under the patent, notwithstanding that no assertion to the contrary has been made by the patentee or the licensee, if it is shown-

That the plaintiff has applied in writing to the patentee or exclusive licensee for a written acknowledgement to the effect of the declaration claimed and has furnished him with full particulars in writing of the process or article in question; and

That the patentee or licensee has refused or neglected to give such an acknowledgement.

Section 107 of the Patents Act talks about the defenses in suits for infringement. It says that every ground on which the patent may be revoked under section 64 shall be available as a ground for defense.

In any suit for infringement of a patent by the making, using or importation of any machine, apparatus or other article or by the using of any process or by the 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 one or more of the conditions specified in section 47. [6]

Other defenses available against Infringement of Patents

- . When a defendant proves that he has no intention of infringement.
- . In case of res judicata and estoppels.
- . When the plaintiff is not entitled or competent to sue for infringement.
- . When the defendant has a license to use the patented product or process.
- . When the patent is revoked on grounds of it being illegal.
- . In the case of pharmaceutical drugs/medicines, the government can allow to manufacture patented products for public good.
- . In case the infringement is obvious in nature and not novel.

Remedies for Infringement of Patents

Section 108(1) of the Patents Act provides for the remedies to the plaintiff in case his patent rights have been infringed. In any suit for infringement, the court may grant reliefs such as injunction and at the option of plaintiff, either damages or an account of profits. These remedies are not cumulative but alternative.

In addition, the court may also order that the goods which are found to be infringing and materials and implement, the predominant use of which is in the creation of infringing goods shall be seized, forfeited or destroyed, as the court deems fit under the circumstances of the case without payment of any compensation.

- . **Injunction:** It is a preventive civil remedy. It is of two kinds:
 - . **Temporary/ interlocutory injunction:** It is limited to a specific period or till the time the case is finally decided on merit. Relief by way of interlocutory injunction is granted to mitigate the risk of injustice to the plaintiff during the period before the uncertainty could be resolved. Its object is to protect the plaintiff against injury by violation of his right for which he could not be adequately compensated in damages recoverable in the action if the uncertainty were resolved in his favor at the trial. [7] An interlocutory injunction is invoked by the court at the initial stages of the suit filed by the plaintiff. This is passed in order to prevent the defendant from getting further profits by using other patented products. In order to invoke a temporary injunction, it is important for the patentee to prove that the patent is valid by all terms and has been infringed by the defendant. Also, the subsequent infringement of his patent rights has caused irreparable loss to him.
 - . **Permanent injunction:** A permanent injunction is invoked when the case is finally decided by the court on merit. The interim injunction is transferred to a permanent injunction if the defendant is found guilty of patent infringement rights and the decision is on the side of plaintiff. But if the defendant is absolved from the liability and proved to be innocent, then the interim injunction stands dissolved and is not converted into a permanent injunction. It is limited to the duration of the patent.
- . **EX parte interim injunction:**
Following guidelines may be taken into consideration by the trial courts before granting *ex parte* ad interim injunction:
 - . Where the plaintiff and the defendant are residing outside the state and their information like identity, address, etc. are easily known.
 - . Where sales of the infringed products are not on a commercial scale.
 - . Where the interim injunction is going to result in the closure operation/ business of the defendant.

- . The trial court should carefully scrutinize the certificates, infringing marks, etc. in case of patent/ trade mark disputes.
- . No *ex parte* interim injunction can be granted if no evidence of infringement has been produced by the plaintiff.

Damages or account of profits: The owner of a patent is entitled to either damages or an account of profits. He may either obtain damages in respect of losses caused by infringing activities of the defendant or an account of profits obtained by the infringer – but he cannot seek both. When drafting particulars of claim, the claimant will generally request these remedies as the alternative. It will be granted in addition to the remedy of injunction.

Where plaintiff chooses the remedy of account of profits, he will be entitled to claim only that profit which was enjoyed by the defendant by using the plaintiff's invention. It is unreasonable to give the profits of patentee which were not earned by the use of his invention.^[8]

In *Ravi Raj Gupta v. Acme Glass Mosaic Industries*,^[9] the court held that the patent sought to be enforced and alleged to have been infringed by the defendant was not an invention within the meaning of Section 2(j) of the Patents Act, 1970. Therefore, the plaintiff was not entitled to the grant of an ad interim injunction as prayed for. However, to protect the interest of the plaintiff in the event of his ultimately succeeding in the suit, the defendant was directed to maintain a complete, true and accurate account of the manufacture and sale of the tiles.

Seizure or forfeiture of infringing goods: Apart from other reliefs which a court may grant, the court may also order that the goods which are found to be infringing and materials which are predominantly used in the creation of infringing goods shall be seized, forfeited or destroyed, as the court deems fit under the circumstances of the case without payment of any compensation.

Costs of Suits for Infringement After Obtaining Certificate of Validity of Specification

When a certificate of validity of specification is granted and in any suit, infringement of the claim of patent before a court or in any proceeding for revocation of patent relating to the claim, the patentee relying on the validity of the claim receives a final order or judgment in his favor, she shall be entitled to an order for the payment of his full costs, charges and expenses of and incidental to any such suit or proceeding properly incurred so far as they concern the claim in respect of which the certificate was granted, unless the court trying the suit or proceeding otherwise directs.

However, the aforesaid costs shall not be ordered when the party disputing the validity of the claim satisfies the court that he was not aware of the grant of the certificate when he raised the dispute and withdrew forthwith such defense when he became aware of such a certificate.

Remedy for Infringement of Partially Valid Specification

If in any proceedings for infringement of a patent it is found that any claim of the specification is valid, but that any other claim is invalid, the court may grant injunction in respect of any valid claim which is infringed.

However, if the plaintiff proves that the invalid claim was framed in good faith and with reasonable skill and knowledge, the court shall grant relief in respect of any valid claim which is infringed, subject to the discretion of the court, as to costs and as to the date from which damages or an account of profits should be reckoned. In exercising such discretion the court may take into consideration the conduct of the parties in inserting such invalid claims in the specification or permitting them to remain there.^[10]

Landmark Judgements dealing with Infringement of Patents

Novartis v. Union of India^[11]:

In this case, a company Novartis filed an application before the court to grant the patent to one of its drugs 'Gleevec' which they claimed was invented by them. In this case, the court drew a distinction between invention and the discovery of an already existing drug. Also, the court also formulated a new test for granting patents to pharmaceutical products known as enhanced therapeutic efficacy. The court introduced this test besides the other traditional tests mentioned under Article 3 of the patents act to ensure that these patented products are made available to the general public on nominal prices in times of need.

Hoffmann- La Roche Ltd. v. Cipla Ltd.:

This case was one of the first cases of patent infringement in India after independence. In this case, the plaintiff pleaded that an interim injunction order is passed against the defendant's selling of a generic form of the drug. The court rejected the plead saying that the sale of the patented product was for public interest and also a case of a counterclaim as the revocation of the patent was ongoing in another court.

^[1] Lallubhai chakubhai jariwala v. chimanlal & co. (AIR 1936 Bom. 99)

^[2] Dudgeon v. Thomson (1877) 3 App Cas 34 at p.45

^[3] (1899) 16 RPC 247

^[4] AIR 1964 All 27

^[5] Farbeweke Hoechst Aktiengesellschaft Vormals Meister Lucius & Bruning Corporation v. Unichen Laboratories and Others, AIR 1969 Bom 255.

^[6] Section 107, Patents Act, 1970

^[7] Wockhardt Limited v. Hetero Drugs Ltd. & Others, 2006 (32) PTC 65 (Mad) (DB) at p. 71

^[8] United Shoe and Nail Company Ltd. v. Stewart & co., (1888)5 RPC 260 at pp.266-67

^[9] 56(1994) DLT 673

^[10] Section 114, *id.*

^[11] (2013) 6 SCC 1

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