
Patent Enforcement in India

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A. Outline of the Indian Legal System

I. Indian Constitution and the Patents Act 1970

- 1 India is a federal union of 29 States and seven Union Territories inhabited by over 1.2 billion people. It is the world's most populous democracy. The Constitution of India is the fountainhead of the Indian legal system. It demonstrates the Anglo-Saxon character of the judiciary which is basically drawn from the British legal system because of the long period of British colonial influence during the British Raj in India.
- 2 During the drafting of the Indian Constitution, laws from Ireland, the United States, Britain and France were all synthesised to get a refined set of Indian laws as it currently stands. Indian laws also adhere to the United Nations guidelines on human rights law and environmental law. Certain international treaties concerning intellectual property such as TRIPS are also enforced in India. India is a member of Paris Convention, Patent Cooperation Treaty ('PCT'), Madrid Agreement, Berne Convention etc.
- 3 Laws by the central government and their interpretation by Supreme Court of India via judicial precedent or general policy directives are binding on all courts and citizens of India. Product patents as well as process patents are granted and enforced in India under the Patents Act 1970 (the 'Act'), as last amended by the Patents (Amendment) Act 2005 and the Patents Rules 2003, as last amended by the Patents (Amendment) Rules 2014.

II. Judicial System

- 4 The judicial system is a unique feature of the Indian Constitution. It is an integrated system of courts that administer both State and Union laws. The Supreme Court of India is the apex court whose decisions are binding on all courts all over India. Each State and Union Territory has federal High Courts. There are several subordinate courts in each district and sub-divisions of a State under supervisory and appellate jurisdiction of its High Court.

III. Indian Legal System

5 There are mainly two categories under which the Indian legal system operates. These are:

- civil procedure; and
- criminal procedure;

1. *Civil Procedure*

6 A civil suit is the most commonly resorted litigation, covering a wide range of legal remedies including remedies arising from patent infringement. All courts dealing with civil matters follow the common Civil Procedure Code 1908 while administrative and statutory tribunals, being quasi-judicial forums, adhere to their own rules of procedure based on the principles of natural justice.

7 The Code of Civil Procedure 1908 deals with the procedures to be followed by the civil courts in adjudicating upon a civil suit, broadly involving the following steps and stages of proceedings:

a. Institution of Suit and Pre-Trial Stage

- filing of the plaint to institute the suit;
- issue of notice/process to the opposite party;¹
- filing of the written statement by the opposite party, ie the defendant within 30 to 90 days;²
- replication by the plaintiff (rebuttal to the defendant's written statement);
- admission/denial of documents;
- discovery of documents and facts; and
- framing of issues.

b. Trial Stage

- submission of list of witnesses;³
- affidavit in evidence of plaintiff;
- cross-examination by the defendant;
- affidavit in evidence by the defendant;
- cross-examination by the plaintiff; and
- final arguments.

c. Judgment

- final order and judgment; and
- final decree.

¹ Sarkar, *Commentary on Code of Civil Procedure*, 10th edn (Nagpur, Wadhwa and Company, 2004) 2.

² *ibid* 2.

³ *ibid* 2.

d. Post-Suit

- reviewer revision;
- first appeal against order/decreed; and
- second appeal.

2. *Courts and Style of Adjudication*

- 8 Patent infringement cases are heard by civil courts. Infringement of a patent is not a criminal offence. The jurisdiction to decide a patent infringement case vests with the district court which is the principal civil court of original jurisdiction within any district. This includes such High Courts which exercise 'original civil jurisdiction'. These High Courts are located at Delhi, Mumbai (Bombay), Kolkata (Calcutta) and Chennai (Madras). Owing to their high level of awareness of IP laws, these High Courts are the preferred choice by patentees for institution of patent infringement cases.

3. *Intellectual Property Appellate Board ('IPAB')*

- 9 IPAB is a statutory tribunal created by the Government of India under the provisions of the Indian Trade Marks Act 1999 and the Patents Act 1970 referred to as 'the Appellate Board'. It has been conferred jurisdiction to decide petitions for revocation of patents and appeals arising from orders passed by the Controller of Patents in cases of patent applications or pre-grant or post-grant oppositions. The Appellate Board constitutes the Chairman and a Technical member authorised to hear such cases. The Chairman is required to be a retired High Court Judge. The Technical member is required to be a person having a science degree and having worked as Controller of Patents or who has discharged the functions of the Controller for at least five years or practised as a patent agent for 10 years.

4. *Jurisdiction to Decide the Issue of Invalidity*

- 10 Though the district court has jurisdiction to decide the issue of infringement of a patent⁴ it has no jurisdiction to decide the issue of invalidity if raised by a defendant as a counterclaim in such suit. If, as and when, such plea of invalidity is raised, it is obligatory for the district court to transfer the entire suit to the High Court exercising supervisory and appellate power over it.

5. *Style of Decisions*

- 11 The courts in India adjudicating upon patent infringement suits operate as a court of law but grant or refuse injunction, based on principles of equity. A patentee, therefore,

⁴ Patents Act 1970, s 104(1):

Jurisdiction:

No suit for a declaration under section 105 or for any relief under section 106 or for infringement of a patent shall be instituted in any court inferior to a district court having jurisdiction to try the suit:

Provided that where a counter-claim for revocation of the patent is made by the defendant, the suit, along with the counter-claim, shall be transferred to the High Court for decision.

in order to succeed in a suit for infringement, must not only make out a case of being a patentee, holding a valid patent and acts of infringement committed by the defendant, but also establish that it is not disentitled to the relief of an injunction in equity. Hence, inequitable conduct such as material concealment, misleading pleadings, misrepresentation, inconsistent pleas etc would be relevant factors which will weigh in a court's decision to grant or reject a relief.

IV. IP Profession

- 12 The IP bar is well developed in India and there are large numbers of IP practitioners primarily located in the four metropolitan cities of Delhi, Mumbai, Chennai and Kolkata with a few also located in Ahmedabad.

B. Enforcement of Patent IP Rights

I. Types of Action

1. *Infringement of Patent*

- 13 Although the Patents Act 1970 does not define what constitutes infringement nor confers any exclusive positive right to commercialise the patent, it confers negative statutory right on the patentee to prevent third parties from making, using, offering for sale, selling or importing the patented product or the product obtained directly by the patented process in India. This implies that any infraction of such statutory right would amount to infringement of patent.

Section 48—Rights of patentees: Subject to the other provisions contained in this Act and the conditions specified in section 47, a patent granted under this Act shall confer upon the patentee—

(a) where the subject matter of the patent is a product, the exclusive right to prevent third parties, who do not have his consent, from the act of making, using, offering for sale, selling or importing for those purposes that product in India;

(b) where the subject matter of the patent is a process, the exclusive right to prevent third parties, who do not have his consent, from the act of using that process, and from the act of using, offering for sale, selling or importing for those purposes the product obtained directly by that process in India.

2. *Importation of Patented Products: Customs*

- 14 The importation of patented products by any person from a person who is duly authorised under the law to produce and sell or distribute the product will not be considered as an infringement of patent rights under section 107A(b) of the Act.

3. Intellectual Property Rights (Imported Goods) Enforcement Rules 2007

- 15 The central government, Vide Notification No 47/2007 dated 8 May 2007, introduced the 'Intellectual Property Rights (Imported Goods) Enforcement Rules 2007' to protect the IP rights against infringing import. It empowered customs to seize such imports which amount to infringement of patent as well as trade marks, copyright, designs and geographical indications.
- 16 Vide Circular No 41/2007 dated 29 October 2007, the Government of India clarified that the said rules mandate that in respect of a patent and the complaint of its infringement, the customs officials should be extremely cautious in determining the issue of infringement unless the offence has already been established by judicial pronouncement in India and customs is merely called upon to implement such order. Clause 4 is reproduced below:

It is pertinent to mention that while the mandatory obligations under Articles 51 to 60 of the TRIPS dealing with border measures are restricted to Copyright and Trade Marks infringement only, the said Rules deal with Patents, Designs and Geographical Indications violations as well, in conformity with the practice prevailing in some other countries, notably EU countries. While it is not difficult for Customs officers to determine Copyright and Trade Marks infringements at the border based on available data/inputs, it may not be so in the case of the other three violations, unless the offences have already been established by a judicial pronouncement in India and the Customs is called upon or required to merely implement such order. In other words, extreme caution needs to be exercised at the time of determination of infringement of these three intellectual property rights.

- 17 In *LG Electronics India Pvt Ltd v Bharat Bhogilal Patel & Ors*,⁵ the Delhi High Court held that customs officials are only an implementing authority, when there is complaint relating to patent infringement and it should act only on orders passed by a court in suit for patent infringement. This position has been challenged by customs itself in an appeal before the Appellate Bench of High Court of Delhi and is pending adjudication.
- 18 In *Telefonaktiebolaget LM Ericsson v Union of India & Ors*,⁶ the Appellate Bench of the Delhi High Court observed that the customs officials can seize the goods in a simple case of patent infringement. However, in a complex case, the customs authority should relegate the parties to civil proceedings. The judgment does not contain any guidance as to which kind of patent infringement cases would fall within the scope of 'simple' as compared to 'complex' cases.

4. By a Third Party

- 19 The Indian Patent Act prescribes two types of opposition proceedings: ie, pre-grant opposition and post-grant opposition. Pre-grant opposition could be filed by any person whereas post-grant opposition can be filed only by an 'interested' person.

⁵ 2012 (51) PTC 513 (Del).

⁶ 194 (2012) DLT 248.

5. Pre-Grant Opposition

- 20 'Any person' may file a pre-grant opposition by way of representation along with a statement and evidence in support thereof. He may further request a hearing if so desired to the Controller of Patents at any time after publication of the patent application under section 11(A) of the Act. It is not before the expiry of six months⁷ available from the date of publication under section 11(A) that a patent is granted. Therefore, a person has an assured period of six months from the date of publication to file the pre-grant opposition. Such a representation will only be considered after a request for examination for the application has been filed.
- 21 The grounds for filing pre-grant opposition are prescribed under section 25(1) of the Act, which are same as those prescribed for revocation of patents dealt with later in this chapter (below section B.I.7). The decision on examination is kept pending till the time the pre-grant opposition is disposed of. If the pre-grant opposition has merit, a notice is sent to the applicant, along with a copy of the representation. If the applicant so desires, he may reply to the representation along with a reply statement and evidence in support, within three months from the date of the notice.⁸
- 22 The Controller usually calls for an inter partes hearing wherein both parties are granted the opportunity to advance submissions in support of their pleas and contentions. The Controller considers the reply statement and evidence filed by the applicant, along with the arguments made during the hearing, and may either grant the patent or refuse the grant or ask for amendment of the complete specification to his satisfaction before the grant of the patent.
- 23 In a case before the Kolkata High Court, *Hindustan Lever Ltd v Godrej Soaps*,⁹ a patent filed by Hindustan Lever Ltd on 14 October 1992 in India was opposed by Godrej Soaps Ltd. The patent had two priorities of UK dated 14 October 1991 and 14 July 1992 and was granted on 18 May 1996 in India. The grounds of opposition were:
- prior publication;
 - prior public use and prior public knowledge;
 - obviousness and lack of inventive step;
 - non-patentability; and
 - insufficiency and clarity of description.
- 24 After the hearing, it was held by the Court that the teachings of the cited exhibits were insufficient to prove the above-mentioned grounds of opposition. The applicant amended the claims and specifications to make its point clear and to overcome the opponent's allegations. After considering notice of opposition, statements and evidence from both of the parties, the opposition was dismissed.

6. Post-Grant Opposition

- 25 Only a 'person interested'¹⁰ can file a notice of opposition along with a written statement challenging the grant of a patent under grounds mentioned in section 25(2)(b)

⁷ The Patents Rules 2003, r 55(1A).

⁸ *ibid*, r 55(4).

⁹ *Hindustan Lever Limited v Godrej Soaps Limited & Ors* AIR 1996 Cal 367.

¹⁰ Patents Act, 1970, s 2(1)(t): 'person interested includes a person engaged in, or in promoting, research in the same field as that to which the invention relates'.

in a prescribed Form 7 within 12 months from the date of publication of grant of patent (rr 55A, 57).¹¹ The grounds of opposition are almost same as they are in case of pre-grant opposition. Once the Controller is convinced that the opponent is indeed an interested person, the notice of opposition is taken on record. After receipt of notice of opposition, the Controller notifies the patentee about the fact of receipt of notice, without any delay and constitutes an Opposition Board (s 25(3)(b), r 56).¹²

- 26 If the patentee desires to contest the opposition, he shall file a reply statement setting out fully the grounds upon which the opposition is contested along with evidence, if any, in support of his case, within a period of two months from the date of receipt of the copy of opponent's written statement and evidence.¹³
- 27 If the patentee does not desire to contest or does not file his reply and evidence within two months, the patent shall be deemed to have been revoked.¹⁴
- 28 After the receipt of reply from the patentee, the opponent may file reply evidence within one month from the date of delivery to him of a copy of patentee's reply statement and evidence.

7. Revocation

- 29 The validity of a patent can be questioned any time throughout the term of the patent. The provisions set out in the Act provide an opportunity to any 'interested person' to challenge the validity of a granted patent after expiry of the one-year period for filing post-grant opposition. The grounds of revocation are provided under section 64 of the Act, which are almost the same with minor variations, as prescribed for filing pre-grant or post-grant opposition.
- 30 Revocation of patents is possible by five different ways, which are briefly discussed below.

¹¹ Patents Rules 2003, r 57:

Filing of written statement of opposition and evidence:

The opponent shall send a written statement in duplicate setting out the nature of the opponent's interest, the facts upon which he bases his case and relief which he seeks and evidence, if any, along with notice of opposition and shall deliver to the patentee a copy of the statement and the evidence, if any.

¹² Patents Rules 2003, r 56:

Constitution of Opposition Board and its proceeding:

- (1) On receipt of notice of opposition under rule 55A, the Controller shall, by order, constitute an Opposition Board consisting of three members and nominate one of the members as the Chairman of the Board.
- (2) An examiner appointed under sub-section (2) of section 73 shall be eligible to be a member of the opposition Board.
- (3) The examiner, who has dealt with the application for patent during the proceeding for grant of patent thereon shall not be eligible as member of Opposition Board as specified in sub-rule (2) for that application.
- (4) The Opposition Board shall conduct the examination of the notice of opposition along with documents filed under rules 57 to 60 referred to under sub-section (3) of section 25, submit a report with reasons on each ground taken in the notice of opposition with its joint recommendation within three months from the date on which the documents were forwarded to them.

¹³ *ibid*, r 58.

¹⁴ *ibid*.

- revocation in the public interest by the central government;¹⁵
- revocation relating to atomic energy by the Controller;¹⁶
- revocation by the Controller for non-working of patents;¹⁷
- revocation by the High Court on petition for failure to comply with the request of the central government;¹⁸ and
- revocation by the IPAB on a petition by a person interested or the central government or by the High Court in a counterclaim in a suit for infringement.

8. *Choice of Forum for Revocation*

- 31 On 2 June 2014, the Supreme Court of India pronounced a decision¹⁹ with far-reaching limitations on choice of forum that a person raising a plea of invalidity of a patent can make.
- 32 In the case, *Dr Wobben*, the patentee, sued the defendant company and its directors who were licensed to use the patented invention. The defendants continued using the patented invention even after termination of the licence. In a suit for infringement filed before the High Court of Delhi, the defendants assailed the validity of the patent by way of a counterclaim in the suit. The first suit was followed by several other suits for infringement of several other patents of the same plaintiff against the same defendants.
- 33 The defendants also filed revocation petitions against such patents before the IPAB which invalidated some of the patents while the suit for infringement and the counterclaims were pending before the court.
- 34 *Dr Wobben* sought stay of the revocation petitions pursued by the defendants before the IPAB on the ground that, having filed counterclaims in the infringement suits before the civil court, the defendants should not be permitted to simultaneously

¹⁵ Patents Act 1970, s 66:

Revocation of patent in public interest:

Where the Central Government is of opinion that a patent or the mode in which it is exercised is mischievous to the State or generally prejudicial to the public, it may, after giving the patentee an opportunity to be heard, make a declaration to that effect in the Official Gazette and thereupon the patent shall be deemed to be revoked.

¹⁶ Patents Act 1970, s 65:

Revocation of patent or amendment of complete specification on directions from Government in cases relating to atomic energy:

(1) Where at any time after grant of a patent, the Central Government is satisfied that a patent is for an invention relating to atomic energy for which no patent can be granted under sub-section (1) of section 20 of the Atomic Energy Act, 1962 (33 of 1962), it may direct the Controller to revoke the patent, and thereupon the Controller, after giving notice, to the patentee and every other person whose name has been entered in the register as having an interest in the patent, and after giving them an opportunity of being heard, may revoke the patent.

(2) In any proceedings under sub-section (1), the Controller may allow the patentee to amend the complete specification in such manner as he considers necessary instead of revoking the patent.

¹⁷ *ibid*, s 85.

¹⁸ *ibid*, s 64(4) and (5).

¹⁹ *Dr Aloys Wobben v Yogesh Mehra* AIR 2014 SC 2210.

pursue the revocation petitions before the Appellate Board. The High Court of Delhi ruled in favour of the defendants holding that the Act does not contemplate a 'Doctrine of Election' and therefore the two proceedings should continue concurrently until the satisfaction of either of them was arrived at. The issue was taken up on appeal before the Supreme Court of India.

- 35 The Supreme Court held that if 'any person interested' has filed post-grant opposition under section 25(2) of the Act, the same would eclipse all similar rights available to the very same person to again seek revocation under section 64(1) of the Act. This bar would include the right to seek revocation of a patent in the capacity of a defendant through a 'counterclaim' (also under section 64(1) of the Act) arising in a suit for infringement before the court.
- 36 If a 'revocation petition' is filed by 'any person interested' before the Appellate Board to the institution of any 'infringement suit' against him, he would be disentitled in law from seeking the revocation of the patent in the suit through a 'counterclaim'. The issue of invalidity can only be decided in a revocation petition filed first before the Appellate Board.
- 37 Where in response to an 'infringement suit', the defendant has already sought the revocation of a patent through a 'counterclaim' in the suit, the defendant cannot be permitted to seek invalidation by way of a 'revocation petition' before the Appellate Board and the issue of invalidity can only be decided by the civil court.
- 38 The Supreme Court further assigned to the term 'the interested person' the meaning of any person who has a direct, tangible and present interest in the patent in question which adversely affects its such right.

9. Declaration of Non-Infringement

- 39 Any person may request a court to make declaration that the use by him of any process, or making, use or sale of any article by him does not, or would not constitute an infringement, provided the following conditions are fulfilled:²⁰
 1. if such person has applied in writing to the patentee or the exclusive licensee for a written acknowledgement to the effect that there is no infringement and has furnished him with full particulars in writing of the process or article in question used by him; and
 2. that the patentee or licensee has refused or neglected to give such an acknowledgement.
- 40 The validity of a claim of the specification of a patent shall not be called into question in a suit for a declaration and accordingly the making or refusal of such a declaration in the case of a patent shall not be deemed to imply that the patent is valid or invalid.
- 41 A suit for a declaration may be brought at any time after the publication of grant of a patent.

²⁰ Patents Act 1970, s 105.

II. Competent Parties

1. *Who may Sue?*

- 42 A patent can be enforced by the patentee or by a co-patentee or an exclusive licensee or assignee who has like right as the patentee itself. In the case of infringement committed after the date of grant of the exclusive licence, the exclusive licensee will have the right to seek damages suffered by it or to claim profits earned by the infringer from the acts that may constitute infringement of the rights of the exclusive licensee.²¹ However, a suit for infringement by the exclusive licensee will be maintainable only if the patentee is either impleaded as co-plaintiff or as co-defendant.²²
- 43 On the other hand, a mere licensee of the patent is not entitled to institute a suit for infringement. However, in the case of infringement of a patent, a licensee is entitled to call upon the patentee to take proceedings to prevent infringement and if the patentee refuses or neglects to do so within two months, the licensee may institute a suit for infringement in his own name as if he was the patentee making the patentee as co-defendant.²³
- 44 An assignee of a patent or exclusive licensee or a non-exclusive licensee can sue for patent infringement only if an application for recordal of the assignment or the licence has been filed before the Controller of Patents.²⁴
- 45 A co-patentee, subject to agreement to the contrary, is entitled to an equal undivided share in the patent and each of such persons is entitled to claim a statutory right in patent by himself or his agents including the right to sue for infringement.²⁵

2. *Who may be Sued?*

- 46 Any person who infringes the patent without the consent of a patentee can be sued for infringement. According to the Code of Civil Procedure 1908, all persons may be sued for committing a violation who are jointly or severally or in the alternative liable and involved in activities giving rise to cause of action of infringement of patent.²⁶ All persons who have deliberately and knowingly acted in furtherance of the common design to infringe the patent, as distinguished from a mere onlooker, can be sued for contributory infringement. All persons who facilitate infringement can be sued for infringement. Hence, where there are two or more individuals who have worked together to build an infringing product, both would be liable for the act of infringement. The agents, licensees or franchisees involved in the manufacture or sale or offer for sale or import or use of infringing product will be liable and can be sued. As far as directors of the company are concerned, they will not be liable unless it is shown that they have been directly involved in commission of the infringing activity.

²¹ *ibid*, s 109.

²² *ibid*.

²³ *ibid*, s 110.

²⁴ *ibid*, s 69.

²⁵ *ibid*, s 50.

²⁶ Code of Civil Procedure 1908, Order I, r 3.

III. The Competent Court

- 47 The competence of a court to decide an issue of infringement of patent depends upon the following three factors:
1. whether it has territorial jurisdiction;²⁷
 2. whether it has pecuniary jurisdiction;²⁸ and
 3. whether it has subject jurisdiction.²⁹
- 48 All suits for infringement of a patent can be instituted only before district courts. However, where both the district court and the High Court have concurrent civil original jurisdiction, their jurisdiction would be determined by the value of monetary relief claimed.
- 49 Once the pecuniary jurisdiction is determined, a patentee has to examine as to which court has territorial jurisdiction to decide the suit. The territorial jurisdiction would depend upon the area of location of the infringer or the area of sale or offer for sale of the infringing products or where the threat of sale or infringement is felt.
- 50 Recently, a large number of '*quia timet*' patent infringement cases have been filed in India where the jurisdiction of the court was questioned considering that there was no infringing product in the market and the alleged infringer was not carrying any business within the territorial limits of the court. Against such background, the High Court of Delhi has held that if there is a threat of sale of an infringing product within its territorial limits as the infringer is selling other products in the said area, then such threat would constitute part of a cause of action which would be deemed to have arisen within territorial jurisdiction of the court.³⁰
- 51 There are no established IP courts in India to hear patent infringement cases. Some of the district courts in India have designated IP benches but the judges therein keep changing. Hence, there are no designated courts having expertise to decide patent infringement cases.
- 52 Where a suit is filed only on the basis of one of several defendants carrying on business within the territorial jurisdiction of the court concerned and no part of the cause of action has arisen therein, a suit can be prosecuted by taking leave of the court.³¹

IV. Preparation for Trial

1. Pleadings

- 53 The pleadings in the suit form the foundation of the claim and the defence. No evidence which is beyond the pleadings can be looked into by courts. The pleadings are supposed to be statements of facts alone that a party needs to prove to establish its case for the reliefs claimed. The pleadings are not supposed to contain evidence or

²⁷ *ibid*, s 20.

²⁸ *ibid*, s 6.

²⁹ Patents Act 1970, s 104.

³⁰ *Bristol Myers Squibb Company v VC Bhutada* 2013 (56) PTC 268 (Del).

³¹ Code of Civil Procedure 1908, s 20(b).

arguments. A plaintiff is required to file a plaint which should be duly verified and supported by an affidavit sworn by the person verifying it. The plaint should contain necessary averments as to what is the invention protected by the patent and how it is being infringed by the defendant. The defendant is granted the opportunity to comment upon such averments and raise its defence to establish that there is no infringement or that the patent is invalid or that the patentee is not entitled to the reliefs claimed on any other ground in law. The pleadings must contain complete disclosure of all material facts relevant to the issue under adjudication.

- 54 In *Merck v Glenmark*³² the grant of a temporary injunction was denied and the Court observed the following:

The plaintiff in a suit restraining infringement of patent ought to have known the defence which the defendant has put forth and ought to have met the same in the plaint, as has been done in the arguments in rejoinder by arguing on 'basic' and 'improvement' patents. There is not an iota of pleading on the said aspect. The plaintiff, to show that the defendants product, in spite of combining Phosphate with patented SITAGLIPTIN, medically remained equivalent to SITAGLIPTIN, was expected to plead in detail on the aspects of efficacy of SITAGLIPTIN, reason for itself combining the same with Phosphate and the role of Phosphate being inconsequential in the disease which SITAGLIPTIN cures. It was for the plaintiffs to have made a case of Sitagliptin Phosphate being merely a new form of SITAGLIPTIN which does not result in the enhancement of the efficacy of SITAGLIPTIN or being a mere combination of other derivatives of SITAGLIPTIN. I am unable to find any pleading of the plaintiffs to the said effect. Rather, the plaint proceeds on the premise that Sitagliptin Phosphate is the same as SITAGLIPTIN but which is not found to be the case of the plaintiffs in its own application for grant of Sitagliptin Phosphate and which was abandoned.

2. Documentary Evidence

- 55 The parties are required to produce all documentary evidence that they wish to rely upon at the time of submission of their pleadings. Any additional documents subsequently filed are only permissible by leave of the court and on establishing sufficient ground for their non-production earlier. It is therefore advisable to place such expert evidence that a patentee wishes to rely upon to establish infringement along with institution of the suit or immediately thereafter. It is equally important for a defendant also to place on record along with its pleadings, all such prior art and expert evidence that it wishes to rely upon to establish non-infringement or plea of invalidity of the patent.

3. Preliminary Injunction

- 56 It is usual along with institution of the suit for a patentee to press for an ad interim injunction order and Anton Piller order, to preserve the infringing material so as not to allow the same to be disposed of by the infringer. In case of *quia timet* actions of patent infringement, the courts do grant ad interim injunction orders to preserve the 'status quo'. The Supreme Court of India observed in the case of *Wander v Antox*:³³

The interlocutory remedy is intended to preserve in status quo, the rights of parties which may appear on a prima facie. The court also, in restraining a defendant from exercising what he

³² *Merck v Glenmark* 2013 (54) PTC 452 (Del).

³³ 1990 Supp (1) SCC 727.

considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration whether the defendant has yet to commence his enterprise or whether he has already been doing so in which latter case considerations somewhat different from those that apply to a case where the defendant is yet to commence his enterprise, are attracted.

- 57 The hearing of the application for preliminary injunction is like a ‘mini trial’ without cross-examination where lengthy arguments are heard by the court on all aspects including the validity of the patent, the issue of infringement and the likely damage to the parties. It is therefore essential that a preparation should be made for the hearing of the application for preliminary injunction comparable with preparation for a trial. All documents and evidence that the parties wish to rely upon should be placed on record for examination by the court.
- 58 There are several factors which are considered extremely relevant by the court before issuing or refusing a preliminary injunction. These can be summarised by way of following factors:
1. whether the patentee has established a ‘prima facie’ case establishing infringement of the patent;
 2. whether a defendant has prima facie established that there is a serious challenge to the validity of the patent in question;
 3. what is the strength of the respective contentions of the parties on the issue of infringement and invalidity;
 4. where the balance of convenience tilts, if a preliminary injunction is granted or refused;
 5. who, between the parties, would suffer irreparable injury, if the preliminary injunction is granted or refused.
- 59 Each of the above factors requires necessary pleadings and evidence to assist the court in arriving at a prima facie determination.
- 60 Along with an application for an ad interim injunction, it is usual for the parties to apply for the appointment of local commissioners to visit the premises of the defendants and to take into custody all such evidence which may be necessary for the purpose of adjudication in the suit in line with the Anton Piller orders³⁴ of the United Kingdom. The power of the court to appoint such local commissioners is statutorily recognised³⁵ and usually, where an ad interim injunction is granted, local commissioners are also appointed to visit the premises of the defendants and take custody of all necessary evidence. Such evidence is usually returned to the defendants on *Superdari*, ie the defendant is put under an obligation to safeguard such evidence until the disposal of the suit.³⁶
- 61 The conditions for granting an Anton Piller order in India are:³⁷
1. the plaintiff must have a strong prima facie case;
 2. the actual or potential damage to the plaintiff must be very serious;

³⁴ See *Anton Piller KG v Manufacturing Process Ltd & Ors.* 1976 RPC 719.

³⁵ Code of Civil Procedure 1908, Order XXVI, r 9, read with Order XXXIX, r 7.

³⁶ *ibid*, Order XXVI, r 10.

³⁷ *Bacyrus Europe Ltd v Vulcan Industries Engineering* 2005 (30) PTC 279 (Cal).

3. it must be clear that the defendant possesses clear and vital evidence; and
4. there must be a real possibility that the defendant might destroy or dispose of such material so as to defeat the ends of justice.

Therefore, the principles governing the appointment of local commissioners in India are the same as those that govern the grant of Anton Piller orders (now 'inspection orders') in the United Kingdom.

4. *Prima Facie Validity and Credible Challenge*

- 62 The courts have held in India that during the hearing of preliminary injunction, a 'mere credible challenge' to the validity of a recent patent is sufficient for the court to deny a preliminary injunction. Hence, the threshold of invalidity which the defendant has to overcome to deflect a preliminary injunction is quite low. In the judgment reported as *Roche v Cipla*³⁸ in 2008, the Court observed that 'credible challenge' means whether a defendant has put forth a 'substantial question of validity' to show that the claims in issue are vulnerable. The same case was later heard by the Appellate Bench which further observed that the challenge to the validity of a patent must raise a 'serious substantial question' and a 'triable issue'.³⁹ A patent which survives the pre-grant challenge can still be challenged, but on grounds different from those raised at the opposition stage. The fact that the challenge is on grounds not urged at the pre-grant stage would lend credibility to the challenge but if it is on the same grounds which have been considered and rejected, the burden on the defendant to demonstrate the credibility of the challenge would be considerably higher. In the case of *Strix Ltd v Maharaja Appliances Ltd*,⁴⁰ the Delhi High Court rejected a claim to 'credible challenge' as the defendant failed to place on record any acceptable scientific material, supported or explained by expert evidence which substantiated its grounds of revocation.

5. *Obviousness*

- 63 It has been held by the Supreme Court of India in the case of *Biswanath Prasad Radhey Shyam v Hindustan Metal Industries*⁴¹ that the grant of a patent does not amount to prima facie validity thereof. The observation of the Supreme Court in this regard is instructive:

It is noteworthy that the grant and sealing of the patent, or the decision rendered by the Controller in the case of opposition, does not guarantee the validity of the patent, which can be challenged before the High Court on various grounds in revocation or infringement proceedings. It is pertinent to note that this position, viz. the validity of a patent is not guaranteed by the grant, is now expressly provided in Section 13(4) of the Patents Act, 1970. In the light of this principle, Mr. Mehta's argument that there is a presumption in favour of the validity of the patent, cannot be accepted.

³⁸ *F Hoffman La-Roche & Anr v Cipla Ltd* 2008 (37) PTC 71 (Del).

³⁹ *F Hoffman La-Roche & Anr v Cipla Ltd* 2009 (40) PTC 125 (Del).

⁴⁰ MIPR 2010 (1) 181.

⁴¹ *Biswanath Prasad Radhey Shyam v Hindustan Metal Industries* 1979 (2) SCC 511.

6. Discoveries

- 64 The parties are entitled to seek discoveries and interrogatories if the pleadings are completed.⁴² The courts have also permitted the constitution of a ‘Confidentiality Club’ comprising authorised representatives of the respective parties and their lawyers to share among themselves such confidential documents which are otherwise filed and maintained by the parties under sealed cover.⁴³

V. The Trial

1. Presenting Testimony

- 65 The expression ‘trial’ has not been defined under the Code of Civil Procedure 1908 or, for that matter, under any other law in India and the task of defining its meaning has been left to the courts which, in the context of civil trials, have interpreted it to mean the stage where evidence is adduced by parties to the suit—this includes the examination of each witness produced by a party followed by cross-examination by the other party and, if required and not very frequently, re-examination by the party producing the witness.⁴⁴

2. Presentation of Evidence

- 66 The substantive law of evidence in India is covered by the Indian Evidence Act 1872 whereas the procedural aspects, particular to civil cases, are covered by the Code of Civil Procedure. Under the civil procedure of India, the examination-in-chief of each party was conducted by way of oral deposition until 2002, when the Code was amended to allow the examination-in-chief to be conducted by way of affidavits.⁴⁵ However, the courts have held that the examination-in-chief cannot be considered to be concluded until the relevant witness steps into the witness box and confirms the contents of his affidavit.⁴⁶ This step is generally known to lawyers and judges as ‘the tendering of evidence’.

⁴² Code of Civil Procedure 1908, Order XI.

⁴³ *Sivaswamy v Vestergaard* 2010 (42) PTC 273 (Del).

⁴⁴ Indian Evidence Act, 1872, s 138:

Order of Examinations:

Witnesses shall be first examined-in-chief, then (if the adverse party so desires) cross-examined, then (if the party calling him so desires) re-examined.

The examination and cross-examination must relate to relevant facts but the cross-examination need not be confined to the facts to which the witness testified on his examination-in-chief.

Direction of re-examination: The re-examination shall be directed to the explanation of matters referred to in cross-examination; and, if new matter is, by permission of the Court, introduced in re-examination, the adverse party may further cross-examine upon that matter’.

⁴⁵ Code of Civil Procedure 1908, Order XVIII, r 4:

Recording of evidence:

(1) In every case, the examination-in-chief of a witness shall be on affidavit and copies thereof shall be supplied to the opposite party by the party who calls him for evidence.

⁴⁶ *FDC Limited v FMRAI* AIR 2003 Bom 371. For a detailed discussion of this aspect of civil procedure, see *Salem Advocate Bar Association v Union of India* AIR 2003 SC 189.

- 67 The affidavit in evidence of a witness is expected to cover all the evidence pertinent to that witness which helps in discharging the burden of proving any issue required to be proven by the party producing such witness. This entails that the documentary evidence relied upon by a party be covered in the affidavit of a witness if such witness is otherwise competent to prove the contents of that document.

3. *The Role of Experts*

- 68 By their very nature, patent infringement suits oblige parties to present before the court expert witnesses who are competent to depose on facts and issues relevant to such suits and, in practice, affidavits in evidence of such experts are filed and relied upon by both sides in such suits. This is because patent infringement suits involve scientific and highly technical questions on which a judge, in spite of the high standards of judgment and knowledge that he or she possesses, may require understanding of technicalities. Such situations are jointly met by the Indian Evidence Act 1872,⁴⁷ which permits the court to rely upon the opinions of experts in their field, and the Patents Act, which permits the court to appoint an independent scientific advisor to assist it upon any question of fact or of opinion not involving a question of interpretation of law.⁴⁸

4. *Who Qualifies as an Expert*

- 69 A party seeking to adduce evidence of a person under section 45 of the Evidence Act should, in the first instance, prove to the court that such witness is especially skilled in the particular science and therefore fit to be accepted as an expert.⁴⁹
- 70 On the question as to what qualifications a person needs to have in order to qualify as an expert within the meaning of section 45 of the Evidence Act for the purpose of a patent infringement suit, the Delhi High Court in *Vringo Infrastructure Inc & Anr v Indiamart Intermesh Ltd & Ors*⁵⁰ has concluded that the requisite qualities are the same as those that would enable a person to have his name entered in the roll of scientific advisors maintained by the Controller of Patents under Rule 103 of the Patent

⁴⁷ Indian Evidence Act 1872, s 45:

When the Court has to form an opinion upon a point of foreign law, or of science, or art, or as to identity of handwriting or finger impressions, the opinions upon that point of persons specially skilled in such foreign law, science or art, or in questions as to identity of handwriting or finger impressions are relevant facts. Such persons are called experts.

⁴⁸ Patents Act 1970, s 115:

Scientific Advisers. (1). In any suit for infringement or in any proceeding before a Court under this Act, the Court may at any time, or whether or not any application has been made by any party for that purpose, appoint an independent scientific advisor, to assist the Court or to inquire and report upon any such question of fact or of opinion (not involving a question of interpretation of law) as it may formulate for that purpose.

(2) xxx.

⁴⁹ *Central Excise Dept v Somasundaram* 1980 CrLJ 553 (Kar). See also *State of HP v Jai Lal* AIR 1999 SC 3318.

⁵⁰ 2014 (60) PTC 437 (Del).

Rules 2003.⁵¹ Thus, the requisite qualifications for a person to qualify as an expert under section 45 of the Evidence Act would be that:

1. he holds a degree in science, engineering or technology or equivalent;
 2. he has at least 15 years of practical or research experience; and
 3. he holds or has held a responsible post in a scientific or technical department of the central or State government or in any organisation.
- 71 In the instant case, the patent alleged to be infringed was a telecommunications patent for 'a method and a device for making handover decision in a mobile communication system'. To support their patent, the plaintiffs had filed an affidavit of a person with a degree and other qualifications in business management from various universities in the United States of America and who was subsequently employed with various telecommunications and computer companies as a management consultant. Thereafter, he went on to lead a full-service consulting and training firm specialising in communications and computer convergence and, all in all, he claimed to have over 40 years of experience in the field of telecommunications technology and also to have written a number of research papers on the subject.
- 72 Refusing to attach any importance to the expert's affidavit, the Court noted that the said expert did not, in the first place, have any basic degree in science or technology or engineering dealing in telecommunications nor did he have any practical or research experience in the field. The Court also noted that the said expert had merely stated that he had written a number of research papers on telecommunications technology without citing any such paper in support thereof and such unsubstantiated claims would not suffice for the purpose of section 45 of the Evidence Act. Noting that the said expert did not meet any of the three requirements stipulated in Rule 103 of the Patent Rules, the trial judge held that, *prima facie*, the said expert could not be considered an expert under section 45 of the Evidence Act.
- 73 The plaintiffs challenged the order on appeal before the Appellate Bench. The Appellate Bench clarified that the single judge's observations were only relevant for the purpose of *prima facie* determination of the dispute and could not be treated as final for the purpose of trial.⁵² For this reason, the Appellate Bench refused to set aside the trial judge's observations, while, clarifying that a person could be an expert in an area of specialised knowledge by experience and he or she need not hold a degree in the field of specialised knowledge. Hence, a person can also become an expert by virtue of his avocation or occupation.⁵³

⁵¹ Patent Rules 2003, r 103:

Roll of scientific advisers.—(1) The Controller shall maintain a roll of scientific advisers for the purpose of section 115. The roll shall be updated annually. The roll shall contain the names and addresses of scientific advisers, their designations, information regarding their educational qualifications, the disciplines of their specialization and their technical, practical and research experience.

(2) A person shall be qualified to have his name entered in the roll of scientific advisers, if he –

- (i) holds a degree in science, engineering, technology or equivalent;
- (ii) has at least fifteen years' practical or research experience; and
- (iii) he holds or has held a responsible post in a scientific or technical department of the Central or State government or in any organization.

⁵² Unreported decision dated 13 August 2014 passed in FAO (OS) No 369/2014.

⁵³ *ibid.*

74 The Appellate Bench concurred with Phipson's view which is

though the expert must be 'skilled', by special study or experience, the fact that he has not acquired his knowledge professionally goes merely to weight and not to admissibility.... Equally, one can acquire experts knowledge in a particular sphere through repeated contact with it in the course of one's work, notwithstanding that the expertise is derived from experience and not from formal training.⁵⁴

75 The above case however serves as a warning call to patentees to choose their experts carefully when filing suits for patent infringement in India. Since each party to a patent suit can be expected to challenge the expertise of the witness produced by the other side, it would be useful to set out the qualifications a witness should ideally have for rebutting such challenge:

1. a scientific or technical degree, ideally Masters or Doctoral or Post Doctoral degree but, at any rate, a Bachelors degree, in the field of the relevant patent;
2. specialised knowledge of the technology used by the patent in order to be able to explain and distinguish or attack the said patent;
3. a working experience in a technical role which entails working with the technology relied upon or improved upon by the patent;
4. authorship of articles/papers dealing with the said technology; and
5. absence of any conflict of interest on account of any association with any of the parties.

76 A combination of all of these qualities would raise a witness far above Powell's benchmark for an expert as being one who has devoted time and study to a special branch of learning and who is thus specially skilled on those points on which he is asked to state his opinion.⁵⁵5. *Extent of Relevance of Expert's Evidence*77 It is recognised law that the opinion of a witness can only assist the court in coming to a conclusive judgment and cannot replace the judgment of the court itself. As Lindsay, J has written, 'the nature of the invention has to be determined by the judge and not by a jury, nor by an expert or any other witness. This is familiar law though often disregarded when witnesses are examined'.⁵⁶78 Lord Tomlin in *British Celanese Ltd v Courtaulds Ltd* observed:

He is entitled to give evidence as to the state of the art at any given time. He is entitled to explain the meaning of any technical terms used in the art. He is entitled to say whether in his opinion that which is described in the specification on a given hypothesis as to its meaning is capable of being carried into effect by a skilled worker. He is entitled to say what at a given time to him as any given hypothesis as to its meaning would have taught or suggested to him. He is entitled to say whether in his opinion a particular operation in connection with the art could be carried out and generally to give any explanation required as to facts of a scientific kind ... He is not entitled to say nor is Counsel entitled to ask him what the specification

⁵⁴ *Phipson on Evidence* 15th edn (London, Sweet & Maxwell, 2000) 37-09, p 962.

⁵⁵ Powell, *Principles and Practice of the Law of Evidence* 10th edn (London, Butterworth, 1921) 39.

⁵⁶ *Brooks v Steele and Currie* (14) RPC 46.

means, nor does the question become any more admissible if it takes the form of asking him what it means to him as an engineer or as a chemist. Nor is he entitled to say whether any given step or alteration is obvious, that being a question for the Court.⁵⁷

- 79 Although the role and relevance of expert witnesses in guiding the court to come to sound conclusions is not disputed in India, the Supreme Court has clarified that a court is not bound by such evidence.⁵⁸

6. Documentary Evidence

- 80 The Evidence Act 1872 stipulates that the contents of documents may be proved either by primary or secondary evidence.⁵⁹ Primary evidence is the document itself produced for the inspection of the court.⁶⁰ Secondary evidence means and generally includes reliable copies of the original document or oral accounts thereof by someone who has seen the original when the original is lost.⁶¹ The law requires that documents must be proved by primary evidence⁶² except under certain circumstances where secondary evidence would be permitted of the existence, condition or contents of a document.⁶³ Electronic records can be produced as evidence if the requirements under section 65B of the Indian Evidence Act are complied with.⁶⁴
- 81 The reason behind the rule that documents must ordinarily be proved by themselves, and not by secondary means, was explained by Lord Tenterden thus:⁶⁵

I have always acted most strictly on the rule that what is in writing shall only be proved by the writing itself. My experience has taught me the extreme danger of relying on the recollection of witnesses, however honest, as to the contents of a written instrument; they may be so easily mistaken that I think the purposes of justice require the strict enforcement of this rule.

7. Discovery and Production of Documents

- 82 The parties to a suit are entitled to seek discovery of documents in the power or possession of the other party.⁶⁶ The reasoning behind this rule has been aptly summarised by the Supreme Court thus:⁶⁷

⁵⁷ (52) RPC 171.

⁵⁸ *Malay Kumar Ganguly v Dr Sukumar Mukherjee* AIR 2000 SC 1162.

⁵⁹ Indian Evidence Act 1872, s 61.

⁶⁰ *ibid*, s 62.

⁶¹ *ibid*, s 63:

Secondary Evidence: Secondary evidence means and includes: (1) Certified copies under the provisions hereinafter contained; (2) Copies made from the original by mechanical processes which in themselves insure the accuracy of the copy and copies compared with such copies; (3) Copies made from or compared with the original; (4) Counterparts of documents as against the parties who did not execute them; (5) Oral accounts of the contents of a document given by some person who has himself seen it.

⁶² *ibid*, s 64.

⁶³ *ibid*, s 65.

⁶⁴ *Anvar PV v PK Basheer* 2014 (10) SCC 473.

⁶⁵ *Vincent v Cole* 1828 M&M 258 as cited in *Sarkar on Evidence* 15th edn (Nagpur, Wadhwa & Co, 1999) 1056.

⁶⁶ Code of Civil Procedure 1908, Order XI, r 12.

⁶⁷ *ML Sethi v R P Kapur* AIR 1972 (SC) 2379.

Generally speaking, a party is entitled to inspection of all documents which do not themselves constitute exclusively the other party's evidence of his case or title. If a party wants inspection of documents in the possession of the opposite party, he cannot inspect them unless the other party produces them. The party wanting inspection must, therefore, call upon the opposite party to produce the document. And how can a party do this unless he knows what documents are in the possession or power of the opposite party? In other words, unless the party seeking discovery knows what are the documents in the possession or custody of the opposite party which would throw light upon the question in controversy, how is it possible for him to ask for discovery of specific documents?

- 83** The factors which a court must consider before ordering discovery under this rule are relevance, justness and expediency to produce such documents.⁶⁸ Once a court makes an order for discovery against a party under this rule, such party is bound to disclose, by way of affidavit, such documents that it has in its power or possession.

VI. Types of Infringement

1. *Direct and Indirect Infringement*

- 84** Every type of infringement constitutes an independent cause of action and should be pleaded. Any omission may not be permitted to be incorporated by way of amendment as it may amount to setting a new cause of action. An infringement could be direct or indirect. Direct infringement occurs when a person makes a product or sells it or offers to sell or uses it or imports an infringing product. There is no requirement that such activity must be of commercial nature.
- 85** Where the subject matter of the patent is a process, a product obtained directly from that process in India or the use or offer for sale or sale or import of such product would constitute infringement.
- 86** The parties who supply materials and implements, knowing that the predominant use thereof would be for creation of infringing goods, are liable for indirect infringement.⁶⁹

2. *Test for Infringement*

- 87** The test for infringement is whether the 'pith and marrow' of the invention claimed has been used by the unauthorised party.⁷⁰ If the infringing goods are made with the same object which is attained by the patented article, then infringement is made out, notwithstanding minor variations. Applying the 'doctrine of equivalence', a person is guilty of infringement if he makes what in substance is the equivalent of the patented article.
- 88** The Delhi High Court in *Raj Prakash*⁷¹ held:

12. We have, therefore, to read the specifications and the claims from the point of view of the persons in the trade manufacturing film strip viewers. It is the pith and marrow of the

⁶⁸ *Sasanagouda v Dr S B Amarkhed* AIR 1992 SC 1163.

⁶⁹ Patents Act 1970, 108(2).

⁷⁰ *Raj Prakash v Mangat Ram* AIR 1978 Del 1.

⁷¹ *ibid.*

invention claimed that has to be looked into and not get bogged down or involved in the detailed specifications and claims made by the parties who claim to be patentee or alleged violators. (See *Birmingham Sound Reproducers Ltd. v. Collaro Ltd. and Collaro Ltd. v. Birmingham Sound Reproducers Ltd.* 1956 R.P.C. 232). It is not necessary that the invention should be anything complicated. The essential thing is that the inventor was the first one to adopt it. The principle, therefore, is that every simple invention that is claimed, so long as it is something which is novel or new, it would be an invention and the claims and specifications have to be read in that light, as was observed in the famous hair-pin case, reported as *Hinde v. Osborne*, 1885 R.P.C. 65. To quote from another well-known decision of the Court of Appeal in *R.C.A. Photophone Ltd. v. Gaumont-British Picture Corporation Ltd. and British Acoustic Films Ltd.*, 1936 R.P.C. 167, the specification must be construed in the first instance as a written instrument and without regard to the alleged infringement.

25. The patented article or where there is a process then the process has to be compared with the infringing article or process to find out whether the patent has been infringed. This is the simplest way and indeed the only sure way to find out whether there is piracy. This is what was done in the hair-pin case above-referred to, and is indeed, always done. Unessential features in an infringing article or process are of no account. If the infringing goods are made with the same object in view which is attained by the patented article, then a minor variation does not mean that there is no piracy. A person is guilty of infringement if he makes what is in substance the equivalent of the patented article. Some trifling or unessential variation has to be ignored. There is a catena of authority in support of this view. We need not cite all those cases which were brought to our notice at the Bar. Suffice it to quote the words of Lord Denning, M. R. in *Beecham Group Limited v. Bristol Laboratories Ltd. and another*, 1967 (16) R.P.C. 406:-

‘The evidence here shows that in making hetacillin in the United States the defendants use a principal part of the processes which are protected here by the English patents. The importation and sale here is prima facie an infringement. There is a further point. A person is guilty of infringement if he makes what is in substance the equivalent of the patented article. He cannot get out of it by some trifling or unessential variation. ... On the evidence as it stands, there is ground for saying that hetacillin is medically equivalent to ampicillin. As soon as it is put into the human body, it does after an interval, by delayed action, have the same effect as ampicillin. In these circumstances, I think there is a prima facie case for saying there was an infringement. The process is so similar and the product so equivalent that it is in substance the same as ampicillin.’

- 89 The main function of the court is to construe the claims which are alleged to have been infringed with reference to the body of the specifications. The Supreme Court of India held in *Biswanath Prasad*⁷² that it is always advisable to read the specification first in order to prepare one’s own mind to the invention claimed:

42. As pointed out in *Arnold v. Bradbury* (1871) 6 Ch. A. 706 the proper way to construe a specification is not to read the claims first and then see what the full description of the invention is, but first to read the description of the invention, in order that the mind may be prepared for what it is, that the invention is to be claimed, for the patentee cannot claim more than he desires to patent. In *Parkinson v. Simon* (1894) 11 R.P.C. 483 Lord Esher M.R. enunciated that as far as possible the claims must be so construed as to give an effective meaning to each of them, but the specification and the claims must be looked at and construed together.

⁷² *Biswanath Prasad v Hindustan Metal* AIR 1982 SC 1444.

- 90 Where one person has a patent for a basic invention and the other person later obtains a patent for improvement to this invention, the later patentee is not free to use the invention without permission of the former patentee.⁷³

3. Claim Construction

- 91 Where the claims are clear and unambiguous, the scope of patent should be interpreted by literal meaning assigned to the claims in accordance with the rule of literal construction. Where there is ambiguity in the interpretation of the claim, the claim should be interpreted applying the rule of purposive construction to give effect to what was intended to be the scope of the invention by the inventor. Where the impugned product contains variants/constituents, their nature needs to be examined as to whether they affect the working of the invention.⁷⁴
- 92 If the infringing product is made with the same object as the patented article and the role of the variant is minor, not affecting the working of the patented article, then it would be an infringement, provided the patentee pleads and establishes this fact. In the absence of such pleading, the finding of infringement cannot be arrived at.⁷⁵

VII. Remedies

1. Injunction

- 93 A patentee is entitled to an order of injunction restraining the manufacture, sale, offer of sale, use or import of an infringing product. In addition, the patentee is also entitled to claim rendition of accounts of profits which the infringer has misappropriated by making use of the patented process or product. In the alternative, the patentee can claim damages, subject to the same being established by way of evidence. The patentee can also seek relief for delivery of infringing products and materials and implements used for creating infringing products, for destruction.
- 94 So far, there have not been instances in India where damages have been calculated in a patent infringement case by a court. However, it is understood that the same standards of calculating damages would be followed by the courts in India as are applied internationally by courts in other jurisdictions.

VIII. Defences

1. Non-Infringement

- 95 It is open to a defendant to challenge the plea of infringement of the patent raised by the patentee by distinguishing the product or the process used by the defendant

⁷³ *Hindustan Lever Ltd* (n 9).

⁷⁴ *F Hoffman La-Roche Ltd & Anr v Cipla Ltd* 2012 (52) PTC 1 (Del).

⁷⁵ *Merck* (n 32).

from the patented product or process. A defendant can highlight that the essential part of the plaintiff's invention has not been used or proven to be used by the defendant. There is no infringement if the defendant has produced the same result by a different combination of different elements where the patent is for a combination of elements.⁷⁶

- 96 The defendant can also plead non-infringement on the ground that its product contains variants/constituents in addition to what is claimed in the invention and these variants are material in the working of the defendant's product.⁷⁷

2. Gillette Defence

- 97 The defendant can also plead 'Gillette defence'⁷⁸ to the effect that what is being produced by the defendant is covered by prior art. Such defence is very effective since, if it is established, it will either lead to invalidation of the patent or the finding of non-infringement. The courts in India have applied the Gillette defence in the past.⁷⁹

3. Statutory Exceptions

- 98 It is open for a defendant to plead a statutory defence to a plea of infringement as accorded under section 47, section 107 and 107A. Hence, use of a patented product or process for the purposes of experiment or research or education is not an infringement. Similarly, making, selling or using or importing any patented product or a product manufactured by a patented process for a use reasonably related to the development and submission of information required under any law in India or any other country that regulates the manufacture and construction of such product is not an infringement. There is no judicial precedent interpreting section 107A(b) on 'exhaustion of right' or 'international exhaustion' but it could be argued that importing patented products in India from any person duly authorised under the law to produce and sell or distribute such product is not an infringement.⁸⁰ This principle is in accordance with the law in the United Kingdom as laid down in *Betts v Wilmott*.⁸¹

4. Activities not Amounting to Infringement

- 99 Section 48 is subject to other provisions of the Act which carve out exceptions to prohibited acts which do not amount to infringement. These exceptions are discussed below.

⁷⁶ *TVS Motor Co Ltd v Bajaj Auto Ltd* 2009 (40) PTC 689 (Mad).

⁷⁷ *F Hoffman La-Roche* (n 38).

⁷⁸ See *Gillette Safety Razor v Anglo American Trading Co* 1913 (30) RPC 465.

⁷⁹ *3M Innovative Properties Co v Venus Safety & Health Pvt Ltd* 2014 (59) PTC 370.

⁸⁰ Patents Act 1970, s 107A(b).

⁸¹ (1870–71) LR 6 Ch App 239.

5. *By the Government*

- 100** As stated in section 47(1) and (2) of the Act,⁸² the central government and any person authorised in writing by it, may use the invention for government purposes. Accordingly, any machine, apparatus or article in respect of which the patent is granted or any article made by using a process in respect of which the patent is granted, may be imported or made by or on behalf of the government for the purpose merely of its own use.

6. *Research and Analysis*

- 101** Section 47(3), read in conjunction with section 107(2)⁸³ of the Act, permits any person to make use of the patented invention without having to gain prior permission from the patentee as long as it intends to use the patented product or process for research purposes or to impart education.

7. *Bolar Exemption*

- 102** Section 107A(a)⁸⁴ permits any act of making, constructing, using, selling or importing a patent invented solely for use reasonably related to the 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 such product.

8. *Use on Foreign Vessels*

- 103** Pursuant to section 49 of the Act, if a foreign vessel/aircraft/land vehicle owned by a foreign resident ventures into Indian seas accidentally or temporarily, and is making use of the patented article for purposes of its own use in the vehicle, such use is not considered as infringement, provided a corresponding exemption is also available to vehicles of Indian residents in the country of origin of such vehicle.

⁸² Unless otherwise specified, any reference to Act is by way of reference to the provisions of the Patents Act 1970, as amended by the Patents (Amendment) Act 2005.

⁸³ Patents Act 1970, s 107:

Defences, etc., in suits for infringement:

- (1) In any suit for infringement of a patent every ground on which it may be revoked under section 64 shall be available as a ground for defence.
- (2) In any suit for infringement of a patent by the making, using or importation of any machine, apparatus of other article or by the using of any process or by the importation, use or distribution or any medicine or drug, it shall be a ground for defence that such making, using, importation or distribution is in accordance with any one or more of the conditions specified in section 47.

⁸⁴ Patents Act 1970, s 107A:

Certain acts not to be considered as infringement:

For the purposes of this Act,— (a) any act of making, constructing, using, selling or importing a patented invention solely for uses reasonably related to the development and submission of information required under any law for the time being in force, in India, or in a country other than India, that regulates the manufacture, construction, use, sale or import of any product;

- (b) importation of patented products by any person from a person who is duly authorised under the law to produce and sell or distribute the product, shall not be considered as an infringement of patent rights.

9. Onus of Proof

104 The onus to prove the invalidity of a patent is always on the party raising it. In the case of a plea of infringement of a process patent for obtaining a new product or the product identical to the product obtained by a patented process, the court can direct a defendant to disclose and prove that the process used by it to obtain the patented product is different.⁸⁵

10. Invalidity

105 All grounds on which a patent can be revoked under section 64 are available to a defendant as a ground for defence.⁸⁶ These grounds are:

- (a) that the invention, so far as claimed in any claim of the complete specification, was claimed in a valid claim of earlier priority date contained in the complete specification of another patent granted in India;
- (b) that the patent was granted on the application of a person not entitled under the provisions of this Act to apply therefor;
- (c) that the patent was obtained wrongfully in contravention of the rights of the petitioner or any person under or through whom he claims;
- (d) that the subject of any claim of the complete specification is not an invention within the meaning of this Act;
- (e) that the invention so far as claimed in any claim of the complete specification is not new, having regard to what was publicly known or publicly used in India before the priority date of the claim or to what was published in India or elsewhere in any of the documents referred to in section 13;
- (f) that the invention so far as claimed in any claim of the complete specification is obvious or does not involve any inventive step, having regard to what was publicly known or publicly used in India or what was published in India or elsewhere before the priority date of the claim;
- (g) that the invention, so far as claimed in any claim of the complete specification, is not useful;
- (h) that the complete specification does not sufficiently and fairly describe the invention and the method by which it is to be performed, that is to say, that the description of the method or the instructions for the working of the invention as contained in the complete specification are not by themselves sufficient to enable a person in India possessing average skill in, and average knowledge of, the art to which the invention relates, to work the invention, or that it does not disclose the best method of performing it which was known to the applicant for the patent and for which he was entitled to claim protection;
- (i) that the scope of any claim of the complete specification is not sufficiently and clearly defined or that any claim of the complete specification is not fairly based on the matter disclosed in the specification;

⁸⁵ *ibid*, s 104A.

⁸⁶ *ibid*, s 64 and s 107.

- (j) that the patent was obtained on a false suggestion or representation;
- (k) that the subject of any claim of the complete specification is not patentable under this Act;
- (l) that the invention so far as claimed in any claim of the complete specification was secretly used in India, otherwise than as mentioned in sub-section (3), before the priority date of the claim;
- (m) that the applicant for the patent has failed to disclose to the Controller the information required by section 8 or has furnished information which in any material particular was false to his knowledge;
- (n) that the applicant contravened any direction for secrecy passed under section 35 or made or caused to be made an application for the grant of a patent outside India in contravention of section 39;
- (o) that leave to amend the complete specification under section 57 or section 58 was obtained by fraud;
- (p) that the complete specification does not disclose or wrongly mentions the source or geographical origin of biological material used for the invention; and
- (q) that the invention so far as claimed in any claim of the complete specification was anticipated having regard to the knowledge, oral or otherwise, available within any local or indigenous community in India or elsewhere.

11. *Anticipation*

- 106** In order to be patentable, the product must be new, involve an inventive step and be capable of industrial application under section 2(1)(j) of the Act. Inventive step means a feature of an invention that involves technical advance as compared to the existing knowledge or having economic significance or both and that makes the invention not obvious to a person skilled in the art. Hence, a product or process which was publicly known or publicly used in India or elsewhere before the priority date cannot be considered novel. Mosaicing of different publications which existed before the priority date of complete specification does not constitute anticipations.⁸⁷ In order to constitute anticipation, the earlier specification must convey the same knowledge as is disclosed by the specification of the invention under challenge. It must be established that the prior publication contains all facts to instruct the public on how to put the invention in practice.⁸⁸

12. *Prior Publication*

- 107** The Supreme Court, in *Novartis v Union of India*,⁸⁹ explained the meaning of the expression 'publicly known', the term used in section 64(1)(e) of the Act. It does not mean that it should be widely known or used publicly. It is sufficient if it is known to the persons engaged in the pursuit of the knowledge of the product or process either

⁸⁷ *Billcare Ltd v Amartara Private Ltd* 2007 (34) PTC 419 (Del).

⁸⁸ *Pope Alliance v Spanish River* AIR 1929 PC 38.

⁸⁹ *Novartis AG v Union of India* AIR 2013 SC 1311.

as man of science or man of commerce or consumers. It is sufficient to constitute 'publicly known' if the information was publicly available.

13. Section 3(d): New Form of Known Substance

108 Section 64(1)(d) of the Act is a ground to invalidate a patent, if the subject is not an invention within the meaning of this Act. Section 3 of the Act mandates as to what subjects are not considered patentable 'inventions'. Section 3(d) prohibits the grant of a patent for a new form of a known substance which does not lead to enhancement of the known efficacy of such substance. The said provision came for interpretation before the Supreme Court in *Novartis AG v Union of India*⁹⁰ wherein a patent was claimed for a beta crystalline form of Imatinib Mesylate, which was used as an active ingredient for a cancer drug marketed under the trade mark GLIVEC. The Supreme Court declined the grant of a patent on the ground that, although a beta crystalline form of Imatinib Mesylate is a new form, the evidence to establish enhanced efficacy was not produced. It held that in the case of drugs, 'efficacy' must mean 'enhanced therapeutic efficacy'. The Supreme Court further observed that enhanced physiochemical properties, which may be otherwise beneficial, but do not enhance therapeutic efficacy, cannot be taken into consideration to overcome a section 3(d) objection. However, the Supreme Court clarified that, merely because a beta crystalline form of Imatinib Mesylate does not clear the test of section 3(d) of the Act, it should not be understood that section 3(d) bars patent protection for all incremental inventions of chemical and pharmaceutical substances.

14. Obviousness

109 The courts in India have followed the 'Windsurfing'⁹¹ test of obviousness to examine the non-obviousness of the patent under section 64(1)(f) of the Act. Obviousness does not involve any inventive step, having regard to what was publicly known or publicly used in India or elsewhere before the priority date of the claim. The four step test of obviousness comprises:

1. to identify the inventive step of the invention claimed in the complete specification;
2. to assume the mantle of a skilled but unimaginative addressee in the state of art that existed at the priority date having common general knowledge of the relevant art in question;
3. to identify the differences between what was known in the state of prior art and the inventive step disclosed of the invention; and
4. to evaluate as to whether such differences constitute steps which would not have been obvious to the skilled but unimaginative addressee having no knowledge of the invention.⁹² Hindsight analysis of the invention to establish obviousness

⁹⁰ *ibid.*

⁹¹ 1985 RPC 59.

⁹² *F Hoffman La-Roche* (n 74).

is non-permissible.⁹³ The Supreme Court has interpreted obviousness in *Biswanath Prasad*⁹⁴ to mean as ‘naturally to suggest itself to a person thinking on the subject’. The Supreme Court laid down the test as follows:

Had the document been placed in the hands of a competent craftsman (or engineer as distinguished from a mere artisan), endowed with the common general knowledge at the ‘priority date’, who was faced with the problem solved by the patentee but without knowledge of the patented invention, would he have said, ‘this gives me what I want?’ (Encyclopaedia Britannica; *ibid*). To put it in another form: ‘Was it for practical purposes obvious to a skilled worker, in the field concerned, in the state of knowledge existing at the date of the patent to be found in the literature then available to him, that he would or should make the invention the subject of the claim concerned?’ Halsbury, 3rd Edn, Vol. 29, p. 42 referred to by Vimadalal J. of Bombay High Court in *Farbwrke Hoechst & B. Corporation v. Untchan Laboratories* AIR 1969 Bom 255.

- 110 An issue of obviousness is always a mixed question of law and fact and would depend on the evidence produced by a defendant challenging the validity of the patent.

15. *Non-Disclosure of Corresponding Application—Breach of Section 8*

- 111 Section 8 of the Act requires applicants to file a statement setting out the detailed particulars of the application filed in any country outside India with regards to a same or substantially similar invention. The importance of compliance with section 8 was emphasised by the Delhi High Court in *Chemtura Corp v Union of India*,⁹⁵ where it was strictly enforced leading to vacation of a preliminary injunction operating in favour of the patentee/plaintiff who had failed to inform the Controller about a corresponding US application where narrower claims were granted on account of cited prior art documents.

Recently, the Delhi High Court in *Koninklijke Philips Electronics v Sukesh Behl*⁹⁶ held that information concerning the pending foreign applications was inadvertently missed out by Philips. In order to invalidate a patent under Section 8, the court must ascertain whether there was deliberate or wilful suppression of information, which was indispensable and material to the grant of the patent by the Indian Patent office. If the court *prima facie* finds that the non-disclosure may have material bearing on the decision of the Controller to grant or refuse the patent application, it would amount to a breach of applicant’s obligation under Section 8. On the other hand, if such non-disclosure or omission has no material bearing on the issue of patentability or the scope of claims which are granted, such omission may not be considered as a ground to invalidate a patent or decline an order of injunction arising from the infringement of the patent.

- 112 Even if a breach of section 8 is found, the court has discretion not to invalidate the patent where *bona fide* of non-disclosure is not suspect.⁹⁷

⁹³ *F Hoffman La-Roche* (n 38).

⁹⁴ *Biswanath Prasad Radhey Shyam* (n 72).

⁹⁵ 2009 (41) PTC 260 (Del).

⁹⁶ 2013 (56) PTC 570 (Del).

⁹⁷ *F Hoffman La-Roche Ltd* (n 38).

16. Non-Working of Patent

113 Where a defendant can establish that there is no commercial working of the patented product, the court will decline to grant any preliminary or final injunction.⁹⁸ However, what constitutes commercial working of a patent would depend upon the facts of every case. The plea raised by the defendant that the sale of a patented product by way of import and not of local manufacture would not constitute commercial working was rejected by the Delhi High Court in the case of *Telemecanique v Schneider Electric*.⁹⁹ The observation of the Court in this judgment is instructive:

31. We would also like to note that while making submissions in rejoinder Mr. Arun Kathpalia, learned counsel for the appellant, sought to make submissions that in view of Section 83 read with Section 90(d) of the Patents Act, 1970 the patent has to be worked out in India by manufacture and not by import. Mr. Kathpalia sought to rely on the commentary of Terrell on the Law of Patent, 13th edition chapter X, para 10.07, 10.09, 10.10, 10.13, 10.14 and 10.17. Mr. Kathpalia submitted that same principles would apply in respect of the Indian law and thus in the absence of definition of commercial scale, natural and ordinary meaning should be given to the expression. He submitted that in terms of the said treaties the general principles set out are that a patentee must manufacture the product in that country and it should not also be mere improvements. We have, however, considered this aspect aforesaid and have come to the conclusion that there is no force in the submission of the appellant.

17. Standard Essential Patent

- 114** IP rights are monopolistic in nature and their legitimacy is recognised as such even by the Competition Act 2003. Violation of IP rights therefore may lead to an injunction and compensation without raising any issue under the Competition Act. However, the same yardstick may not be applicable to ‘Standard Essential Patents’ known as SEPs. Licensing of SEPs on reasonable and non-discriminatory (‘RAND’) terms is the foundation of the standards development process.
- 115** The rationale behind RAND is that it allows for inclusion of patented technology in technical standards, while also ensuring that the holder of a SEP cannot abuse the dominant market position it gains from widespread adoption of voluntary technical standards.¹⁰⁰
- 116** RAND, also known as fair, reasonable, and non-discriminatory (‘FRAND’) are licensing obligations that are set by standards-setting organisations to be followed by the members that participate in the standard-setting process. Standard-setting organisations are the industry groups that set common standards for a particular industry in order to ensure compatibility and interoperability of devices manufactured by different companies.

⁹⁸ *Frank Xavier Huemer v New Yash Engineers* AIR 1997 Del 79.

⁹⁹ 94 (2001) DLT 861.

¹⁰⁰ A Dore, ‘Limiting the Abuse of Market Dominance by Standards-Essential Patents’ 6 February 2013, available at: <https://itu4u.wordpress.com/2013/02/06/limiting-the-abuse-of-market-dominance-conferred-by-standards-essential-patents/>.

- 117 A standard can be defined as ‘a set of technical specifications that seeks to provide a common design for a product or process.’¹⁰¹ In other words, standards are norms that apply to a category of technology.
- 118 SEPs do not stand on the same footing as other patent rights as SEPs are subjected to terms like RAND and FRAND. Thus, the owner of SEP is under obligation to grant a licence for use of patented technology to fulfil the standards set for the industry. The patentee is allowed to charge a nominal fee but that should be reasonable and fair, failing which the Competition Law may intervene. In a case in the United States between Microsoft and Motorola,¹⁰² the Court held that ‘a given patent is ‘essential’ to a standard if use of the standard requires infringement of the patent, even if acceptable alternatives of that patent could have been written into the standard’.

18. SEP vis-à-vis Competition Laws

- 119 In India, the Competition Act does not refer to unfair patent licensing and resulting competition law issues. However, it provides for prevention of abuse of a dominant position in section 4(2)(c) in the broadest form to include any case of abuse of dominant position by any patentee by holding-up, royalty stacking or imposing unfair patent licensing terms. Even the Indian Patents Act recognises certain restrictive conditions as unlawful.¹⁰³

19. The Competition Act

- 120 Pursuant to section 4(2)(c) of the Competition Act, it would be an abuse of a dominant position if an enterprise or a group indulges in practice or practices resulting in denial of market access in any manner.
- 121 Also, pursuant to section 19(4)(h) of the Competition Act, the Competition Commission of India (‘CCI’) may have regard to high capital costs of entry, technical entry barriers and marketing entry barriers while inquiring whether an enterprise enjoys a dominant position or not under section 4.
- 122 The CCI has so far intervened in two cases pertaining to SEPs against a telecom company giving its prima facie view that the telecom company was in dominant position and a demand of royalty linking the same with the cost of the product to the user was contrary to the FRAND obligation. Forcing a party to execute a non-disclosure agreement (‘NDA’) is also anti-competitive. In *Micromax Informatics Limited v Telefonaktiebolaget LM Ericsson*,¹⁰⁴ it was observed:

For the use of GSM chip in a phone costing Rs. 100, royalty would be Rs. 1.25 but if this GSM chip is used in a phone of Rs. 1000, royalty would be Rs. 12.5.

Charging of two different licence fees per unit phone for use of the same technology prima facie is discriminatory and also reflects excessive pricing vis-à-vis high cost phones.¹⁰⁵

¹⁰¹ MA Lemley, ‘Intellectual Property Rights and Standard Setting Organizations’ (2002) 90 *California Law Review* 1889, 1896

¹⁰² *Microsoft Corp v Motorola Inc et al*, Case No C10-1823JLR.

¹⁰³ Patents Act 1940, s 140.

¹⁰⁴ Case No 50/2013 available at: www.cci.gov.in/May2011/OrderOfCommission/261/502013.pdf.

¹⁰⁵ *ibid* [17].

In *Intex Technologies (India) Limited v Telefonaktiebolaget LM Ericsson*,¹⁰⁶ the Commission took the view that,

[f]orcing a party to execute an NDA and ‘imposing excessive and unfair royalty rates’ constitutes ‘prima facie’ abuse of dominance and violation of section 4 of the Indian Competition Act.¹⁰⁷

Imposing a jurisdiction clause debarring complaints from getting disputes adjudicated in the country where both parties were in business and vesting jurisdiction in a foreign land prima facie was also an abuse of dominance.¹⁰⁸

- 123 The Competition Commission’s intervention was sought by Micromax and Intex after Ericsson had filed two separate suits before the Delhi High Court seeking an injunction against infringement of eight SEPs belonging to Ericsson.¹⁰⁹ The Competition Commission’s intervention has been challenged by Ericsson, which has filed a writ petition.¹¹⁰

20. The Patents Act

- 124 As regards licensing, the Indian Patents Act is silent on compulsory licensing on FRAND/RAND terms.¹¹¹ Section 82 only provides for compulsory licensing on three grounds without reference to the nature of the patent, ie whether SEPs or not or what may be the terms and conditions of the licensing, ie whether it should be fair, reasonable and non-discriminatory.
- 125 However, section 90(1)(i) of the Patents Act in its broad terms provides that in settling the terms and conditions of a compulsory licence under section 84, the Controller shall endeavour to secure:

that the royalty and other remuneration, if any, reserved to the patentee or other person beneficially entitled to the patent, is reasonable, having regard to the nature of the invention, the expenditure incurred by the patentee in making the invention or in developing it and obtaining a patent and keeping it in force and other relevant factors.

21. Compulsory Licence

- 126 A compulsory licence is granted when a government allows someone else to produce the patented product or process without the consent of the patent owner. Section 83 lays down the general principles for the working of a patented invention while section 84(1) lays down the cornerstone for grant of compulsory licences:

¹⁰⁶ Case No 76/ 2013 available at: www.cci.gov.in/May2011/OrderOfCommission/261/762013.pdf.

¹⁰⁷ *ibid* [17].

¹⁰⁸ *ibid* [17].

¹⁰⁹ See *Telefonaktiebolaget LM Ericsson v Mercury Electronics and Anr* CS (OS) No 442 of 2013 and *Telefonaktiebolaget LM Ericsson v Intex Technologies India Ltd*, CS (OS) No 1045 of 2014, both pending before the Delhi High Court.

¹¹⁰ *Telefonaktiebolaget LM Ericsson v Competition Commission of India* WP (C) No 464 of 2014.

¹¹¹ Patents Act 1970, s 82.

Section 84—Compulsory licence

- (1) At any time after the expiration of three years from the date of the grant of a patent, any person interested may make an application to the Controller for grant of compulsory licence on patent on any of the following grounds, namely:—
- (a) that the reasonable requirements of the public with respect to the patented invention have not been satisfied, or
 - (b) that the patented invention is not available to the public at a reasonably affordable price, or
 - (c) that the patented invention is not worked in the territory of India.
- 127** Once an application has been made, the Controller takes into consideration the following factors, as mandated by section 87, in considering the grant or refusal of a compulsory licence:
- a. nature of the invention;
 - b. time lapsed from date of grant of the patent and complexity involved in working the same;
 - c. ability and competency of the applicant to work the patented invention in the public interest;
 - d. whether the applicant has made full efforts to obtain a licence from the patentee on reasonable terms and conditions and such efforts have not been successful within a reasonable period construed as a period not ordinarily exceeding a period of six months.
- 128** India's first compulsory licence was granted by the Patent Office to Natco Pharma Ltd for producing a generic version of Bayer Corporation's patented medicine Nexavar, used in the treatment of liver and kidney cancer. The Controller decided against Bayer¹¹² on all three grounds enlisted in the Patents Act for the grant of compulsory licence being:
1. reasonable requirements of the public not being satisfied;
 2. non-availability to the public at a reasonable affordable price;
 3. patented invention not being worked in the territory of India.
- 129** The decision of the Controller was appealed against by Bayer before the IPAB¹¹³ which upheld the decision of the Controller on the grounds of 'public interest' and held that the right of access to affordable medicine was a matter of right to dignity of the patients. The Appellate Board, however, disagreed with the Controller that local manufacture is essential to constitute working of the patent. It held that import may constitute working of the patent if the patentee has sufficient reasons to justify as to why local manufacture was not undertaken and produces evidence to substantiate it.
- 130** In another case, BDR Pharmaceuticals, a generic medicine manufacturer, requested Bristol Myers Squibb, a multinational pharma company, for the grant of a voluntary licence to make a generic version of anti-cancer drug Dasatinib, sold under the

¹¹² Controller's decision dated 9 March, 2012 in *Natco v Bayer* (CLA No 1 of 2011) before the Controller of Patents, Mumbai.

¹¹³ IPAB Order No 223 of 2012 dated 14 September, 2012 in M.P. Nos 74 to 76 of 2012 & 108 of 2012 in OA/35/2012/PT/MUM.

brand name Sprycel. The Patent Office however rejected the compulsory licence application on the ground that the prima facie case for grant was not made out. The Controller¹¹⁴ further held that BDR had not really made any credible attempt to procure a voluntary licence and therefore could not be said to have satisfied the statutory requirement.

IX. Wrongful Enforcement—Groundless Threats

- 131 Where any person threatens any other person by circulars or advertisements or by communications, oral or in writing, with proceeding of infringement for a patent, any person aggrieved thereby may bring a suit against him for groundless threats with a prayer of declaration that such threats be declared unjustifiable and an injunction be issued against continuance of such threats and damages may be awarded as are established to have been sustained on account of such threat. However, in such case, it would be open to a patentee to establish that the threatened act, if done, would constitute infringement.¹¹⁵
- 132 In the case of *LG Electronics v Bharat Bhogilal*¹¹⁶ the High Court of Delhi issued an interim injunction against the patentee who had filed a complaint before customs against LG Electronics on the ground that its import of mobile parts amounts to infringement of the patent. The complaint before customs was contested by LG Electronics on the ground that the patent itself was invalid and the petition for its revocation has already been initiated by LG Electronics before the IPAB. Despite the same, the customs authorities interdicted the mobile phone consignment of LG Electronics shipped from South Korea. Accordingly, LG Electronics filed a suit for groundless threat pleading that it was essential for a patentee to sue for infringement of patent if it believed that it was entitled to an order of an injunction and it was for the Civil Court to decide the disputed issue of infringement and validity. The Court issued a preliminary injunction treating the complaint filed by the patentee before customs, in the absence of a suit for infringement, as a groundless threat. The judgment is under appeal before the Appellate Bench of the Delhi High Court.

X. Costs

- 133 Very few patent infringement suits in India have reached the stage of final determination. There has yet not been any instance where a successful patentee has been awarded costs of the litigation which are usually very high. However, in an instructive judgment of *Ten XC Wireless v Mobi Antenna*,¹¹⁷ the High Court of Delhi applied the Supreme Court judgment in case of *Salem Advocate Bar Association v Union of India*:¹¹⁸

¹¹⁴ Controller's decision dated 30 October 2013 in *BDR Pharmaceuticals International Pvt Ltd v Bristol Myers Squibb Company* (CLA No 1 of 2013) before the Controller of Patents, Mumbai.

¹¹⁵ Patents Act 1970, s 106.

¹¹⁶ See n 5.

¹¹⁷ 2011 (48) PTC 426 (Del).

¹¹⁸ AIR 2005 SC 3533.

10.2 In *Salem Advocate Bar Association v. Union of India* (AIR 2005 SC 3353), the Supreme Court held that actual reasonable costs should be awarded to the successful party. The findings of the Apex Court are reproduced hereunder:-

39. Judicial notice can be taken of the fact that many unscrupulous parties take advantage of the fact that either the costs are not awarded or nominal costs are awarded on the unsuccessful party. Unfortunately, it has become a practice to direct parties to bear their own costs. In large number of cases, such an order is passed despite Section 35(2) of the Code. Such a practice also encourages filing of frivolous suits. It also leads to taking up of frivolous defences. Further wherever costs are awarded, ordinarily the same are not realistic and are nominal. When Section 35(2) provides for cost to follow the event, it is implicit that the costs have to be those which are reasonably incurred by a successful party except in those cases where the Court in its discretion may direct otherwise by recording reasons thereof. The costs have to be actual reasonable costs including the cost of the time spent by the successful party, the transportation and lodging, if any, or any other incidental cost besides the payment of the court fee, lawyer's fee, typing and other cost in relation to the litigation. It is for the High Courts to examine these aspects and wherever necessary make requisite rules, regulations or practice or direction so as to provide appropriate guideline for the subordinate courts to follow.

134 The Delhi High Court in *Ten XC* has laid down certain guidelines for determining cost in patent infringement cases:

- parties to submit their estimated future cost at the commencement of trial;
- greater transparency about cost will promote access to justice;
- the parties and court master shall maintain a record of the court time consumed; and
- the unsuccessful party is liable to pay costs to the successful party.