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The cover features several large, dark green leaf-like shapes scattered across the background, creating a natural, organic feel. The leaves vary in size and orientation, with some pointing upwards and others downwards.

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Patent Litigation

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Law and Practice

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K&S Partners has more than 111 professionals working across offices in Gurgaon, Bangalore, Mumbai, Chennai and Hyderabad. The practice covers all areas of IP rights, including patents, designs, trade marks, copyright, geographical indications, trade secrets and related matters. K&S is the largest filer of Patent Cooperation Treaty (PCT) applications in India, and is especially noted for its extensive expertise in patent prosecution matters and its pioneering work in the protection of geographical indications. The team

specialises in handling complex patents, designs and plant variety litigation, and all aspects of contentious matters, including oppositions, invalidation actions and revocations. The Litigation team is involved in high-stakes opposition matters before the Indian Patent Offices, and represents clients at various courts and tribunals in India, including the Supreme Court of India, the High Courts, District Courts and the Intellectual Property Appellate Board.

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1. Types of Intellectual Property Rights & Grant Procedure

1.1 Types of Intellectual Property Rights

In the Indian legal system, inventions have been recognised under the Patents Act 1970 and the rules issued under the Act. The Act has been amended several times, and substantially the Patents (Amendment) Act 2005 brought Indian patent law into line with the Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPs). Further, the law regarding trade secrets has not been codified in India and is governed by general contractual obligations as guided by general principles of law.

Decisions by courts are a relevant source of patent law in India. Most recently, Indian courts have adjudicated on a number of substantial issues concerning patent law, including:

- *Patentability*: Novartis v Union of India; Merck Sharpe and Dohme Corporation v Glenmark; F Hoffman La Roche v Cipla Ltd.

- *Infringement*: Merck Sharpe and Dohme Corporation v Glenmark (above); F Hoffman La Roche v Cipla Ltd (above).
- *Claim construction*: Merck Sharpe and Dohme Corporation v Glenmark (above); F Hoffman La Roche v Cipla Ltd (above).

1.2 Grant Procedure

The law regarding patents has been codified in India within The Patents Act 1970. The universal three basic criteria, ie, novelty, non-obviousness and industrial applicability of an invention are the crux of the grant of a patent. Indian patent law also provides exclusive provision for non-patentable subject matter like natural laws, scientific principle, abstract theory, method of agriculture/horticulture, computer programs per se, etc. There are three stages in the patent grant process:

- The filing stage: activities related to the filing of an application (provisional or complete) along with all the formal documents required by law.
- The prosecution stage: this begins with issue of a first examination report from the patent office, followed by objections and opposition, if any, and hearing regarding

the same. This stage also involves compliance of all the objections (formal and technical) raised by the patent office.

- The grant stage: once all the objections and formalities have been complied with, an Indian patent number is granted to the application. After the grant, the patent has to be maintained by the timely payment of annual maintenance and renewal fees to the patent office. In addition, a statement regarding the working of the patent has to be submitted every year.

1.3 Timeline for Grant Procedure

It takes around three-six years for the grant of a patent. The average statutory fees payable for the grant of a patent is approximately USD90 for a natural person or a start-up, around USD225 for a small entity and around USD450 for others (limited to ten claims plus abstract plus drawings and 30 pages of description and request for examination). The inventor may file a patent application independently or he or she may be represented by a patent agent.

1.4 Term of Each Intellectual Property Right

A patent is granted for a period of 20 years from the date of filing of the patent application, provided the prescribed annual fees are paid on time.

1.5 Rights and Obligations of Owner of Intellectual Property Right

A patentee has the exclusive right to prevent third parties from making, using, offering for sale, selling or importing the patented product in the jurisdiction of its patent right. These exclusive rights are for both process and product patents. Where there has been infringement, the patentee can sue the person infringing his rights and can ask for an injunction and damages or accounts of profit.

Further, it is the duty of the patentee to pay the annual renewal fees on time in the manner prescribed, non-compliance with which could lead to cessation of the patent.

1.6 Further Protection After Lapse of Maximum Term

India does not have Supplementary Protection Certificates or any other provisions for the protection of technical intellectual property rights after the expiry of the maximum term.

1.7 Third-Party Rights to Participate in Grant Proceedings

Third parties have the right to participate during grant proceedings by way of a 'pre-grant opposition', as provided under The Patents Act 1970, Section 25(1). Any person may file a pre-grant opposition at any time before the grant, but not before the expiry of six months from the publication of the patent application. However, such opposition will only be considered once a request for examination has been filed. The Patents Act 1970 provides the opportunity for 'any per-

son' to file the request for examination of a patent application. Thus, as a matter of strategy, an opponent can file request for examination of a patent application to expedite the proceedings.

The following are the steps for a pre-grant opposition:

- *Step 1:* the opinion of the controller of Patents: either issue a notice to challenge or reject the opposition prima facie without issuing a notice to the applicant. A notice of such opinions of the controller will be passed on to the applicant. Normally the controller issues a notice;
- *Step 2:* the reply: the applicant may reply along with evidence within three months from the date of the notice by the controller; and
- *Step 3:* the appointment of a 'hearing' followed by the controller's decision, ordinarily within one month of the proceedings that simultaneously decide the patent application and the pre-grant opposition challenge by way of a common order.

1.8 Remedy against refusal to grant an Intellectual Property Right

A party can file an appeal before the Intellectual Property Appellate Board against a refusal order to grant such a right.

1.9 Consequences of Failure to Pay Annual Fees

The non-payment of a fee within the prescribed time or within the extended time may lead to cessation of the patent. However, an application can be filed within 18 months from the date of cessation regarding restoration of the patent, stating the reasons that led to such delay. The application can request an opportunity for a hearing. It is important to note here that within six months from the date of the lapse of the patent, an application for restoration of the lapsed patent can be filed together with the payment of the prescribed fee. However, after expiry of the first six months from the lapse of the patent and within the next twelve months, an application has to be filed along with valid reasons for the delay in paying the renewal fees in addition to the prescribed fee.

If after hearing the applicant the controller is prima facie satisfied that the failure to pay the renewal fee was unintentional and that there has been no undue delay in the making of the application, he or she will publish the application in the prescribed manner. Within two months any person interested may give notice to the controller of a challenge of either or both of the following grounds, ie, the failure to pay the renewal fee was not unintentional or that there was undue delay in the making of the application. If notice of opposition is given, the controller notifies the applicant, and gives the applicant and the opponent an opportunity to be heard before the case is decided. If no notice of opposition is given within two months or where there is opposition, the decision of the controller is in the applicant's favour, the

Controller shall, upon payment of any unpaid renewal fee or additional fee, restore the patent.

2. Initiating a Lawsuit

2.1 Actions Available Against Infringement

The Patents Act 1970 allows for a civil action only for infringement of patent. There is no criminal remedy available under the Act.

2.2 Third-Party Remedies to Remove Effects of Intellectual Property Right

The Patents Act 1970 provides a robust check and balance mechanism for enforcing a valid patent as well as keeping a check on the grant of an invalid patent or patent application. The Act has a provision to oppose the grant of a patent by way of a pre-grant opposition. The grant of a patent can be challenged primarily before three fora: within one year from the date of grant, a post-grant opposition can be filed by any interested person before the Indian Patent Office.

After the expiry of the said year, any interested person may challenge a patent via a Revocation Petition before the Intellectual Property Appellate Board (IPAB), a quasi-judicial body. Once an infringement suit has been initiated, the patent in dispute may be challenged by way of a counterclaim. Although there is no strict statutory distinction provided in the Act between 'any person' and 'an interested person', Section 2(1)(t) of the Act defines 'person interested' as a person engaged in, or in promoting, research in the same field as that to which the invention relates.

In addition to challenging the grant of a patent, a third party may also approach the controller under Section 84 of the Patents Act for the grant of a compulsory license after three years have passed since the grant of the patent. An application may be made for a compulsory license if:

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

Presuming a scenario wherein after the expiry of two years from the grant of compulsory licence, the patent has not satisfied the criteria of Section 84 for which the compulsory licence was granted, any interested person may file an application to revoke the patent.

Furthermore, any person may institute a suit for a declaration that the 'use' of any process, or the making, use or sale of any article does not, or would not, constitute an infringement of a claim of a patent against the patentee. It must be shown that the party has written to the patentee for an

acknowledgement to the effect of the declaration claimed, and has furnished the patentee with full particulars in writing of the process or article in question and the patentee has refused or neglected to give such an acknowledgement.

2.3 Courts with Jurisdiction

Under The Patents Act 1970, the District Court is the court of first instance for patent infringement actions. If the defendant seeks to challenge the validity of the patent during an infringement action, the action must be transferred to the High Court. The Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act 2015 provide fast-track courts for the resolution of certain commercial disputes. Intellectual property rights are included in the definition of commercial disputes. Under the Act a commercial dispute valued at or above approximately USD4,200 is to be filed in the fast-track courts. If the suit is valued below that amount, then the suit will not be filed here but in the ordinary civil court that has jurisdiction.

Each district has such fast-track court, referred to as a Commercial Court. Each High Court is to have a Commercial Appellate Division to hear appeals from the District Commercial Courts. All High Courts have appellate, constitutional and review jurisdiction. However, few High Courts also have 'original' jurisdiction, which means civil cases including IPR suits can be filed directly in the High Courts of Delhi, Bombay (Mumbai), Madras (Chennai), Calcutta (Kolkata) and Himachal Pradesh (Shimla). All appeals from the orders of a District Judge will lie to the High Court. All appeals from orders of a Division Bench (an Appellate Bench) of a High Court or Commercial Appellate Division of a High Court will lie in the Supreme Court.

2.4 Specialised Bodies/Organisations for the Resolution of Disputes

In India, there exist specially designated bodies solely for disputes as to the validity of intellectual property rights. There are currently no specialised courts to hear and decide patent infringement actions, although this has been widely debated.

In the domain of patents, either pre-grant opposition or post-grant opposition is adjudicated before the Controller of Patents. After a year from the date of a grant of patent, an action for the revoking of a patent may be brought before the Intellectual Property Appellate Board (IPAB). In cases of trademarks, opposition to a trademark application or for initiation of proceeding for the removal of a registered trademark, the concerned authority is the Registry of Trademarks.

2.5 Prerequisites to Filing a Lawsuit

Generally, there are no such prerequisites to file a lawsuit for infringement of intellectual property rights. However, as per the recent amendment in The Commercial Courts, Commercial Division and Commercial Appellate Division

of High Courts Act 2015, pre-institution mediation has to be exhausted before filing a suit, except where the suit does contemplate any urgent interim relief.

There is no mandatory requirement for the issue of a cease-and-desist notice or warning letter or any form of communication to the defendant prior to the institution of the suit.

2.6 Legal Representation

A party may appear at courts in person, without legal representation. However, it is generally advisable to be represented by a lawyer in intellectual property matters considering various formal requirements, non-compliance of which might be fatal, eg, abandonment or rejection.

2.7 Interim Injunctions

The remedy for an interim injunction, ie, stopping the infringer from misusing the intellectual property right pending the final hearing of the civil suit, is available. However, before granting an interim injunction, the court considers the following matters:

- has the plaintiff established a good case on the face of it (prima facie case)?;
- the balance of convenience; who will suffer greater hardship if an injunction is not granted?; how long has the defendant been using the mark?; would the grant of an injunction be in the interests of the consuming public?; and
- will the plaintiff suffer irreparable loss if an injunction is not granted?

Additionally, for patent matters, the plaintiff has to preliminarily show that the suit patent is valid because under Indian law, validity is not presumed, and it is open to challenge until the end of the patent term.

2.8 Protection for Potential Opponents

In India, a party under the threat of a potential infringement action may file a caveat petition under the Code of Civil Procedure 1908, Section 148(A), so that any hearing or order should not be set or given without giving formal notice to that party. A caveat petition is one of the best ways to prevent an ex parte ad interim injunction in intellectual property matters.

Further, pending adjudication of a suit, the defendant may file an application seeking direction from the court against the patentee to secure by way of monetary compensation for the payment of all costs incurred and likely to be incurred.

2.9 Special Limitation Provisions

The Patents Act 1970, Section 3, provides an exclusive list of non-patentable subject matter, some of which are listed here:

- frivolous inventions, eg, inventions claiming anything that is contrary to well established natural laws;
- an invention contrary to public order or morality or that causes serious prejudice to human, animal or plant life or health or to the environment;
- mere discovery of a scientific principle or the formulation of an abstract theory or discovery of any living thing or non-living substances occurring in nature;
- mere discovery of a new form of a known substance that does not result in the enhancement of the known efficacy of that substance or the mere discovery of any new property or mere new use of a known substance or of the mere use of a known process, machine or apparatus unless such a known process results in a new product or employs at least one new reactant;
- substances obtained by a mere admixture, resulting only in the aggregation of the properties of the components thereof or a process for producing such substance;
- mere arrangements, re-arrangements or duplication of known devices, each functioning independently of one another, in a known way;
- methods of agriculture or horticulture;
- any process for the medicinal, surgical, curative, prophylactic, diagnostic, therapeutic or other treatment of human beings or any process for a similar treatment of animals to render them free of disease or to increase their economic value or that of their products;
- plants and animals in whole or in part other than micro-organisms, but including seeds, varieties and species and essentially biological processes for production or propagation of plants and animals;
- mathematical or business methods or a computer program per se or algorithms;
- literary, dramatic, musical or artistic work or any other aesthetic creation whatsoever, including cinematographic works and television productions;
- mere schemes, rules or method of performing a mental act or method of playing game;
- presentation of information;
- topography of integrated circuits; and
- inventions that in effect, are traditional knowledge or that are an aggregation or duplication of known properties of traditionally known component or components.

The Indian Design Act 2000 prohibits the registration of designs that:

- are not new or original;
- have been disclosed to the public by publication in a tangible form or by use, or in any other way, prior to the filing date, or where applicable, the priority date of the application for registration anywhere in India or in any other country;
- are not significantly distinguishable from known designs or a combination of known designs; or
- comprise or contain scandalous or obscene matter.

2.10 Mechanisms to Obtain Evidence and Information

The legal system in India provides for mechanisms by which a party to an intellectual property matter can obtain relevant information and evidence from the other party, although it is only permitted after an action has been initiated. It may be conducted by either the patentee or the defendant. The party seeking discovery may file an application requesting the court to direct the other party to provide the relevant information or materials to the applicant. In addition, a party can seek inspection and discovery of any document relied on by the other party by sending a notice under the Civil Procedure Code 1908.

Further, a party may make an application to court seeking leave to send written interrogatories to the opposing party.

Where a court order to disclose all the documents has not been complied with by either party, the court is well within its discretion to impose exemplary costs against the defaulting party. The party must have wilfully or negligently failed to disclose all documents pertaining to the suit or essential for its decision, and which were in their power, possession, control or custody, or the inspection or copies of which were wrongfully or unreasonably withheld or refused.

In relation to information from a third party, particular legislation, the Right to Information Act 2005, can be employed. The Act requires all public authorities to maintain records and disclose the information on receipt of an application from any person. However, a public authority may refuse to disclose information that is commercially sensitive, is a trade secret or intellectual property if disclosure would harm the competitive position of a third party, unless the competent authority is satisfied that the larger public interest warrants its disclosure.

2.11 Initial Pleading Standards

The pleadings pertaining to intellectual property matters must address the following issues:

- *Jurisdictional issues*: before filing a suit, the plaintiff must adequately describe and substantiate the pecuniary and territorial jurisdiction. The court within whose territorial jurisdiction certain events or conditions occur will have the jurisdiction over the case. The two key considerations are:
 - (a) whether the defendant is resident within the jurisdiction (in the case of individuals) or carrying on business at a place within the jurisdiction;
 - (b) has the 'cause of action' arisen within the jurisdiction. For intellectual property rights suits, this would mean where the infringement has occurred. If the infringement is in multiple jurisdictions (eg, infringing products are sold in different districts), the plaintiff may sue in any of those jurisdictions.

- *Procedural issues*: the plaintiff must address the following issues:
 - (a) delay, laches and acquiescence, if any; and
 - (b) suit valuation.
- *Issue and merit*: the plaintiff must address and substantiate the following issues:
 - (a) title of the patent;
 - (b) validity of the patent;
 - (c) substantiation of the infringement through representations, tables, charts, etc. An expert affidavit, preferably of a neutral person, substantiating infringement is advisable;
 - (d) any pending challenge to the patent;
 - (e) careful segregation between infringement and exceptions to infringement; and
 - (f) preparation of ground for interim injunction by substantiating immediate threat and requirement of immediate action for interim relief.

The pleadings should include the above key components and be supported with all necessary documentary evidence. During the course of proceedings, if the opposite party is bringing any additional information that was not known at the time of filing of the suit, that party can be served with additional pleadings or an amendment of the existing pleadings, along with additional documents. In some instances, leave from the court might be required to substantiate or to counter additional grounds or defences.

2.12 Representative or Collective Action

In India, class action suits are not permitted.

2.13 Restrictions on Assertion of Intellectual Property Right

The following are the exceptions to infringement as provided by The Patents Act 1970:

- use of patented inventions on foreign vessels or aircraft temporarily or accidentally within the territory of India (Section 49);
- *The Bolar exemption*: the patented invention may be used, constructed, made, sold or imported for the reasons solely related to the development and submission of information to regulatory authorities in India or elsewhere (Section 107A(a));
- *Parallel imports*: importation of patented products by any person from a person who is duly authorised under law to produce and sell or distribute the product. India follows the doctrine of international exhaustion of patent rights (Section 107A(b));
- *Government use*: A patented article or an article made through a patented process can be imported by the government for its own use (Sections 47(1), (2) & (3) and 100); and

- *The research exemption*: the use or making of a patented invention for the purposes of experiment or research or imparting knowledge to students (Section 47(3)).

3. Infringement

3.1 Necessary Parties to an Action for Infringement

The valid and rightful owner of intellectual property rights may initiate an action for infringement against any person who infringes them. Either a licensee or an exclusive licensee can also initiate such an action. An exclusive licensee shall have the same right as the patentee to institute a suit in respect of any infringement of intellectual property rights committed after a licence has been granted. Under The Patents Act 1970, Section 110, a licensee is entitled to put the patentee on notice of the infringement and to call on him or her to start proceedings to prevent infringement. If the patentee does not do so within two months of the request, the licensee may institute proceedings as if it were the patent-holder, making the patent-holder a defendant in the proceedings.

3.2 Direct and Indirect Infringement

There is no statutory distinction provided under Indian patents law between direct and indirect infringement. As in many other countries, Indian patents law does not grant a 'positive' right but a 'negative' right. The Patents Act 1970, Section 48 confers upon the patentee the right to exclude others from doing the following acts:

- unauthorised making, using, offering for sale, selling or importing patented product in India;
- unauthorised using of the patented process; and
- unauthorised using, offering for sale, selling or importing the product obtained directly by the patented process in India.

As there is no statutory distinction between direct and indirect infringement, the remedies as provided in Indian patents law only relates to the above acts. Indian patents law provides for the following reliefs:

- injunction;
- damages or accounts of profit; and
- seizure, forfeiture or destruction of infringing materials.

3.3 Scope of Protection for an Intellectual Property Right

The scope of protection of a patent is primarily determined by the claims granted, which in turn define the scope of invention for which protection is claimed. As per The Patents Act 1970, Section 10(4)(c), it has been mandated that a complete specification of the granted patent shall end with

a claim or claims defining the scope of invention for which protection is claimed.

Indian courts have time and again provided the guidance for claim construction and it is a settled position of law in India that claims should be read and understood primarily on the basis of the literal interpretation of the words used in the claim. In case of any ambiguity, it is possible to revert to the complete specification to understand the object, scope and intention of the invention. (*Merck Sharpe and Dohme Corporation v Glenmark (above)* and *F Hoffman La Roche v Cipla Ltd (above)*).

3.4 Defences Against Infringement

The Patents Act 1970 provides for the following statutory defences against infringement:

- use of patented inventions on foreign vessels or aircraft temporarily or accidentally within the territory of India (Section 49);
- *The Bolar exemption*: the patented invention may be used, constructed, made, sold or imported for the reasons solely related to the development and submission of information to regulatory authorities in India or elsewhere (Section 107A(a));
- *Parallel imports*: importation of patented products by any person from a person who is duly authorised under law to produce and sell or distribute the product. India follows the doctrine of international exhaustion of patent rights (Section 107A(b)); and
- *Government use*: A patented article or an article made through a patented process can be imported by the government for its own use (Sections 47(1), (2) & (3) and 100); and
- *The research exemption*: the use or making of a patented invention for the purposes of experiment or research or imparting knowledge to students (Section 47(3)).

In addition to the above-mentioned statutory defences the alleged infringer can raise the following defences:

- *Validity of a patent*: in any suit for infringement of a patent, every ground on which it may be revoked shall be available as a ground for defence and a counterclaim challenging the validity of patent may be filed;
- *A compulsory license*: the alleged infringer, may approach the Controller of Patents for the grant of a compulsory license while the infringement suit is pending; and
- *The 'Gillette' defence*: Indian courts recognise the Gillette defence as a valid defence in an infringement action. The defendant can demonstrate that the act complained of was merely what was disclosed in a prior publication (which can also be relied on against the validity of the patent), without any substantial or patentable variation made (*Hindustan Lever Ltd v Godrej Soaps Ltd* and *Raviraj Gupta v Acme Glass Mosaic Industries*). There-

fore, either the defendant does not infringe, or the patent is invalid, if the patent covers prior art.

3.5 Role of Experts

Under The Patents Act, Section 115, the court may at any time in any infringement suit or court proceeding, whether or not a party has made an application, appoint an independent scientific advisor to assist the court on any question of fact or of opinion (not involving a question of interpretation of law).

Additionally, as per the Indian Evidence Act 1872, Section 45, whenever the court wants to deal with the fact that is related to foreign law or science or art, then the court may approach the person who is skilled in such areas and form an opinion which can be considered as relevant fact.

3.6 Procedure for Construing the Terms of the Patent's Claim

There is no separate procedure for construing the terms of the patent's claims. Typically, in almost all patent infringement suits in India, the defendant will invariably challenge the validity of the patent by way of a counterclaim. The court while adjudicating such suits will decide the validity of a patent and its infringement by way of a common judgment or order.

4. Revocation/Cancellation

4.1 Reasons and Remedies for Revocation/Cancellation

The validity of a patent may be challenged either by way of a revocation petition before the IPAB or by way of counterclaim in an infringement action before a High Court. The grounds for a revocation petition and counterclaim are identical and are given under The Patents Act 1970, Section 64, and are as follows:

- 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;
- the patent was granted on the application of a person not entitled under the provisions of The Patents Act 1970;
- the patent was obtained wrongfully in contravention of the rights of the petitioner or any person under or through whom he claims;
- the subject of any claim of the complete specification is not an invention within the meaning of The Patents Act 1970;
- the invention so far as claimed in any claim of the complete specification is not new;
- the invention so far as claimed in any claim of the complete specification is obvious or does not involve any inventive step;
- the invention, so far as claimed in any claim of the complete specification, is not useful;
- the complete specification does not sufficiently and fairly describe the invention and the method by which it is to be performed;
- 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;
- the patent was obtained on a false suggestion or representation;
- the subject of any claim of the complete specification is not patentable under the Act;
- the invention so far as claimed in any claim of the complete specification was secretly used in India;
- the applicant for the patent has failed to disclose the information pertaining to corresponding foreign applications as required by Section 8 to the Controller of Patents;
- the applicant contravened any direction for secrecy passed or made or caused to be made an application for the grant of a patent outside India by a resident of India without seeking a foreign filing licence;
- leave to amend the complete specification was obtained by fraud;
- the complete specification does not disclose or wrongly mentions the source or geographical origin of biological material used for the invention; and
- the invention as far as claimed in any claim of the complete specification could be anticipated, taking into account the knowledge, oral or otherwise, available within any community in India or elsewhere.

4.2 Partial Revocation/Cancellation

Under The Patents Act 1970, Section 114 in proceedings for infringement of a patent, the court may find that some of the claims of the specification are valid and that others are invalid. In *Novartis AG v Cipla Ltd* the Delhi High Court held that the court may grant relief to a patentee regarding the valid claims even if it invalidates others.

4.3 Amendments in Revocation/Cancellation Proceedings

Under The Patents Act 1970, Section 58 either in a revocation petition or in a counterclaim, the IPAB or the High Court may allow the patentee to amend the patent. A request for amendment must be filed as prescribed by The Patents Act 1970, along with prescribed fee. The following points need to be considered when making a request:

- an amendment of claims/specification/any document can be allowed only if it is by way of a disclaimer, correction or explanation and made for the purposes of incorporation of actual fact; and
- an amendment will not be allowed if the specification as amended describes matter not in substance disclosed or

shown in the specification before the amendment, or the amended claims do not fall wholly within the scope of a claim of the specification before the amendment.

4.4 Revocation/Cancellation and Infringement

In India, in a suit for infringement of patent, the alleged infringer may challenge the patent by way of a counterclaim. Once a counterclaim has been filed, a suit for infringement along with a counterclaim will be transferred to the respective High Court. The High Court will simultaneously decide the validity of patent and its infringement by way of a common judgement.

5. Trial & Settlement

5.1 Special Procedural Provisions for Intellectual Property Rights

In India, the Code of Civil Procedure 1908 and Criminal Procedure Code 1973 generally govern the procedural aspects of litigation in intellectual property matters. In 2015, the Indian Parliament enacted the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act 2015, which is aimed at fast-tracking the adjudication of disputes of a specified value that are commercial in nature, including intellectual property disputes, in a time-bound manner.

5.2 Decision Makers

In India, suits for intellectual property rights must be filed before a District Judge or before High Courts having original jurisdiction. There is no special court for adjudicating intellectual property rights. There is no bar on the technical qualification of the presiding officer adjudicating intellectual property rights disputes.

5.3 Settling the Case

In 2015, the Indian Parliament enacted the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act 2015. The Act has been proved to be a boon for intellectual property litigation in India as it provides for speedy trial. The Act was amended recently in 2018, to state that pre-institution mediation has to be exhausted before filing a suit, except where the action prescribes urgent interim relief.

Further, while a suit is pending, the parties can opt for the following:

- *A court-mediated settlement:* the parties may agree to this and the court will appoint an independent mediator to facilitate it.
- *Voluntary settlement:* the parties can agree to settle on their own and may file the agreement at court.

5.4 Other Court Proceedings

As per The Indian Patents Act 1970, parallel proceedings for infringement before a court and a revocation petition before the IPAB, or post-grant opposition proceedings before the Indian Patent Office can be heard simultaneously. However, there is no statutory bar for a stay of infringement proceedings until the disposal of either a revocation petition or post-grant opposition. In recent cases, the courts in such situation direct the Indian Patent Office or the IPAB to expedite the validity proceedings.

Note that in 2014, the Supreme Court in the matter of Dr Aloys Wobben and Another v Yogesh Mehra and Others, held that if a post grant opposition has been filed, then revocation petition either before the IPAB or by way of counterclaim in an infringement suit cannot be filed by the same opponent. Further, if a revocation petition has been filed before the IPAB previously, the defendant in a patent infringement suit cannot file a counter claim on the same cause of action and vice versa. While it is clear that revocation by High Court cannot be chosen unless the patentee has asserted a patent infringement, revocation at the IPAB may be chosen any time after the grant and even when the patentee has not claimed infringement.

6. Remedies

6.1 Remedies for the Patentee

A patentee is entitled to a relief of injunction (permanent and interim) and either damages or an account of the profits of the defendants by virtue of The Patents Act 1970, Section 108. The court may also order seizure, forfeiture or destruction of the infringing materials. It is important to note that the court can exercise a considerable amount of discretion while granting reliefs and the grant of any relief that has been requested is subject to the court's agreement. Recently, exemplary damages and lawyer fees, etc, have also been awarded in few patent infringement suits.

6.2 Rights of Prevailing Defendants

The Patents Act 1970 does not provide any mechanism for a prevailing defendant against the plaintiff while an infringement suit is pending. However, the Civil Procedure Code 1908 provides that at this point, a defendant may file an application seeking direction from the court against the patentee to secure monetary compensation for all costs incurred and likely to be incurred by them.

6.3 Types of Remedies

There are a variety of remedies for different technical intellectual property rights, ie, patents and trade secrets, which have been provided for in legislation, ie, the Patents Act 1970. Trade secrets, in the absence of any specific legislation, can be protected through contractual obligations. The proprietor/patentee is entitled to an injunction (permanent

and interim) and either damages or an account of the profits of the defendants. The court may also order seizure, forfeiture or destruction of the infringing materials.

6.4 Injunctions Pending Appeal

If a court of first instance has granted an injunction, thereby holding that the patent is valid and infringed, the infringer may file an appeal challenging the order. While the appeal is still pending, provided there is no interim stay on the operation of the order of court of first instance, the order will remain valid. If the infringer is found liable for violating the order of court of first instance while the appeal is pending, he or she shall be liable for contempt of the court. Such contempt proceedings can be filed as separate proceedings and a relief for imprisonment of the infringer may be sought.

7. Appeal

7.1 Special Provisions for Intellectual Property Proceedings

There are no special provisions to appeal an order of the handed down in the court of first instance in an intellectual property rights infringement action. The provisions of appeal as given in the Code of Civil Procedure 1908 will be applicable in all such cases.

7.2 Type of Review

Appeals are normally limited to a legal review of the order in question. It has been observed that the Appellate Court generally refrains from factual analysis and does not take any additional pleadings/documents. However, if it has been proven that there is an apparent error in the order in question, then there are provisions to add documents during the appeal proceedings. Here the Appellate Court is well within its discretion to consider and adjudicate upon the issue.

8. Costs

8.1 Costs Before Filing a Lawsuit

It is not mandatory for a patent-holder to send a cease-and-desist notice to an alleged infringer before commencing infringement proceedings. However, where no urgent interim relief is sought, it is mandatory for the parties to have pre-institution mediation and settlement proceedings in commercial disputes, which encompass intellectual property rights. No statutory fees are prescribed under the Act for these proceedings.

8.2 Calculation of Court Fees

The calculation of court fees is governed by state legislation. Each state in India has separate legislation to calculate Court fees. The legislation prescribes the methodology for calculating a court fee on the basis of reliefs sought. For instance, there is a specific court fee for seeking relief of injunction,

relief for destruction of infringing materials, etc. However, court fees for the relief for damages has to be calculated on a per ad valorem basis, ie, in proportion to the estimated value of the infringed patent.

8.3 Responsibility for Paying Costs of Litigation

The losing party is required to pay court expenses, fees and lawyers' fees, provided the plaintiff claims the same. The basic methods followed to calculate damages in intellectual property cases take into account:

- the defendants' profits gained from the infringing activity;
- the actual/prospective loss caused to the claimant, including business and reputational loss; and
- the reasonable royalty that the defendant would have had to pay to the claimant had they entered into a licensing agreement.

The claimant may choose one of the above three methods for calculating damages. In addition, other factors that enhance the damages and reputational loss may be taken into account, along with lawyers' fees.

Liability and monetary remedies are assessed by the court at the same time. In one of the landmark judgments delivered by the High Court at Delhi on 7 October 2015 in the case of Merck Sharpe and Dohme Corporation v Glenmark (above), the successful claimants were granted the 'actual costs' of the litigation. The defendants were ordered to pay the entire costs incurred by the plaintiff during the course of the litigation. It is important to note that in another case, F Hoffman La Roche v Cipla Ltd (above), Delhi High Court on 27 November 2015 imposed costs of INR500,000 (approximately USD6950) on the losing party.

9. Alternative Dispute Resolution

9.1 Type of Actions for Intellectual Property

Alternate dispute resolution has recently become a viable option for parties to resolve commercial disputes. However, in the domain of intellectual property rights, the use of alternate dispute resolution is still in its early stages, although its adoption for such disputes is encouraged by the courts. In a significant move, the Delhi High Court, in the case of Bawa Masala Co v Bawa Masala Co Pvt Ltd, introduced the process of 'early neutral evaluation', a form of alternative dispute mechanism to settle disputes.

Additionally, as per the latest amendment to the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act 2015, the provision for pre-institution mediation has been made mandatory in commercial disputes, including disputes arising out of intellectual property rights, unless urgent interim relief is sought.

Further, as per the Code of Civil Procedure 1908, Section 89, where it appears to the court that there is a settlement that may be acceptable to the parties, it will formulate terms and give them to the parties to consider. After receiving the parties' comments, the court may re-formulate the terms and refer the settlement for arbitration, conciliation or mediation.

For arbitration or conciliation, the provisions of Arbitration and Conciliation Act 1996, shall apply, whereas for mediation the court will effect the compromise between the parties and follow the procedure as may be prescribed.

10. Assignment and Licensing

10.1 Requirements or Restrictions for Assignment of Intellectual Property Rights

The Patents Act 1970 Section 68 provides for prerequisites of assignment of patents. To validate the assignments they must be in writing and must embody all the terms and conditions governing the parties' rights and obligations. The law requires these rights and obligations to be duly executed. The law mandates the assignee in whose favour the patent or a part of patent has been assigned, to obtain his or her title over the patent or a part of patent, registered in his or her name, by writing in the prescribed manner to the controller of Patents. As per the Indian Contract Act 1872, consideration must be mentioned in any contractual agreement, and a few controllers ask for specific value or consideration to be mentioned in the document.

10.2 Procedure for Assigning an Intellectual Property Right

Any intellectual property right, more particularly patents, may be assigned by executing a deed of assignment that must be in writing and include all the terms and conditions governing the rights and obligations of the parties. The law mandates the assignee in whose favour the patent or a part of patent has been assigned to have his or her title over the patent or a part of patent registered in his or her name, by writing to the controller of Patents. A copy of the assignment deed must be submitted to the controller, along with the

application by the assignee for the registration of the title. The controller shall, upon proof of title, proceed in recording the assignments. If there is any dispute between the parties as to whether a title has been legally assigned to the patent or any share or interest in it, the controller may refuse to take any action until the parties' rights have been determined by a competent court.

10.3 Requirements for Restrictions to License an Intellectual Property Right

The Patents Act 1970, Section 68 provides for prerequisites of assignment of patents. To validate the assignments they must be in writing and must embody all the terms and conditions governing the parties' rights and obligations. The law requires these rights and obligations to be duly executed. The law mandates the assignee in whose favour the patent or a part of patent has been assigned, to obtain his or her title over the patent or a part of patent, registered in his or her name, by writing in the prescribed manner to the controller of Patents. As per the Indian Contract Act 1872, consideration must be mentioned in any contractual agreement, and a few controllers ask for specific value or consideration to be mentioned in the document.

Further, if so requested by the patentee or the licensee, the controller shall endeavour to ensure that the terms of the licence are not disclosed to any person except under a court order.

10.4 Procedure for Licensing an Intellectual Property Right

There is no statutory procedure provided under the Patent Act 1970 for licensing intellectual property rights. If the licence agreement is in writing and contains all the terms and conditions governing the parties' rights and obligations, the agreement is valid and enforceable under the Patent Act once it has been recorded in the Register of Patents by the Controller of Patents. However, the court retains the discretion to proceed with a claim even if the licence has not been recorded by the Patent Office. In *Sergi Transformer Explosion Prevention Technologies Private Ltd & Others v Kumar Pratap Anil*, the Delhi High Court held that proceedings in an action for patent infringement by an exclusive licensee can continue at the court's discretion if the licensee's application for recording of its exclusive licence is still pending.

However, following restrictive conditions should be avoided while drafting the terms and conditions of a licence agreement, eg:

- to require the licensee to acquire or to prohibit or restrict the licensee from acquiring any article other than the patented article from anyone other than the licensor or his or her nominees;
- to prohibit or restrict the licensee from using any article other than the patented article or one made by the pat-

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ented process, which is not supplied by the licensor or his nominee;

- to prohibit or restrict the licensee from using any process other than the patented process; or
- to provide exclusive grant back (improvements made by the licensee shall be licensed back to the licensor), or the prevention of challenges to the validity of the patent and coercive package licensing (forcing licensee to take license for patent(s) even if it is not required by licensee).