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What is patent?

A Patent is an exclusive monopoly rights granted by the Government to an inventor over his invention for a limited period of time. Patent is recognition to the form of intellectual property manifested in invention.

How is IP protected?

Most countries have established national regimes to provide protection to the IPR within its jurisdiction. Except in the case of copyrights, the protection granted to the inventor/creator in a country (such as India) or a region (such as European Union) is restricted to that territory where protection is sought and is not valid in other countries / regions.

For e.g. a patent granted in India is valid only for India and not in the USA. However, a patent granted in the EPO is valid in all the contracting states recognized by European Patent Organization http://www.european-patent-office.org/epo_general.htm

The protection so granted in a country / region not only identifies the rights of the creator/inventor or his assignees, but also enables the right holder to enforce his rights against infringers.

Moreover, several international agreements exist to monitor that the inventor/creator are not denied of his/her rights.

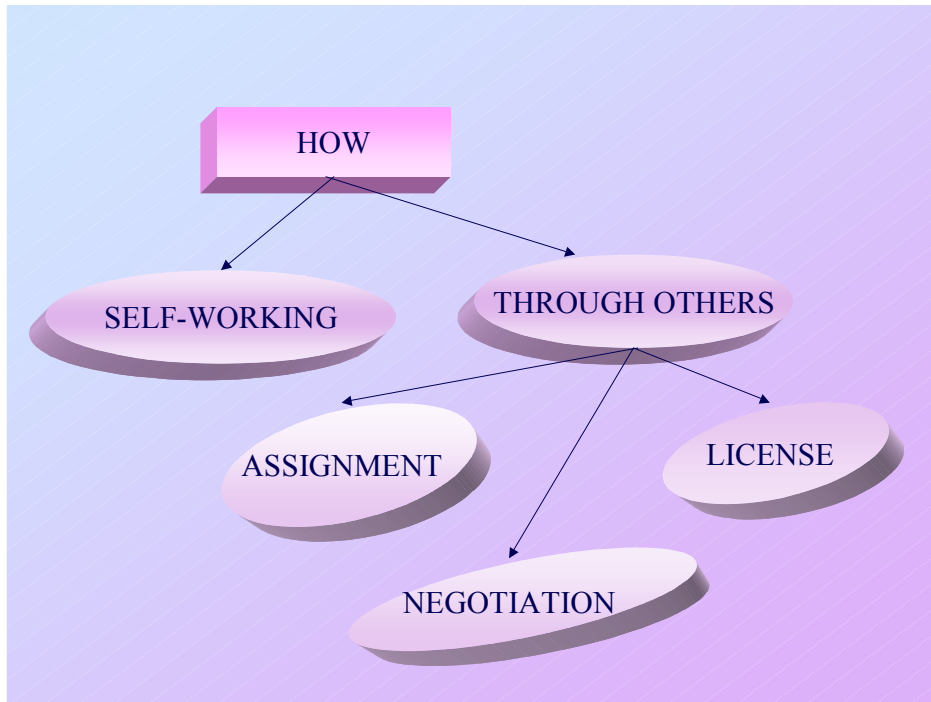
Why Patent Inventions?

The basic reason for patenting an invention is to make money through exclusivity i.e. the inventor or his assignee would have a monopoly if

- a. the inventor has made an important invention after taking into account the modifications that the customer, and
- b. if his patent agent has described and claimed the invention correctly in the patent specification he drafted,

then the resultant patent would give the patent owner an exclusive market.

The patentee can exercise his exclusivity either by marketing the patented invention himself or by **licensing** it to a third party. He can also **assign** his rights in the invention to another party by a **deed of assignment**. In some organizations, an employee automatically assigns his rights in any invention developed or that may be developed in future to the employer vide the employment contract that the employee may sign at the time of taking up the employment.



What are the rights given to the patentee?

The patentee (i.e. an applicant who has been granted a patent) has the exclusive right to prevent unauthorized third parties from making, using, offering for sale, selling or importing the patented product in India. If the patent has been granted for a process then the patentee has the exclusive right to prevent unauthorized parties from using, offering for sale, selling or importing the product obtained directly by that process in India. (Section 48)

What is the criterion for Patentability?

As per the Indian Patents Act 1970, which was recently amended by the [Patents \(Amendment\) Act 2002](#), which came into effect on May 20, 2003, the main criteria for patentability are:

- (i) [Novelty](#) (Section 2(1)(j))

- (ii) Inventive step (**Section 2(1)(ja)**) and
- (iii) Capable of Industrial Application (**Section 2(1)(a)**)

In India novelty accepted is relative i.e. it should not be published anywhere and not used in India. This is dealt in detail in [Section 25](#).

Inventive Step is a feature that makes the invention **not obvious** to the person skilled in the art. Section 2(1) (ja) defines “inventive step” as a feature that makes the invention not obvious to a person skilled in the art. The term “person skilled in the art” has not been defined.

‘Capable of Industrial Application’ means that the invention should be capable of being made or used in an industry Section 2(1) (ac)

The criteria of patentability is decided by **Section 2(1)(j), Section 2(1)(j)(a), Section 2(1)(ac)** read along with [Section 3, 4 and 5](#)

What are not inventions?

Not everything under the Sun is patentable. In order to remove ambiguity, the inventions, which are not patentable even though they fulfill the patentability criterion, are clearly specified in the Act (**Chapter II** which includes **Sections 3, 4 and 5**). Some inventions are excluded, as they do not have a technical effect while others are excluded on moral grounds. Also, inventions, which relate to atomic energy, are strictly not patentable (**Section 4**).

For example discovery of a natural substance is not patentable, as it already exists in nature (**Section 3(c)**), similarly a [**computer program, which does not bear a technical effect, is not patentable**](#) (**Section 3(k)**).

Further the inventions relating to product in pharmaceutical sector are not patentable (**Section 5**) till 31st December 2004; however there is a black box provision, which

enables all such applications to be filed. These applications will be open for examination on or after 1st January 2005.

The following would not qualify as patents

- An invention which is frivolous or which claims anything obvious or contrary to the well established natural law. An invention, the primary or intended use of which would be contrary to law or morality or injurious to public health
- A discovery, scientific theory or mathematical method
- A mere discovery of any new property or new use for a known substance or of the mere use of a known process, machine or apparatus unless such known process results in a new product or employs at least one new reactant
- A substance obtained by a mere admixture resulting only in the aggregation of the properties of the components thereof or a process for producing such substance
- A mere arrangement or re-arrangement or duplication of a known device each functioning independently of one another in its own way
- A method or process of testing applicable during the process of manufacture for rendering the machine, apparatus or other equipment more efficient for the improvement or restoration of the existing machine, apparatus or other equipment or for the improvement or control of manufacturer
- A method of agriculture or horticulture
- A method or process for the medicinal, surgical, curative, prophylactic or other treatment of human beings or any process for a similar treatment of animals or plants to render them free of disease or to increase their economic value or that of their products
- An invention relating to atomic energy falling under the Atomic Energy Act, 1962
- Process patent in respect of food, medicine or drug, and not product patent thereof. However, in respect of substance itself intended for use or capable of being used as medicine, or drug, except chemical substances which are ordinarily used as intermediate, patent can be granted in the manner provided in the patent law

- In respect of substances produced by chemical process including alloys, optical glass, semi conductors and inter-metallic compounds, patents are granted only for the process of manufacture but not for the substance thereof

How did it all begin in India?

The Indian Patent system originated under the rule of the East India Company based on the British Patent Law of 1852. It was called as The Act VI of 1856 which granted certain exclusive privileges to inventors for a period of 14 years. The Act VI was modified to Act XV in 1859 which granted patent monopolies called exclusive privileges (making, selling and using inventions in India and authorizing others to do so) for a period of 14 years from date of filing an application.

Further developments took place at periodic intervals widening the scope of Intellectual Property with new acts coming into force namely,

- The Patents & Designs Protection Act 1872,
- The Protection of Inventions Act 1883, further consolidated as The Inventions & Designs Act 1888,
- The Indian Patents & Designs Act 1911,

After India gained independence, the Patents Act (Act 39 of 1970) came into force on 20th April 1972, <http://www.patentoffice.nic.in/ipr/patent/patAct1970-3-99.html>

To comply with the [TRIPS Agreement](#) of which India is a signatory, the 1970 Act was amended by a series of amendments namely

- [The Patents \(Amendment\) Act, 1999](#) which came into force on March 26, 1999 with retrospective effect from 1st January 1995
- [The Patents \(Amendment\) Act 2002](#) came into force from 20th May 2003.
- A third amendment, [The Patents \(Amendment\) Act 2005](#) has come into force in order to comply with TRIPS Agreement.

How long is the protection granted?

The term of every patent granted after the commencement of the Act will be 20 years from the date of filing, provided the renewal fees is paid on due dates. **Section 53.**

How is the duration of patent protection determined?

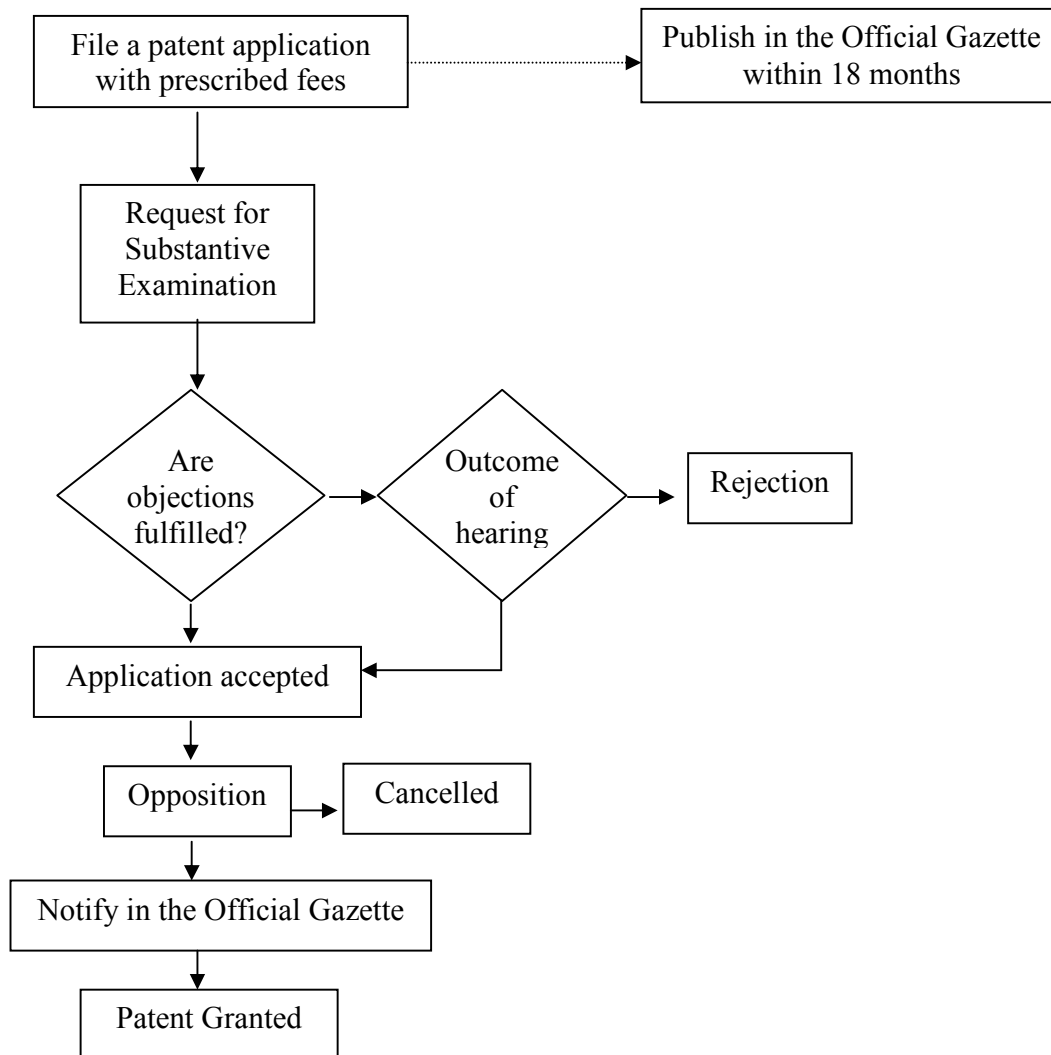
The duration of patent protection is 20 years and is determined from the date of filing the application. If a provisional has been filed followed by a complete specification, the term of the patent is counted from the date of filing the provisional application.

In case of International applications under PCT, the filing date is the international filing date for determining the term of the Patent.

Can a patentee extend the term of a patent?

No, there is no provision under the Patents Act, 1970 to extend the term of a patent.

What is the process involved?



Who can apply?

A patent in India can be filed by the inventor/s or by their assignee. The assignee may be a natural person or a legal person such as a company or a firm. **Section 6**

For the benefit of individual applicants, the Patent Office follows a dual fee structure, one for the natural and other for legal person (**First Schedule under Rule 7**)

Who owns the patent on an invention made by (i) a company employee, (ii) an independent contractor, or (iii) multiple inventors, and how is patent ownership officially recorded and transferred?

The right to apply for a patent and ownership of patent by a company employee or an independent contractor is governed by the terms of the agreement between the said employee and his employer, or the contractor with the contracting party.

A patent can be owned by an individual, a group of individuals or a legal entity e.g. a company. A firm can also apply for a patent as an assignee (*Shinning Industries v. Shri Krishna Industries, AIR 1975 ALL 231*).

A patent can be jointly filed and owned by two or more parties. An application can be filed by the inventor/s or assignee, or a legal representative of a deceased person who was entitled to make such an application, immediately before his death. A patent applicant can be a legal entity and need not necessarily be a natural person or persons.

In a joint ownership of rights in a patent, unless there is an agreement to the contrary, each of the co-owner shall exercise his rights to his own benefits without accounting to the other person/s.

Where should a patent application be filed?

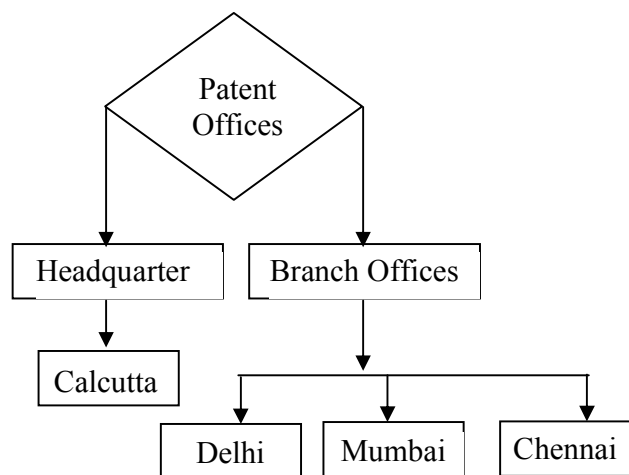
The Indian Patent Office has its head office at Kolkata, which has three branch offices located at Mumbai, Chennai and Delhi. The Controller General heads the Patent Office and each branch has a Controller as its head. In case of an Indian applicant, the patent application must be filed at the patent office under whose jurisdiction the applicant's has his place of work, or place of residence or place where he conduct business from.

For e.g. if an applicant provides a Chandigarh based address, the application must be filed at the Delhi Patent Office. **Section 74.**

In case of foreign applicant/s, the jurisdiction in which the patent application is filed would be based on the address for services of the applicant's agent.

For e.g. if the address for services for foreign applicant is based at Bangalore, the patent application must be filed at the Chennai Patent Office.

ORGANIZATION OF PATENT OFFICES IN INDIA



What are the functions of the branch offices?

The branch offices have statutory functions and are empowered to deal with practically all the proceedings coming within their territorial jurisdiction. These functions include:

- ❑ Filing of applications for patents.
- ❑ Examination of applications including conducting search for novelty of the inventions.
- ❑ Acceptance of the applications.
- ❑ Opposition, if any, to the grant of a patent. **Chapter V**
- ❑ Grant of patent
- ❑ Registration of assignments and licences **Section 69**.
- ❑ Renewal of patents originating in their respective jurisdictions.

What the types of specifications that can be filed?

In order to ensure that the invention fulfils the novelty criteria of patentability, the Patent Act allows for the filing of a Provisional application as soon as the inventor/s conceives the idea of an invention.

Once the provisional patent specification has been filed in any of the above-mentioned offices, complete specification must be filed within 12 months extendable by 3 months to a total of 15 months from the date of filing of the provisional application. **Section 9.**

What are the elements of specification?

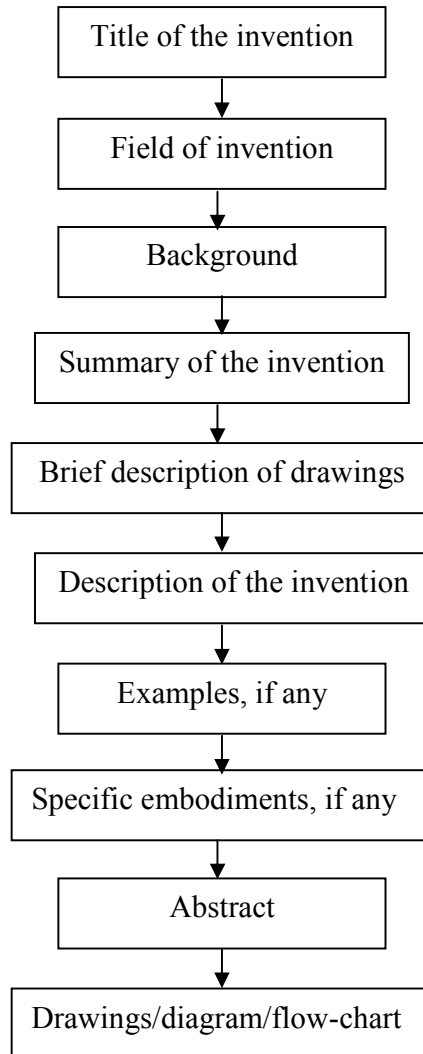
A patent specification has two parts:

- Description
- Claims (**Section 10**)

Claims: Claims define the scope of the invention over which the applicant seeks monopoly. The first claim is the main claim and should enumerate the novel features of the invention.

The invention may be a product, apparatus, a process, a method of doing something. The claims may contain dependent claims, which clarify the features of the main claim. [Detail](#)

Description: Contains following elements:



What next after filing?

Every patent application that is filed at the patent office is published in the [Official Gazette](#) after the expiry of 18 months from the date of filing or date of priority whichever is earlier. However, the inventions relating to atomic energy are not open to public.

This is a unique provision provided by the law, which facilitates technology development via increasing R & D thereby strengthening economic and industrial development of a country. **Section 11A**

When is the application examined?

The application is examined only after the applicant or any interested person files a request for examination within 48 months from the date of filing. **Section 11B**

The Controller vests the rights in the Examiner to proceed with the examination of said application within 18 months from the date of such reference to the Examiner. The Examiner in turn examines the application under **Chapter II** to ensure that the patent application is not hit by the provisions of **Section 3, 4 and 5** such as anticipation by prior publication or prior claim etc. Further the Examiner issues a report containing formal and technical objections if any, to ensure that said application is novel, non-obvious and capable of industrial application. **Section 12 & 13.**

Product patent v. Process patent

A patent may be granted for a new and useful product or process. A process can be patented if the process results in production of a new article or a more useful or cheaper article than what is produced by an old method. In some cases, it has been held that a process may itself be patentable even if there is no production of a new or better article. Such processes can be found in the drug industry where a new process of a manufacture of an already known drug is patentable.

Both product and process patents were granted in India for all inventions **except** in case of food, medicines or drug, and substances prepared by chemical processes as enumerated in Section 5. For such inventions only the process was patentable for a period of 20 years provided they fulfill the patentability criteria.

Since India became a signatory to the TRIPS Agreement with effect from 01.01.1995, we were required to comply with the TRIPS requirement given in Article 27, within a period of 10 years as mentioned in part VI of the TRIPS Agreement (Articles 65 and 66).

Further, an [exclusive marketing right](#) (EMR) protection is provided for the “mail box” applications under Chapter IVA of the Patent (Amendments) Act 1999 (Section 24A, 24B, 24C, 24D, 24E and 24F). These provisions provide protection to “mailbox” applications filed for products capable of being used as drug or medicine. The EMR provides the applicant of the patent protection for inventions under Section 5(2), the right to sell and distribute his product in India, but not the right to manufacture.

The government, however, issued an ordinance (Later [Patent Amendment Act 2005](#)) on 27th December 2004 for introducing a product patent regime for pharmaceuticals and agro-chemicals to be effective from January 1, 2005. The ordinance has been issued to fulfill India's obligation to the World Trade Organization. The ordinance, allowed for full introduction of product patents and for deletion of the exclusive marketing rights, a transitional arrangement provided to drug companies until a full product patent regime was introduced.

What is the time duration to get the application accepted?

These objections raised by the Patent Office have to be place in the order of acceptance by the applicant within 12 months from the date of issuance of the First Examination Report.

What happens next?

The application once placed in the final order of acceptance is notified in the [Official Gazette](#) and is open for opposition by any interested party.

Who can be an interested person to oppose the grant of a patent?

An interested person is one who

- ❑ possesses the invention or a patent which substantially relates to the same subject matter
- ❑ has an existing manufacturing interest (and not an intention to manufacture).
- ❑ has a trading interest which is a definite, existing and substantial interest.

When can he file opposition?

Any interested person can oppose the grant of a patent within four months from the date of notification of acceptance of complete specification in the Official Gazette by filing a notice of opposition in the prescribed manner at the Patent Office having the jurisdiction. The said period of four months can be extended by another one month provided a request to that effect is made in the prescribed manner before the expiry of said four months.

How does a person oppose a patent?

Any person interested may give notice of opposition to the grant of the patent to the Controller at the appropriate Patent Office, in the prescribed Form along with the prescribed fee at any time within a period of four months from the date of advertisement of the acceptance of the complete specification. This period may be extended by one month by applying in a prescribed form before the expiry of the 4 months.

What are the grounds of Opposition?

The grant of patent may be opposed on any of the grounds specified in **Section 25** of the Act. These grounds include:

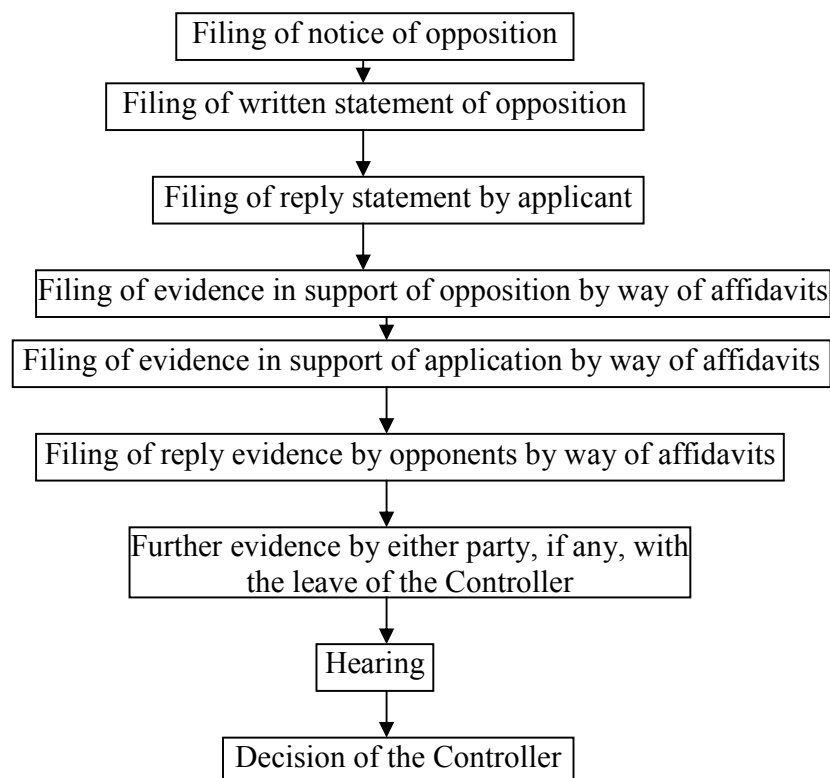
- wrongfully obtaining the invention
- prior publication of the invention or was publicly known
- that the invention lacks novelty and inventive and is obvious to a person skilled in the art

- the subject matter is not a patentable invention under the prevailing Act
- insufficiency of description
- insufficiency of information relating to corresponding applications as required under **Section 8**
- non-entitlement to priority in case of convention application

What happens after the notice of opposition is filed?

The Controller, on the receipt of a notice of opposition, notifies the applicant. The opponent and the applicant are required to file their statements and evidence and they are given an opportunity of being heard before the case is finally decided.

The successive steps in opposition proceedings are as follows:



What is the purpose of opposition to grant of patents?

The opposition under section 25 of the Act is intended to ensure –

- only the rightful person will get a patent for an invention; and
- only a patentable invention will be patented.

When is a patent sealed?

After notification of acceptance,

- If there is no opposition, the application proceeds for sealing within 6 months from the date of notification which is extendable by another 3 months on request.
- However, if an opposition is filed, and the opposition is rejected by the Controller after the hearing, then the application proceeds for sealing **Section 43**

How is a patent sealed?

A request for sealing is filed on the prescribed form by the applicant at the Patent Office along with the requisite fee; whereupon the patent is recorded in the Register of Patent maintained by the Patent Office. It is after the sealing of patent that the applicant has the rights of a Patentee, which includes the various exclusive rights as well as the right to sue for infringement. **Section 48**

How and on what grounds can a patent be invalidated?

Post grant, a patent may be invalidated by any interested person bringing an action for revocation on the grounds laid out in Section 64, which is quite similar to the grounds mentioned for opposition. The grounds for opposition include

- a. that the invention was prior published
- b. that the invention is obvious
- c. that the complete specification lacks adequate disclosure of the invention
- d. that the applicant had failed to disclose information including the source or geographical origin of biological material used for the invention, and
- e. that the invention claimed is anticipated by the knowledge available within any local or indigenous community in India or elsewhere.

A patent may also be revoked on directions of the Central Government in cases relating to atomic energy (Section 65), or where the patent or the mode in which it is exercised is mischievous to the State or generally prejudicial to the public (Section 66). The patentee or any person holding rights in such patent are given an opportunity to be heard before any decision for revocation is taken.

Working of a Patent.

A patent or an invention pending a patent can be worked in various ways by the patentee / inventor. The rights in the invention can be assigned to any person or a legal entity either during the prosecution stage of the application or after the patent is granted.

What is a License?

A licence is a contract by which the licensor authorizes the licensee to perform certain activities which would otherwise have been unlawful. For e.g. in a patent licence, the patentee (licensor) authorizes the licensee to exercise defined rights over the patent. The effect is to give to the licensee a right to do what he/she would otherwise be prohibited from doing, i.e. a licence makes lawful what otherwise would be unlawful. The licensor may also licence “know-how”.

“Know-how” pertaining to the execution of the licensed patent right such as information, process or device occurring or utilized in a business activity can also be included along with the patent right in a Licence Agreement. Some examples of know-how are

- technical information such as formulae, techniques and operating procedures) and
- commercial information such as customer lists and sales data, marketing, professional and management procedures

Indeed, any technical, trade, commercial or other information, may be capable of being the subject of protection.

The ownership in the right is with the Licensor and is not transferred to the Licensee. A license agreement may be explicit or implied, written or oral. Ideally it must be in writing and must lay down rights and duties of both the licensee and the licensor. A license under the patent shall not be granted and a share in the patent shall not be assigned by a co-owner without the consent of the other co-owner/s (Section 50).

Reasons for Licensing

A particularly attractive feature of a licence agreement is its flexibility, which allows the respective parties to construct an agreement that is uniquely adapted to their particular circumstances. For example, the licensor may wish to transfer the IP rights as a whole, or may instead divide into several discrete rights and thereby retain some or distribute then amongst several licensees. In doing so, the licensor may retain an element of control by offering one or more licensees the right to use, manufacture and sell or sub-license, perhaps in restricted countries or market sectors.

By the process of licensing, both the licensor and the licensee stand to gain:

Benefits to the Licensor:

- Opens new markets
- Creates new areas for revenue generation
- Helps overcome the challenge of establishing the technology in different markets especially in foreign countries – lower costs and risk and savings on distribution and marketing expenses

Benefits to the Licensee are:

- Savings on R&D and elimination of risks associated with R&D
- Quick exploitation of market requirements before the market interest wanes
- Ensures that products are the latest

What are the types of Licences?

A licence may be classified as of two types

- a. Voluntary licence whereby the licensor voluntarily grants licence to any person who may approach him for the right to work the invention. A voluntary licence may be exclusive, non-exclusive or sole licence.
- b. Compulsory licence

What is an Exclusive Licence?

An exclusive licence permits only the licensee and a person authorised by the licensee to exploit the invention and therefore excludes all other persons from doing so, including the patentee.

An exclusive licensee has the right to start infringement proceedings (Section 120(2)). Further reference to an exclusive licensee is made when dealing with government use of inventions (Section 161).

What is a Sole Licence?

A sole licence permits the patentee to work the patent but prevents the grant of additional licences as opposed to an exclusive licence, which excludes the patentee from exploiting the patented invention.

What is a Non-exclusive Licence?

A non-exclusive licence allows the patentee to retain the right to exploit the licensed property as well as the right to grant additional licences to third parties. (A compulsory licence is a non-exclusive licence)

What are non-voluntary licences?

- a. Compulsory licence
- b. Government use

What are the grounds for obtaining a compulsory license, and how are the terms of such a license determined?

Section 84(1) of the Act allows any interested person to apply for grant of compulsory license to the Controller on the grounds that

- a. The reasonable requirements of the public have not been satisfied, or
- b. Patented invention is not available at a reasonable affordable price or
- c. The patented invention is not worked in India.

The terms and conditions for grant of compulsory license are laid out in Section 95.

The Act also provides for grant of compulsory license on notification by the Central Government in cases of

- a. a circumstance of national emergency; or
- b. a circumstance of extreme urgency; or
- c. a case of public non-commercial use.

The circumstances include “public health crisis relating to AIDS, HIV, TB, malaria or other epidemics”. (Section 92(3)). Thus para 6 of the Doha declaration is reflected in the Act.

The Controller balances many conflicting issues to grant a compulsory licence such as the interest of patentee (whether he shall receive reasonable remuneration), interest of the licensee (whether he can make reasonable profit) and interest of the public (whether they shall be able to avail reasonable price). Royalty, which is decided by the Controller, is paid to the patent holder

A compulsory licence is a non-exclusive licence.

Can a compulsory licence be revoked?

Yes. It can be revoked within 2 years of grant of the compulsory licence on the grounds that the reasonable requirement of the public is not fulfilled. Any person or Central Government can apply to the Controller for revocation.

ASSIGNMENT

What is an Assignment?

Assignment is an instrument by which a patentee assigns his rights in the invention to another party, the assignee. The rights may be assigned in whole or in part. The assignee acquires all the rights, which previously belonged to the assignor. The rights then do not revert back to the assignor.

For e.g. if a patentee has a patent in country X, Y and Z, then he may assign his rights for invention for country Y only while retaining the rights in countries X and Z.

Should the assignment be in writing?

Section 68 of the Act states that assignments, mortgage, license or a creation of any other interest in the patent shall not be valid unless the same were in writing, outlining the terms and conditions governing the rights and obligations of each party and is registered.

Validity of assignment

An assignment, grant, or conveyance of any patent or application for patent should be acknowledged before a notary public or officer authorized to administer oaths or perform notarial acts. The certificate of such acknowledgment constitutes prima facie evidence of the execution of the assignment, grant, or conveyance.

What are the types of assignment?

Besides a deed of assignment, an Assignment may be by way of:

- Mortgage wherein a mortgage of patent property passes ownership to the mortgagee or lender until the mortgage has been satisfied and a retransfer from the mortgagee back to the mortgagor, the borrower, is made.
- A conditional assignment also passes ownership of the patent and is regarded as absolute until canceled by the parties or by the decree of a competent court.
- An employment agreement

Recordal of the Assignment in the Register of Patents

The application for the registration of the transfer document must be filed with the Controller within 6 months of its execution or within a further period of 6 months in the prescribed manner.

The transfer in the ownership of the patent must be recorded with the Patent Office in the Register of Patents.

What are the main differences between an agreement for licence and assignment?

Licencing agreements contain detailed restrictions on use, performance standards and termination provisions; and may therefore be far more complex than assignment agreements.

Some assignment agreements may, however, go further than merely confirming the transfer of rights and include representations relating to, for example, warranties and payment.

The difference in complexity between assignments and licences is due to the fact that licences represent long term arrangements while assignments are one-off transactions.

What is a Register of Patents?

The Patent Office maintains a Register wherein all information pertaining to a patent including names and addresses of the grantees, their assignees, notifications of such assignments and of transmissions of patents, of licenses under patents and of amendments, extension and revocation of patent are recorded (Section 67).

Negotiation:

The underlying concept of acquiring a patent right (or any other intellectual property right) is creation of wealth. Patent can be a potent tool in this exercise of creating wealth in today's knowledge economy. Acquiring patent either through grant or assignment can create a Patent portfolio of related technology that can lead to creating a market benchmark thereby compelling competitors to license technology. A well-managed patent portfolio can also help in tax rebates, as well as provide for a level playing field for a new market entrant. Patents in a particular field of technology can also be used to create patent pools. Cross-licensing of technology is a unique Patent pool

Bench marking

Cross-licensing

IBM Cha Cha Rule

Level playing field

Tax rebates

IP portfolio

Infringement

What is Infringement?

Infringement is not defined in the Patent Act. Infringement may therefore be interpreted as any violation of the monopoly rights of the patentee. An act which is permitted under the statute e.g. government use of the invention would not amount to infringement.

What are the ways of determining that an infringement has occurred?

The extent of monopoly rights must first be determined from the specification and the claims. Thereafter, it is important to study whether the infringing act amounts to making, using, exercising selling or distribution of a product or the process patent.

Who are liable in a suit of infringement?

The actual manufacturers of the infringing product or the users of the patented process and others who are indirectly connected with such infringing activity.

What is the time limit for seeking a remedy for patent infringement?

Under Section 88 of the Limitation Act, a suit for infringement must be instituted within 3 years from the date on which the plaintiff first knew of the infringement.

What are the various ways of infringement?

- Inducing and procuring the infringement of patent.
- Sale of non patented articles to be used for the purpose of infringing a patent.
- Using parts or combination of integers of a patented product or process.
- Sale of parts of patented device.
- Using mechanical equivalents of an invention.
- Making colorable variations in the invention.
- Use of patented process in course of manufacture of other goods.
- Import of articles made by patented process.
- *Infringement of a patent by using a part of the invention* – A patent may be infringed by taking a part only of the invention but that depends on whether the part for which protection is asked is new and a material part of the invention. If it is not new and a material, the court must consider what the substance of the invention is and to do so the

court has to consider the relative importance of the parts of the invention – *Lallubhai Chakubhai Jariwala v. Chimanlal Chunilal and Co* AIR 1936 Bom. 99

- *Use of proportions* – When the proportions of the ingredients of a mixture for making tiles were only mentioned in the specification as ‘appropriate and sufficient’ and could only be treated as referred to in the claim by virtue of further indefinite words ‘Substantially as described’ the High Court held that the proportions were not claimed by patentee, but upon the true construction of the patent, the patent (if valid) would be infringed by the manufacturer of a tile composed of a mixture of the ingredients in any proportion – *Wanganui Sash & Door Factory & Timber Co. Ltd v. Roland Moore Moulder* AIR 1930 PC 115.

Who can sue for infringement?

- The patentee, i.e., the person registered in the Register of Patents as the grantee or proprietor of the patent, or
- The holder of an exclusive licence provided the licence is registered, or
- The holder of a compulsory licence; in the event the patentee fails to institute proceedings on the request of the compulsory licence holder;
- An assignee of a patent provided an application for registration of assignment has been filed before the date of filing the suit; or
- A co-owner of a patent is not expressly entitled in the Act to bring an action for infringement on his own without joining the others.

Is a person liable for infringement if he starts using the invention from the date on which the patent lapsed?

If the patent has lapsed, he is not liable for an infringement. The immunity is from the date on which the patent has lapsed till the application for restoration, if filed, is advertised in the Official Gazette. In case the patentee has not cared to restore his patent

within the prescribed period, the patent lapses and the invention is now in the public domain.

Can any person exploit any invention covered by any foreign patent?

Yes, provided there is no corresponding Indian equivalent patent. If there is any and is in force, such use would amount to infringement of the patent.

Is it possible to get temporary injunction or a final injunction against future infringement?

It is not possible to obtain a temporary injunction or a final injunction against future infringements. A suit for infringement must necessarily show a recent cause of action or a continuing one.

What if a person receives notice of infringement?

The person should take the following steps:

- ascertain the patent number of the invention from the person who sent the notice;
- check the Registers of Patent at the Patent Office to find if the patent is in force
- check if the person who sent the notice is the registered proprietor of the patent
- If the above checks are positive, procure a copy of the specification from the Patent Office and study it in detail.
- If the patentee (the person who sent the notice) has a good case, the person should either drop the working of that invention or attempt at procuring a license from the patentee.

What types of legal or administrative proceedings are available for enforcing patent rights against an infringer, and are there specialized courts in which a patent infringement lawsuit can or must be brought?

Under the prevailing Patents Act 1970, as amended by the Patents (Amendment) Act 2002, (hereinafter referred to as the 'Act') an aggrieved person can file a suit for infringement at the District Court or the High Court as per the pecuniary and territorial jurisdiction (Section 104). Any appeal from the order or direction of the court of relevant jurisdiction would lie to the next higher court, with the final appeal being to the apex court i.e. the Supreme Court of India.

A suit for infringement can be instituted only after the patent has been sealed (Section 24). However, damages can be claimed only for the infringement committed in the period between the date of acceptance of the complete specification and the date of sealing which is a minimum of 6 months if no opposition has been filed by a third party pursuant to the notification of the acceptance of the complete specification in the Official Gazette.

In the event, a suit is pending in the District Court and the defendant files a counter claim for the revocation of the patent, the suit, along with the counter-claim shall be transferred to the High Court. (Section 104).

However, a suit for infringement filed before a court in which a defendant has pleaded invalidity as a defence is maintainable even though a petition for revocation of the patent by the defendant is pending before another court (*Neiveli Ceramics v. Hindustan Sanitaryware* (1976) IPLR 66 at 73).

There are no specialized courts in India for trying out suits for infringement.

In cases of appeals against decision, order or direction of the Controller for e.g. in case of opposition, compulsory licensing, restoration of lapsed patents etc. the Act provides for an Appellate Board to which an interested party can appeal (Section 117A).

Against whom would an application for infringement lie?

An application for an injunction would be effective against the infringer's supplier as well as customers on the basis of the orders passed by the Court. Usually the injunction is affected against the defendants.

However, after notification of acceptance in the Official Gazette, any person may institute a suit for declaration as to non-infringement, under Section 105, against a patentee or exclusive licensee, even if no assertion to the contrary has been made by the patentee or the licensee, if it is shown that the Plaintiff had applied in writing to the patentee or the exclusive licensee for

- a. written acknowledgements that the use by him of any process or product does not, or would not constitute an infringement of a patent, **and**
- b. that the said patentee or the exclusive licensee had refused or neglected to give such an acknowledgement.

What are the respective burdens of proof for establishing infringement, invalidity, and unenforceability of a patent?

The burden of proof normally rests on the plaintiff for establishing infringement. However, under the Act, where the subject matter of the infringement is a process patent relating to a new product and there is a substantial likelihood that an identical product has been made by the same process which the Plaintiff has been unable to discover, the burden of proof is on the defendant (Section 104A).

A patent may be considered invalid on any of the grounds mentioned under Section 64. A petition for revocation may be filed in the High Court by any "interested" person or the Central Government. The burden of proof is on the "interested" person.

An “interested” person is one who has a direct, present and tangible commercial interest, which is injured or affected by the continuance of the patent on the register. (Section 2(*Ajay Industrial Corporation v. Shiro Kanao of Ibaraki City, AIR 1983 Del 496*))

Can Research institutes or organizations use patents for research purposes without any liability for infringement?

Yes, the use should be strictly restricted to experimental use or research purposes only. This provision also known as the [Bolar exemption](#) after the famous *Roche Products Inc v. Bolar Pharmaceutical Co Inc* 221 USPQ 937 has been formally incorporated in the Patent Act 1970 by the Patents (Amendment) Act 2002 in Section 47(3).

International Scenario

What is the Paris Convention?

The [Paris Convention](#) is an international convention for promoting trade among the member countries, devised to facilitate protection of industrial property simultaneously in the member countries without any loss in the priority date. All the member countries provide national treatment to all the applications from the other member countries for protection of industrial property rights. The Convention was first signed in 1883. Since then, the Convention has been revised several times, in 1900 at Brussels, in 1911 at Washington, in 1925 at The Hague, in 1934 at London, in 1958 at Lisbon and in 1967 at Stockholm. The last amendment took place in 1979. India became a member of the Paris Convention on December 7, 1998. (*Readers may note the use of the phrase 'Industrial Property' and not Intellectual Property*).

What are the principal features of the Paris Convention?

The principal features of the Paris Convention have been listed below

- National treatment

- Right of priority
- Independence of patents
- Parallel importation
- Protection against false indications and unfair competition

What is the meaning of national treatment under the Paris Convention?

This is a very important concept and is essential for successfully achieving the fundamental aim of the Paris Convention. The idea is to provide equal treatment to applications from member countries, in a given member country and not to differentiate between the nationals of your country and nationals of the other countries for the purpose of grant, and protection of industrial property in your country. Imagine that a national of country X applies for grant of a patent in India. According to the Paris Convention, the Indian Patent Office shall apply the same norms and rules, to the applicant from X, as applicable to an Indian applicant, for granting a patent. Similarly the applicant from X shall have the same protection after grant and identical legal remedies against any infringement shall be available to the applicant provided the conditions and formalities imposed upon Indians are complied with. No requirement as to domicile or establishment in the country where protection is claimed may be imposed.

What do you understand by the right of priority and what is its significance?

The date from which patent right is deemed to start is usually the date of filing of complete specification. To obtain rights in other member countries, the application must be filed on the same day in other member countries if it is desired to have the rights started from the same day. However, there are practical difficulties in synchronizing the activities. For facilitating simultaneous protection in member countries, the Convention provides that within 12 months of national filing, if patent applications are filed in those member countries, the patents, if granted in member countries, will be effective from the date of national filing. This right is known as the right of priority. In other words you maintain the priority or the same date of filing in all the member countries and no one

else in those countries can obtain the patent rights on a similar/identical invention from the same or a later date.

In case the applicant after a second look at the patent application finds that the patent contains more than one invention or on his own accord wishes to divide the application, he can claim the initial date of priority for subsequent patent applications. The applicant may also, on his own initiative, divide a patent application and preserve as the date of each divisional application the date of the initial application and the benefit of the right of priority, if any. Each country of the Union shall have the right to determine the conditions under which such division shall be authorized.

Priority may not be refused on the ground that certain elements of the invention for which priority is claimed do not appear among the claims formulated in the application in the country of origin, provided that the application documents as a whole specifically disclose such elements.

What is implied by importation in relation to working of a patent under the Convention?

Importation is considered as working of patent, provided the patented product is manufactured in a member country and is imported into another member country which has also granted a patent on the same invention to the same applicant. Imagine that a product X has been patented in two member countries A and B. The product X is then manufactured in country A and imported into the country B. This product X shall enjoy the same patent protection in the country B even though it has been manufactured in the country A. This would also be considered as if the patent has been worked in country B.

Is there a provision for compulsory license in the Paris Convention?

Yes, each member country shall have the right to provide for the grant of compulsory licenses to prevent the abuses resulting from the exclusive rights conferred by the patent. Compulsory licenses for failure to work or insufficient working of the invention may not be requested before the period of time of non-working or insufficient working has

elapsed. This time limit is four years from the date of filing of the patent application or three years from the date of the grant. Such licenses will be a non-exclusive and non-transferable one.

What are the possible ways of filing in multiple countries?

Filing of patent applications in multiple countries is an expensive procedure and requires lot of brainstorming as the applicant has to ascertain a large number of factors including

- the expenditure involved,
- number of countries to seek protection in,
- the likely countries where the invention will have optimum market; and
- Whether the prevailing law in a desired country is favorable for protection of the invention; for e.g. many countries do not grant software patents.

In order to encourage patent filings in different countries and to ease the applicant's expenses, many countries have become members of international conventions such as the [Paris Convention](#) and [Patent Cooperation Treaty](#) exist which greatly reduce the cost of maintaining patent in different countries.

Is there any relationship between the Paris Convention and the TRIPS Agreement?

It has been made mandatory for the member countries of the TRIPS Agreement to comply with the Article 1 to 12 and Article 19 of the Paris Convention.

What are the other advantages of joining the Paris Convention?

There are a number of international conventions and treaties, which are open only to the members of the Paris Convention. Some of these are:

- Patent Cooperation Treaty (PCT)
- Budapest Treaty (for deposition of microorganisms) UPOV (for protection of new varieties of plants)

- Madrid Agreement (for repression of false or deceptive indications of source on goods)
- Madrid Protocol (concerning registration of marks)
- Hague Agreement (concerning deposits of industrial designs)

What is the Budapest Treaty?

This is an international convention governing the recognition of deposits in officially approved culture collections for the purpose of patent applications in any country that is a party to it. Because of the difficulties and on occasion of virtual impossibility of reproducing a microorganism from a description of it in a patent specification, it is essential to deposit a strain in a culture collection center for testing and examination by others. Concerns inventions that are, or relate to, microorganisms, and provides a solution to the problem of sufficiency of description of inventions concerning microorganisms by permitting a “deposit” with an “International Depositary Authority” to be recognized by contracting countries for the purposes of a patent application in that country. The Treaty was signed in Budapest in 1973 and later on amended in 1980. India has become a member of this Treaty, with effect from December 17, 2001.

What is patent cooperation treaty (PCT)?

The patent cooperation treaty (PCT) is a multilateral treaty entered into force in 1978. Through PCT, an inventor of a member country (Contracting state of PCT can simultaneously obtain priority for his/her Invention in all/ any of the member countries, without having to file a separate application in the countries of interest , by designating them in the PCT application .India joined the PCT on December 7, 1998.

Who coordinates the activities of PCT?

All activities related to PCT are coordinated by the World Intellectual Property Organization (WIPO) situated in Geneva.

What is the need for PCT?

In order to protect your invention in other countries, you are required to file an independent patent application in each country of interest; in some cases, within a stipulated time to obtain priority in these countries. This would entail a large investment, within a short time, to meet costs towards filing fees, translation, attorney charges etc. In addition you are making an assumption which, due to the short time available for making the decision on whether to file a patent application in a country or not, may not be well founded.

Inventors of Contracting States of PCT on the other hand can simultaneously obtain priority for their inventions without having to file separate application in the countries of interest; thus saving the initial investments towards filing fees, translation etc. In addition the system provides much longer time for filing patent application in member countries. The time available under Paris Convention for securing priority in other countries is 12 months from the date of initial filing. Under the PCT, the time available could be as much as minimum 20 and maximum 31 months. Further, an inventor is also benefited by the search report prepared under the PCT system to be sure that the claimed invention is novel. The inventor could also opt for preliminary examination before filing in other countries to be doubly sure about the patentability of the invention.

How are patent applications under PCT handled?

The patent office or any other office designated by each contracting state becomes a receiving office for receiving patent applications. These applications are referred to International Searching Authorities (ISA) which usually the patent offices, appointed to carry out the patent search on a global basis. In case the receiving office is also an ISA, a separate referral is not required. There is also a provision to get a patent application examined by international preliminary Examining Authorities which, in most cases are ISA.

What is the meaning of delayed processing of the application by the national phase or the regional phase?

A search report on the patent application filed with a receiving office is received by the applicant/inventor 16 months after the priority date which is nothing but the date of submitting the application in the receiving office. The International Bureau of the WIPO publishes the application and the search report 18 months after the priority date. The original application is then sent to the designated offices indicated in the application. Within two months of this i.e. by the 20th month, the applicant will have to formally apply to the patent offices of these countries for grant of patents by paying official fees and completing other formalities stipulated by these offices (some countries). In case translated copies of the application are required, the same has to be furnished by the applicant. In spite of submitting the request for grant of patents in designated countries in the 20th month after the priority date, the priority in these countries is the same as the date of filing the original PCT application.

If applicant/inventor has requested for an examination report, the report is usually received by the applicant /inventor about 28 months after the priority date. Within two months of this, the applicant/inventor will have to formally apply for grant of patents in designated countries. The priority of the application is maintained in the designated countries.

What is the benefit of the delayed processing?

- (a) By the end of the 20th to 31st month the applicant is in a better position to assess the quality of the invention being protected as a detailed search report or an examination report or both would be available to help making an assessment.
- (b) Applicants can re-evaluate their decision about filing applications in all the designated countries after a long gap of 20 to 31 months.
- (c) If not satisfied, applicants may decide to drop a few countries from the list. This decision would also be influenced by the changing market conditions.

(d) Applicants can delay their investment in respect of the national phase or the regional phase applications by 20 to 31 months without sacrificing priority.

Which is the appropriate office in India in relation to international applications?

An international application can be filed in any of the Branch Offices of the Patent Office located at New Delhi, Chennai, Mumbai and Kolkata (Head Office). Any of these Offices shall function as receiving office, designated office and elected office for the purpose of international applications filed under the Treaty.

An international application shall be filed in the Patent Office which would process the application in accordance with these rules and the provision under the PCT.

Will an international application designating India be treated as an application for grant of patent under the 1970 Act?

Yes, an international application designating India shall be treated as an application for patent under the Act.

Is there any system for protecting new plant variety?

New plant varieties cannot be protected in India at present. However, in many countries such plants can be protected through Breeders Rights, patent and UPOV Convention India is under an obligation to introduce a system for protecting new plant variety. The protection can be through patent or a sui generis system or a combination of these two systems.

What is UPOV?

UPOV is an abbreviation of Union Pour la Protection des Obtentions Vegetables (Union for protection for new varieties of plant). It is an international convention which provides a common basis for the examination of plant varieties in different member States of UPOV for determining whether a plant variety merits protection under UPOV or not.

What is the criterion for deciding protection of plant varieties?

There are 5 main criteria to arrive at a decision whether a plant variety is really new or not. These have remained unchanged between 1978 and 1991 Acts of the Convention. These criteria are:

1. **Distinctness:** The variety shall be deemed to be distinct if it is clearly Discountable from any other variety whose existence is a matter of common knowledge at the time of filing of the application .The object of this criterion is to ensure that the candidate variety can be identified amongst all other varieties whose existence is known, whether or not they are protected. An application for protection or for the entry of a variety in an official register in any country causes the variety to be recorded as a matter of common knowledge. In other words, the application for the protection should be filed with UPOV before disclosing it to any other agency.

2. **Uniformity:** The variety shall be deemed to be uniform if, subject to the variation that may be accepted from the particular features of its propagation, it is sufficiently uniform in its relevant characteristics. .The objective of this criterion is to ensure that the individuals representing the variety which is a candidate of protection form a group which is identifiable on the basis of the description of its characteristics. In other words, the variation between individuals within a variety must be less than that within a species. In the absence of this condition it would become impossible to identify distinct varieties within species.

The degree of uniformity is determined taking into account the mode of reproduction of the species and all the genetic structure of varieties. The same levels of uniformity cannot be required for a strictly self pollinating species or for a species which is vegetatively propagated. An acceptable level of uniformity would ensure that it can be used for agricultural production. In this regard the difference between the protection, given by UPOV and patent system can be noted.

3. **Stability:** The variety shall be deemed to be stable if its relevant characteristics remain unchanged after repeated propagation or, in the case of a particular cycle of propagation

at the end of each such cycle. The idea is to ensure that the variety will be identical to the description established at the moment of granting protection after repeated propagation.

Stability, as well as uniformity may be lost if the rights holder fails to maintain the variety true to the description established when the rights were granted.

4. **Novelty:** The variety shall be deemed to be new if, at the date of filing of the application for breeders' right, propagating or harvesting material of the variety has not been sold or otherwise disposed of to others, by or with the consent of the breeder for the purpose of exploitation of the variety. It is also understood that a variety to which people have had free access in the past cannot be protected because then the interest of those who have relied on the free access, will suffer.

As it is some time necessary to see the response of the market to new varieties before deciding whether or not to apply for protection, grace period has been included. The period is one year prior to the date of application in the country where the application is filed and in countries other than that in which the application has been filed and six years in case of trees and vines and four years for all other species.

5. **Appropriate denomination:** The variety shall be designated by a denomination, which will be its generic designation. The premise that the variety denomination must be its generic designation class for a requirement that 'denomination must enable the variety to be identified'. Users and consumers need to have some method of knowing that a sample is a sample of a particular identified plant variety; because it is often not possible to identify it from its appearance. This is facilitated by requiring that a specific denomination and only that denomination be used to identify a variety in trade.

Does India have any law for protecting new plant varieties?

Yes, India has enacted the New Plant Variety and Farmers Rights

Protection Act in 2001 which, in addition to meeting the technical features of UPOV, provides rights to farmers to use the seeds from their own crops for planting the next crop. Further, there are provisions for benefit sharing with farmers and penalty for marketing spurious propagation material.