

Intellectual Property
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Lecture – 61
Remedies

What are the remedies when infringement occurs?

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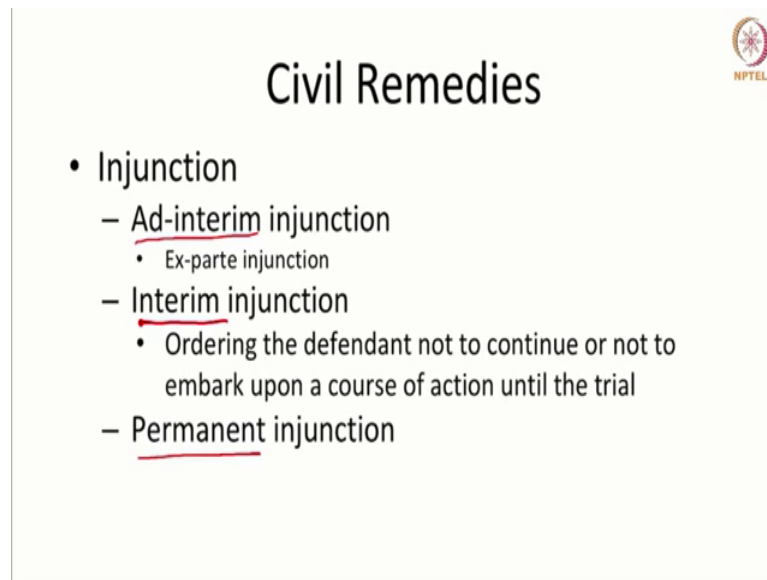

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Legal Consequences

- IP Infringement
 - Civil liability
 - Private action remedies
 - Injunction, damages, account of profit
 - Criminal liability; except for patent infringement
 - Public action sanctions
 - Arrest, detention, destruction, fines, imprisonment

The legal consequence of infringement can lead to civil liability or criminal liability. Now, when we say civil liability we are referring to private action remedies like injunction, damages, account of profit. Criminal liability refers to public action sanctions like arrest, detention, destruction, fines, imprisonment. Patent infringement is an outlier because patent infringement does not have any criminal liabilities, whereas trademark and copyright can attract criminal liabilities.

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The slide is titled "Civil Remedies" and features the NPTEL logo in the top right corner. The main content is a bulleted list of injunction types:

- Injunction
 - Ad-interim injunction
 - Ex-parte injunction
 - Interim injunction
 - Ordering the defendant not to continue or not to embark upon a course of action until the trial
 - Permanent injunction

With regard to civil remedies when infringement suit is filed before the court a person can ask for an injunction. Injunction is a relief restraining the infringer from doing the infringing acts. Now, the injunction can be an interim injunction; interim injunction is an injunction that will operate till the suit is finally disposed off and permanent injunction. Permanent injunction is when a person succeeds in the suit the right holder succeeds then the infringer is permanently restrained from doing those acts.

They could also be something call the ad-interim injunction. Ad-interim injunction is when a right holder files a case without giving notice to the infringer and they are already mentioned they could be instances where it is not feasible or advisable to file a seasoned deuces notice and in such cases the right holder will directly approach the court. When the right holder approaches the court the right holder can ask for an ad-interim injunction; ad-interim injunction is even before the interim injunction is granted.

Normally, the interim injunction is granted after hearing the both the parties because the defendant may have some defence. So, the court will not be inclined to grant an injunction without hearing the defendant. But, if the nature of infringement is such and the damage that infringement can cause can be irreparable then the right holder can ask for an ad-interim injunction. That is, an injunction to be granted even without hearing the other side which is called ex parte injunction even without hearing the other side, in such a way that this ad-interim injunction will hold good till the court decides whether an

interim junction has to be granted, which will be once the defendant appears in the case and contests the order of injunction.

So, an ad-interim injunction is something which is granted before an interim injunction is granted and the interim injunction if it is granted will continue till the court proceedings end, and once the court proceeding ends a permanent injunction if the party succeeds will be granted.

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The slide is titled "Civil Remedies" and features the NPTEL logo in the top right corner. It contains a bulleted list of two types of injunctions: Interim Injunction and Permanent Injunction. The Interim Injunction list includes Prima facie case, Irreparable injury, and Balance of convenience. The Permanent Injunction list includes a single point: Granted by a court by passing a decree made at the hearing and upon the merits of the case.

- Civil Remedies
- Interim Injunction
 - Prima facie case
 - Irreparable injury
 - Balance of convenience
- Permanent Injunction
 - Granted by a court by passing a decree made at the hearing and upon the merits of the case

Now, before granting an interim injunction the court will have to weigh the merits of the case because interim injunction is a tricky thing because when it is granted restraining a defendant it will hold good till the case is disposed off. In normal cases trial of an infringement case can take a long time it could be a few years. So, the idea is that the infringement to stop the infringement the interim injunction is allowed to continue till that trial happens.

So, the interim injunction could in effect be enforced till the cases finally, disposed off. The danger in granting in interim injunction is that eventually if the defendant succeeds in the case, in other words the plaintiff or the right holder is not able to prove infringement or the acts which the infringer did do not amount infringement or the infringers acts were non infringing they were beyond the scope of infringement. In such cases if an interim order is granted then it will in affect put the defendant out of business while the interim order continued.


So, the danger of granting an interim order is that the courts will eventually be saying something about the matter without knowing what will be the final outcome. So, they could grant an interim injunction and later on after trial they may even remove the patent or they may find that the defendant did not actually infringe. So, during that time there is a period during which the defendant was eventually it would turn over that was restrained without any legal basis. So, to prevent this courts would normally evolve a approach, so that it weighs the pros and cons in such a way that it grants an injunction only after weighing the pros and cons. Because the court cannot at this stage look into the merits of the case because the merits of the case which will bring the details of the case would normally happen during the trial stage.

So, this is not the trial stage at the interim stage the court cannot cross examine people, it cannot allow for expert evidence there are certain limitations during the interim stage and during the interim stage the court would evolve this three step. The court will determine whether there has been a prima facie case, whether there is been irreparable injury or hardship and where the balance of convenience lies. So, based on this the court would grant or not grant an injunction.

In other jurisdictions, if the court is not clear whether to grant an injunction or not if the court is to grant an injunction, the court will insist on a cross undertaking from the plaintiff because the plaintiff is the person who will enjoy the injunction because the defendants activities will be stop. The court will ask the plaintiff to give a cross undertaking that in the event the defendant succeeds in trial then the plaintiff will compensate for restraining the defendants. So, the cross and the taking in damages is something which is being used by courts in different jurisdictions, but we have not seen that being employed in our country so far.

Permanent injunction is what the court will grant after it looks into the merits of the case and it is passed along with the degree after considering all the evidence in the case.

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Civil Remedies

- Mareva Injunction
 - Restrain the defendant from disposing of the assets which may be used to satisfy plaintiff's claim
- Anton Piller Order
 - Permit the plaintiff to inspect the defendant's premises

There is also an injunction called the Mareva injunction which is used to restrain a defendant from disposing of the assets, which may be used to satisfy the plaintiffs claim. Now, in a case which involves piracy there is a possibility that if the defendant gets to know that there is a case filed against him he can quickly dispose of the assets or the assets could be in a third parties hand.

In such cases, they can be a Mareva injunction it comes from another case by the same name where it is possible to restrain the disposal of the assets. So, a restraining order which cubs the disposal of the assets can be granted that is the type of injunction and they could also be an Anton Piller order which permits the plaintiff to inspect the defendants premises. It is like a search which is allowed by the court. So, the plaintiff will have to get an order from the court requesting search of the defendants' premises and they could also be a following order to seize the goods as well.

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Civil Remedies

- Damages
 - Compensatory/Actual Damages
 - Damages actually suffered by the plaintiff because of infringement of the plaintiff's IP by the defendant
 - Damages to goodwill and reputation
 - On account of undermining the plaintiff's reputation and goodwill

With regard to damages, that damages are granted for compensating the loss suffered and the courts normally grant actual damages not remote damages; damages that directly flow from the infringing act and damages are granted for what the plaintiff as actually suffered due to infringement. Damages to goodwill interpretation on account of undermining the plaintiffs reputation and goodwill are also granted by the court.

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Civil Remedies

- Damages
 - Exemplary/punitive damages
 - To deter the wrong-doer and the like-minded from indulging in unlawful activities
- Account of Profits
 - Plaintiff is entitled to require the defendant to account for the profits made by him
 - Can't be claimed together with damages

Damages could also be exemplary or punitive, like damages granted for punishing a person. Now, this is to deter the wrongdoer or others who may be inspired by the wrongdoers to involved in unlawful activities.

Apart from damages the court can also ask the defendant to keep accounts of profit the plaintiff is entitled to require the defendant to account for the profit made by him, but an account of profit is an alternative to damages, it cannot be claimed along with damages.

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The slide is titled "Criminal Remedies" and features the NPTEL logo in the top right corner. The content is organized into a bulleted list:

- Copyright
 - Offence of infringement of © or other right
 - Offence under S. 63
 - Imprisonment; 6 months to 3 years
 - Fine; Rs. 50000 to Rs. 2 Lakhs
 - Police has power to seize infringing copies
 - Seize without warrant all copies of infringing works

Criminal remedies as we mentioned are available for copyright and trademark and offence of infringement of copyright or any other right would be treated as a criminal wrong, the offences described it should be an offence under section 63 and the imprisonment could be from 6 months to up to 3 years and they could also be a fine of 5000 to up to 2 lakhs. The police has the power to seize infringement copies this is a power that is given to the police and the see they can seize without warrant all copies of the infringing work. They do not require a warrant to seize the goods.

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Criminal Remedies

- Copyright
 - Possession of plates for making infringing copies
 - Imprisonment extendable upto 2 years and fine
 - Deliver all infringing copied to the copyright owner
 - Offences by companies
 - Every person who was responsible for the company's affairs at the time the offence was committed shall be responsible

Now, if the infringer or a person who aids the infringement is in possession of plates for making infringement copies then they could be an imprisonment extending up to 2 years and fine.

And the court can require delivery of all infringing copies to the copyright owner and in case of offences by companies every person who has responsible for the company's affairs at the time of the offence shall be held liable.

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Criminal Remedies

- Trade Marks
 - False Trade Mark/ Falsifying Trade Mark
 - Penalty for applying/selling goods with false trade marks
 - Imprisonment; 6 months to 3 years
 - Fine; Rs. 50000 to Rs. 2 Lakhs
 - Enhanced penalty for subsequent conviction
 - Imprisonment of minimum 1 year
 - Fine of minimum Rs. 1 lakh

Criminal remedies also exist for trademarks if there is a false trademark or falsifying trademark then that can attract criminal remedies. The penalty for applying or selling goods with false trademarks is also a criminal offense.

There is imprisonment of 6 months which can extend up to 3 years and fine of 50000 to rupees 2 lakhs and there could be an enhanced penalty for subsequent conviction the imprisonment of minimum of 1 year and a fine of a minimum of 1 lakh.

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Criminal Remedies

- Trade Marks
 - Criminal offences can be for registered as well as unregistered trade marks
 - Forfeiture of Goods
 - Direct government to forfeit all goods relating to which an offence is committed
 - Power of police for search and seizure

Criminal offences can be registered for registered as well as unregistered trademarks and forfeiture of goods is another relief. They can be a direction to the government to forfeit all goods relate into which an offence is committed and the police again has the power of search and seizure.

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Criminal Remedies

- Patents
 - No criminal remedies available
 - Infringement requires analysis of claims
 - Seizure cannot be done by police officer on the face of alleged infringement

Patents do not have criminal remedies that is because of the nature of the infringement analysis. We have already mentioned unlike copyright and trademark where a mere comparison of two goods can determine infringement, patents requires certain special knowledge and looking at documents and it is the job of the court. Only the courts can determine infringement, for that reason patent law does not make infringement into a criminal offence which the police can take cognizance of.

Seizure cannot be done by the police officer on face of alleged infringement; it can only be done by taking an order from the court.

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Border Measures

- Intended to prevent infringing copies from being brought into the country concerned
- Carried out by administrative authorities
 - Custom officials
- Recently power of customs to seize import on mere complaints of patent infringement revoked

There are some border measures by which entry of imported infringing goods can be stopped. This can be done by the administrative authorities it is done by the custom officials. Now, earlier this was also used for patent patented goods apart from trademark and copyright. Earlier this was used for patented goods apart from goods covered by trademarks and copyright, but recently the power to seize patented goods has been cut down due to certain litigation in the high courts.