

Patent Search For Engineers And Lawyers
Prof. Shreya Matilal
Rajiv Gandhi School of Intellectual Property Law
Indian Institute of Technology, Kharagpur

Lecture - 37
Administrative Enforcement

In this class, I will be dealing with Enforcement of patent rights. And, in the context of enforcement of patent right, I will also discuss that what relevance the patent search place in enforcement of patent. Now, once the patent right is granted, the patent as we know we have seen that patentee becomes entitled to the rights which are mentioned in Section 48 of the Patent Act.

And, those are the rights of the patentees and if anyone does anything, which has the potential, which makes a potential damage to his or her right the question of enforcement arises. Now, to be very precise enforcement of patent right, it can be enforced in two different ways. First of all it can be enforced by the court which is which we will call the judicial enforce, judicial enforcement of patent.

(Refer Slide Time: 01:17)



And, then it can also be enforced through administrative measures. And, when you talk about judicial enforcement of patent, the main instrument, the main actually methodology of enforcement of patentees, by suit, by filing infringement suit, against the person who has infringed the rights or the patent holder.

And, there are two additional what kind of suits, which can also be find and therefore, we can group it under the infringement suit, they are called declaratory suit and suits against the ground less threat. In this class mainly I will be focusing on infringement suit and administrative measure, which is also known as the border measure. Now, let me start with the administrative measure first and then I will be discussing about infringement suit.

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Now, the question why administrative enforcement of patent is something, which is actually, which is relate, which we call border measure. Border measure means before an infringed article enters the market from the border, from the port; the administrative authority they do have the power to stop that good and they can disallow that article to enter into the market.

And, therefore, since the step is taken at the border itself therefore, we call it border measure. By now we know about the TRIPS agreement and TRIPS agreement uses this term border and measure.

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Section 11 of the Customs Act, 1962
Power to prohibit importation or exportation of goods.

(1) If the Central Government is satisfied that it is necessary so to do for any of the purposes specified in sub-section (2), it may, by notification in the Official Gazette, prohibit either absolutely or subject to such conditions (to be fulfilled before or after clearance) as may be specified in the notification, the import or export of goods of any specified description.

(2) The purposes referred to in sub-section (1) are the following:—

.....

(n) the protection of patents, trade marks and copyrights;

(u) the prevention of the contravention of any law for the time being in force

Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007

- Pursuant to the powers conferred by sub-section (1) of section 156 of the Customs Act, 1962.
- Intellectual Property includes patent [Rule 2(b)]
- Right holder [Rule 2(d) says owner] has to give notice to the Commissioner of Customs or any authorised Customs officer at the port of import of goods.

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Now, what is the border and measure we will look into this? Here in order to understand the border measure, we have to look into the Customs Act and Section 11 of the Customs Act is the most important provision in this regard. And, it talks about what you called border and measure. And, we will see the relevant provisions in the relevant sub clauses of Section of clause 1 of Section 11.

And, as you can see in your screen it says that it central government is satisfied that it is necessary to do so; to do for any of the purposes specified in sub-section 2, it may by notification in the Official Gazette, prohibit either absolutely or subject to such conditions to be to be fulfilled before or after the clearance, as maybe specified in the notification, the import or export of goods of any specified description.

Now, the question is this that the central government by this section is empowered to prohibit the entry of a article in India, for the purposes which are been referred in sub-section 2. Now, in this regard the most important subsections are sub-section n which talks about protection of patents trademarks and copy right. And, sub-section u which is a general sub-section, which talks about the prevention of the contravention of any law for the time being in force.

So, sub-section n is very specific and it talks about patents, it talk of talks about what you called protection and for protection of patents, it talks about protection of trademarks, and it also talks about protection of copyrights. Whereas, the sub sub-section u is a

general subset sub-section who is a clause which says that prevention anything, which is contrary to the laws in force in India.

Say the central government can take measure to prohibit absolutely or subject to such condition, the entry import or export of that goods. Now, what has happen that pursuant to this Act as back as in 2007, a kind of what do you call an administrative declare a kind of Rule was announced, and this actually this was done pursuant to sub-section one of Section 156 of the custom sect. And, this Rule is known as the intellectual property rights, imported goods enforcement rules of 2007. Now, what it says that it first of all it is a Rule 2 b of the Rule it defines intellectual property.

And, that definition which was created in 2007, in the intellectual property enforcement Rule included a patent. And, then again there is a diff there is a definition who is a right holder and that definition again, which is been given in Rule 2 d of which was given Rule 2 d of the intellectual property rights and imported goods enforcement rule, it says that right holder has to keep notice to the commissioner of customs or any other authorized customs officer at the port of import of the goods.

So, this was to prevent the import of counterfeit goods, which were which are infringing patent rights or which is infringing trademark right or which is infringing copyright.

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Amendment to the Rule takes out patent from the Rule and now mention of patent exists only in the parent Act

Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007	Intellectual Property Rights (Imported Goods) Enforcement Amendment Rules, 2018
Rule 2(b) "intellectual property" means a copyright as defined in the Copyright Act, 1957, trade mark as defined in the Trade Marks Act, 1999, patent as defined in the Patents Act, 1970, design as defined in the Designs Act, 2000 and geographical indications as defined in the Geographical Indications of Goods (Registration and Protection) Act, 1999	Amended Rule 2(b) "intellectual property" means a copyright as defined in the Copyright Act, 1957, trade mark as defined in the Trade Marks Act, 1999, patent as defined in the Patents Act, 1970 ; design as defined in the Designs Act, 2000 and geographical indications as defined in the Geographical Indications of Goods (Registration and Protection) Act, 1999;
Rule 2(c) "Intellectual property law" means the Copyright Act, 1957, the Trade Marks Act, 1999, the Patents Act, 1970, the Designs Act, 2000 or the Geographical Indications of Goods (Registration and Protection) Act, 1999	Amended Rule (c) "Intellectual property law" means the Copyright Act, 1957, the Trade Marks Act, 1999, the Patents Act, 1970 , the Designs Act, 2000 or the Geographical Indications of Goods (Registration and Protection) Act, 1999 ;

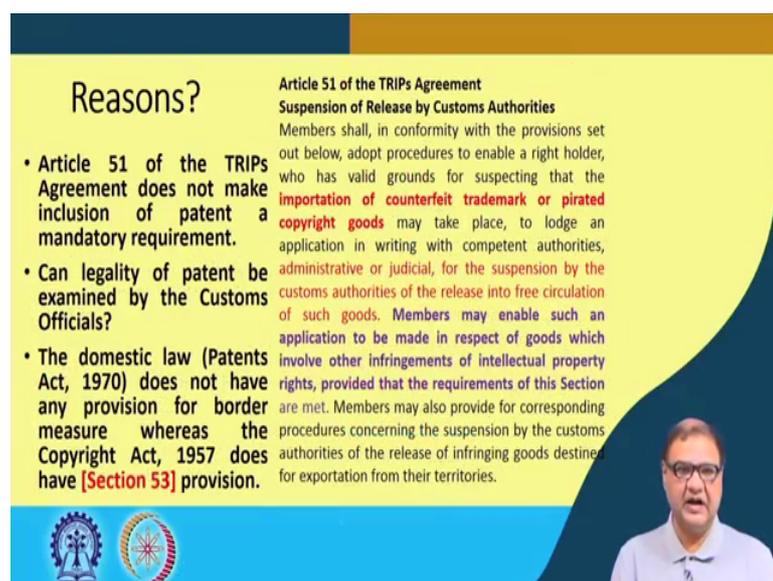
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Now, what it says actually we will look, what it used to say at that particular point of time we will look into this. What has happened in 2007, when this Rule was created this Rule actually contained definition of intellectual property and also it contained definition of the term “intellectual property laws”. Now, as you can see that Rule 2 b of the Rule at which was enacted in 2007. It says, that “intellectual property” means copyright it includes trademark and it also includes actually patent as defined in patent right in Patent Act of 1970. Furthermore Rule 2 c also says that intellectual property law includes patent right.

So, therefore, the 2007 Rule as it stood at that particular point of time, it permitted a person to ask the custom officer to what do you call prevent the entry of an article which is infringing his patent right. Then, what has happen in 2008 sorry in 2018 this Rule was amended. And, after amendment as you can see in your screen a from Rule 2 b patent has defined in Patent Act has been dropped. And, again in Rule 2 c the word the Patent Act 1970 has been dropped. To be very precise after the amendment of 2008, patent is not a part of the intellectual property rights imported goods enforcement Rule.

So, does it mean that today a patent owner cannot actually ask the custom officer to debar entry of a good or an article which is infringing his or her patent? So, this is actually the moot legal question.

(Refer Slide Time: 09:41)



Reasons?

- Article 51 of the TRIPS Agreement does not make inclusion of patent a mandatory requirement.
- Can legality of patent be examined by the Customs Officials?
- The domestic law (Patents Act, 1970) does not have any provision for border measure whereas the Copyright Act, 1957 does have [Section 53] provision.

Article 51 of the TRIPS Agreement
Suspension of Release by Customs Authorities
Members shall, in conformity with the provisions set out below, adopt procedures to enable a right holder, who has valid grounds for suspecting that the **importation of counterfeit trademark or pirated copyright goods** may take place, to lodge an application in writing with competent authorities, administrative or judicial, for the suspension by the customs authorities of the release into free circulation of such goods. Members may enable such an application to be made in respect of goods which involve other infringements of intellectual property rights, provided that the requirements of this Section are met. Members may also provide for corresponding procedures concerning the suspension by the customs authorities of the release of infringing goods destined for exportation from their territories.

So, in this regard first of all we have to understand the international law in this regard, the international law which is embodied in article 51 of the TRIPS agreement, which says which does not make that patent is not a part of article 51. It says that actually it is the mandate is for is in respect of counterfeit trademark good and pirated copyright goods, but not a mandate in respect of patent.

However, it is optional for the members, if the members they feel that the (Refer Time: 10:18) members they feel, that it should be, it should be also extended to other forms of intellectual property, including patent in that case they can do so, but the 2007 Rule was something which is TRIPS plus obligation. See, we under the TRIPS agreement we do not have an obligation, which is more than what is the basic minimum standard prescribed by the TRIPS agreement.

And, the 2007 Rule which actually included a included patent moreover the Parent Act, which is the Customs Act of 1962 also included patent. So, under the TRIPS agreement we do not have an international obligation to include patent within the scope of the border measure. Now, the here the question comes, you have already gone through the procedural sub patent search and the role which patent search plays in the patent scenario, we you have already seen.

But, the question is this that whether a custom official, who is working in the in the port of entry. Whether easy competent to understand, whether the patent which is being claimed by the by the patent owner, whether that patent is valid or whether actually the article which is basically awaiting entry into the domestic market, whether that article is infringing patent.

To be very precise we are we are completely aware, that only a patent examiner or a patent attorney or a patent lawyer arguing a case before the court. He or she must be having the competence to understand the technicalities. And, in addition to the in addition to technicality he or she has the competence to look into the validity of the patent and to what extent the product coming from others are infringing the patent.

The custom officials they do not have the expertise nor they are required to have that expertise. And, therefore, it is wrong to leave it to a custom officer to basically determine the patent valley validity of the patent and as well as determine whether the good which

is awaiting entry the article, which is awaiting entry is violating the rights of the patent holder.

Now, the domestic law as we you can see in screen does have does not have any provision for border measure whereas, the Copyright Act see domestic Patent law. If, we if we compare Copyright law with the Patent law, we will find that in the Copyright Act there is a provision that is Section 53, which also talks about border measure.

Whereas, in case of Patent Act you would not find a kind of a collateral provision, rather than Patent Act does not talk about what border measure. And, the border measure in respect of patent was is has been created by the 1962 Customs Act. And, which has been further actually elaborated in the form of what you call the intellectual property import rules of 2000 sorry import rules of 2007.

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The Patents Act, 1970	Customs Act, 1962
<p>48. Rights of patentees.—Subject to the other provisions contained in this Act and the conditions specified in section 47, a patent granted under this Act shall confer upon the patentee—</p> <p>(a) where the subject matter of the patent is a product, the exclusive right to prevent third parties, who do not have his consent, from the act of making, using, offering for sale, selling or importing for those purposes that product in India;</p> <p>(b) where the subject matter of the patent is a process, the exclusive right to prevent third parties, who do not have his consent, from the act of using that process, and from the act of using, offering for sale, selling or importing for those purposes the product obtained directly by that process in India</p>	<p>Section 11 (2) The purposes referred to in sub-section (1) are the following:—</p> <p>-----</p> <p>(n) the protection of patents, trade marks and copyrights;</p> <p>(u) the prevention of the contravention of any law for the time being in force</p> <p>Section 11A (a) "illegal import" means the import of any goods in contravention of the provisions of this Act or any other law for the time being in force</p>

Now, with this regard, now, what is the situation? This situation is actually what we have seen that the Patent Act, the Patent Act is actually giving us the right, which says that a patent as we you can see from Section 48 of the Patent Act. The patent holder, the right holder, he has the right to prevent importing of the patented article, pretended for the purpose of if it is a product patent he has the right to store, basically he has the exclusive right to import that prevent others from importing, the good the article embodying the patent into the market.

In and this substantive right is also recognized in the Customs Act of 1962, which says that actually for the purpose of you the patent holder has the right, as the as the is allowed to ask the cut custom official to stop, at the border and article which is likely to infringe patent. Now, a Section 11 A is actually it says that illegal import means import of many good in contravention of this provision or any other law for the time being in force.

So, there are two provisions here; on one hand the Patent Act actually has created a substantive right in favour of the patent right patent holder. And, that substantive right can also can be enforced under the relevant provisions which you can see under the Customs Act.

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A patent holder can seek a court order restraining the customs officials from releasing a product embodying his patent, though the amended Rule has taken away that power from the customs officials.

Now, what has happened? The Parent Act is there, but the subs the rules which are been created under the Parent Act does not talk about patent anymore. So, what would be the effect the possible interpretation is this, that a patent holder can seek a court order, he can go to court, he has to seek a court order. Who and by that court order, he would be actually seeking a direction on the custom officials not to release the product from the warehouse where the product has come.

So, the Rule is not supporting the Parent Act. However, the substantive provision still remains in the Patent Act. And, therefore, the possible interpretation would be the even today a patent hold act can stop a infringing article from entering into the market, by

asking the court to pass an appropriate order directing the pay custom official to not to release that good in the market. So, this is all about the what you called the administrative measure with regard to dependent and force well. And, here what we have seen, that when this issue comes up before the court.

See a patent holder can do it in two ways a patent holder can file an infringement suit before the court and then in relation to that infringement suit, the plaintiff that is the patent holder he can seek an order under one 151 of civil procedural code; requesting asking the court to stop the custom officials from granting from releasing the article for into the domestic market.

Furthermore, it can also be possibly be an action under article 226 of the constitution, whereby the patent holder would be seeking a writ of mandamus, against the custom officials. And, thereby if the court is satisfied the court would be passing a writ of mandamus, directing the custom officials not to release that code into the domestic market.

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Now, we will come to the core issue of judicial enforcement and in this regard first we will be dealing with suits concerning infringement of patent right.

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Infringement Suits

Infringement means violation of the patentee rights *in rem* conferred under section 48 of the Patent Act, 1970





And, what is infringement, what constitutes infringement of patent? Now, infringements the infringement to be very precise is a legal term which means violation of the legal right. And, in the context of patent it means, that violation of the legal rights, the rights in rem which have been granted to the patent holder under section 48 of the Patent Act.

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Definition of Infringement

- There is no provision in the Patent Act, 1970 that defines patent infringement.
- One can look into the patent statutes of other common law countries for guidance.
- Example Section 271 of the U.S. Patent Act

(a) Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.

(b) Whoever actively induces infringement of a patent shall be liable as an infringer.

(c) Whoever offers to sell or sells within the United States or imports into the United States a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.





Now, in our patent law, we do not have a definition of infringement. If, you look into the Copyright Act, we do have a specific definition of what is copyright infringement, that is Section 51 of the Copyright Act tells us, that what constitutes copyright infringement, but if we look into the Patent Act, we will not find a kind of corresponding provision, which tells us that what is patent infringement.

Therefore, the question comes up in that case actually a if patent infringement has not been defined, does it mean that violation of any of the rights which are mentioned in Section 48 would be a patent infringement and this is by implication. But, we can look into these statutes of other common law countries. For example; we can look into this statute the U.S. Patents statute.

And, there you will find a specific Section that is Section 271 of the U.S. Patent Act, which deals with what we called patent infringement. Now, here what I have I have done in the screen itself, you can see that 271 Act quoted. And, in 2s what we can see, that patent can be infringed in 3 different ways from this definition, number 1 it can be an infringement direct infringement.

It can also be an indirect or secondary infringement in the form of contributory infringement or it can also be an infringement by inducement and all these provisions are embodied in Section 271 of the U. S. Patent Act.

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The slide is titled "Parties to Infringement Suits" and lists three categories of parties:

- Patentee
- Exclusive Licensee. If patentee has not joined as plaintiff, he must be made defendant. [Section 109]. Is he *pro forma* defendant?
- Anyone who has obtained compulsory licence where the patentee neglected and failed to initiate action within a period of two months after receiving notice. (patentee must be made defendant) [Section 110]

The slide features a yellow background with a blue and orange header. At the bottom, there are logos for Swayam and other educational institutions, along with a small portrait of a man in a white shirt and glasses.

Now, wherever a suit is filed from a lawyers point of view, the first question is this that the who are the relevant parties to your suit? We know, that if actually if we do not add the relevant parties to the suit. If, we do not impede the proper defendants in a suit this suit will fail. Now, who are the parties, who are who can be a plenty in a infringement patent infringement suit is the first question. There is no doubt that the person who is the right holder, the person who is the patentee, he has the he can file a patent infringement

suit there is no doubt about that. In addition to that we have specific provisions in the Patent Act, which makes it possible for others also to file a suit for enforcement of patent.

Number 1 in addition to that an exclusive licensee and whose an exclusive licensee exclusive licensee is a person, who has got an exclusive license and that exclusive licensee has the right to file a patent infringement suit. And, and if the patentee if the right holder has not joined the suit as a party, in that case Section 109 of the Patent Act says, that the patent holder who has given an exclusive license to someone else, that when that someone else is filing the suit. The patent holder if he is not joining as defendant, he has to be made a defendant in that suit.

Here the question comes that in that does it mean, that when the patent holder is not joining and the exclusive licensee is filing a suit for enforcement of patent or infringement of patent is he is he a pro forma defendant or is he not a pro forma defendant on this issue this is an open ended debate. But, what the law says that the defendant must be, he must be made the patent holder, must be made a defendant if he has not joined the suit as party.

In addition to that, anyone who has obtain the compulsory license. And, this compulsory license is obtained for non-working of the patent, which we are aware of. And, suppose actually a compulsory license a person who got a compulsory license. He can file a suit, what happens in this case the compulsory licensee has to first actually ask the patent holder, that he that you file a suit because the compulsory license which I am enjoying, some is being in is being infringed by somebody else.

To be very precise we know that the patent holder even after the after the grant of exclusive license or even after the license of actually a compulsory license, the patent holders still remains the owner of the patent for all practicalities. He might not be having any right. Suppose, if this is a license which is actually a non-revocable worldwide exclusive license. In that case actually technically the patent holder does not have who technically the patent holder, who is basically, who has granted the license in the capacity of the licensor.

He has no right, but for from the point of view of law, he is a superior title holder. He is the owner of the patent. And, therefore, he should be made a party to the patent litigation

for the purpose of conclusive determinations, or determination of the issues which are being litigated. Now, in case of compulsory license also, the compulsory licensee is required to send a notice. And, and he has to if the after getting that notice, if the right holder the owner who is the patentee, if he does not initiate any action in that case the compulsory licensee can file a suit.

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Forum where to file?

Section 104 of the Patent Act
No suit for a declaration under section 105 or for any relief under section 106 or for infringement of a patent shall be instituted in any court inferior to a district court having jurisdiction to try the suit:
Provided that where a counter-claim for revocation of the patent is made by the defendant, the suit, along with the counter-claim, shall be transferred to the High Court for decision.

Section 2(4) of the Code of Civil Procedure, 1908
"district" means the local limits of the jurisdiction of a principal Civil Court of original jurisdiction (hereinafter called a "District Court"), and includes the local limits of the ordinary original civil jurisdiction of a High Court;

The slide features a yellow background with a blue and orange header. At the bottom, there are logos for 'swayam' and other educational institutions.

Now, the second question comes up that ok. Once, we know that who are the parties to the patent infringement suit? Then, we have to decide that where the suit has to be filed. See, the suit has to be filed in the competent court having jurisdiction to try determine and entertain that suit.

So, in this regard the most important provision, there is this clear provision where the suit has to be filed. Section 104 of the Patent Act, it tells us that this suit would be far has to be filed, in the in the district court having jurisdiction to try the suit. So, a patent infringement suit can be filed before the district court.

However, when the defendant is actually raises a the counter claim of provocation, in that case the district court loses it is jurisdiction. Section 104 of the Patent Act in crystal clear terms makes it explicit. That, if in the event the defendant to that suit, raises the issue of revocation and he raises this issue in the form of a counter claim. In that case the suit along with the counterclaim shall be transferred to the high court for decision.

So; that means, a patent infringement suit can be filed in the court of the district judge or in the in the cities where there are city civil courts, it can be filed before the city civil court. But, the moment the defendant comes forward files the written statement. And, in the written statement he takes the defence or counter claim of revocation, the city civil court or the district court loses it is jurisdiction the suit has to be compulsorily transferred to the high court.

See, here there are few points which I want to mention. It is actually a well-known fact that, invalidity is the major defence in a patent infringement suit. And, that defence is always taken by the defendant. Now, suppose a suit has been filed in the district court. And, then a after one 1 year or after 2 year, when the defendant takes the defence of the what you called counter claim of revocation. After, 2 years the case moves from the district court to high court and the trial begins (Refer Time: 27:49) at the high court.

So, there lies the problem. And, here we know that for fraud from the perspective of civil procedure court, and as well as from the perspective of the latest patent, the high courts. Say for example, Calcutta high court it does have original jurisdiction. If, an action arises within the territorial limit of the original ordinary original civil jurisdiction of the high court of Calcutta. In that case this suit can directly be started and initiated in the high court itself. So, it is advisable.

That wherever there is actually a it is I think it would be practical to file a suit in the ordinary original civil jurisdiction of those high courts, and though those high courts which does have ordinary original civil jurisdiction.

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Place of the Suit

Section 20 C.P.C., 1908 : Suit shall be instituted in the Court within the local limits of whose jurisdiction where

- The defendant actually and voluntarily resides, or carries on business, or personally works for gain
- If there are more than one defendants, any one of such defendants actually and voluntarily resides, or carries on business, or personally works for gain (either the leave of the Court has been taken or the other defendants who do not so reside, or carry on business, or personally work for gain has accepted)
- The cause of action, wholly or in part, has arisen.



So, this is what the point is the next point, which I will be discussing is actually what is very where it has to be filed. In this regard actually, I will take you to a provision of civil procedure court. And, what is the provision the provision is that a suit can be instituted in three different places; number 1 where the defendant is residing, where the defendant is carrying on business, or whether where the defendant is personally working for gain.

And, if there are more than one defendant, in that case it can be filed if there are more than one defendant, where any one of such defendant actually resides or carries on business or personally works for gain. But, where there are multiple defendant in that case it is necessary that the permission of the court has to be taken or if the permission of the court has not been taken, in that case the defendants who do not stay or do not carry on business or do not reside in that jurisdiction, they must consent to that. In addition to that it can also be filed in the place, where the cause of action has wholly or in part has arisen.

So, we will take up the issue we will begin with place of swing in my next class.