

# Legal 500

## Country Comparative Guides 2023

**India**

**Patent Litigation**

**Contributor**

**Anand and Anand**



**Pravin Anand**

Managing Partner | [pravin@anandandanand.com](mailto:pravin@anandandanand.com)

**Prachi Agarwal**

Partner in the Litigation department | [prachi@anandandanand.com](mailto:prachi@anandandanand.com)

This country-specific Q&A provides an overview of patent litigation laws and regulations applicable in India.

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## India: Patent Litigation

### 1. What is the forum for the conduct of patent litigation?

a) The hierarchy of Courts in India entails, the following Courts: – The Supreme Court of India being the Apex Court, which exercises original and appellate jurisdiction over the entire territory of India. High Courts at state level which are at the top of the judiciary for each of the States. – The District Courts are courts of original jurisdiction. A District Court also includes the City Civil Court, and the Courts of Additional District Judge, Joint District Judge, Assistant District Judge, and the CJ of the Small Causes Court.

b) As per Section 104 of the Indian Patents Act, 1970 no suit for declaration as to non-infringement or for any relief under Section 106 (for groundless legal threats) or for infringement of a patent shall be instituted in any court inferior to the District Court having jurisdiction to try the suit.

c) The District Court having jurisdiction means the court where the Defendant voluntarily resides or carries on business, and where there are more than one Defendant, where at least one of them at the time of commencement of the suit voluntarily resides or carries on business, or where the cause of action arose. There are some High Courts which exercise ordinary original jurisdiction and have powers to entertain suits relating to patent infringement. However, where a counterclaim for revocation of a patent is made by the Defendant, the suit, along with the counterclaim, where pending before a District Court, shall be transferred to the High Court for decision as per the proviso to Section 104 of the Patents Act, 1970.

d) The Delhi High Court is particularly favourable and has an Intellectual Property savvy bench. Some of the Judges even have a technical background. The Delhi High Court has also been very active in hearing matters through video-conferencing and multiple injunctions have been granted in various Patent matters, during the suspension of the physical working of the Courts.

e) In April 2021, the government passed the Tribunals Reforms (Rationalisation and Conditions of Service) Ordinance 2021, which was subsequently passed as a bill. This bill led to the abolishment of the Intellectual Property Appellate Board (IPAB) and provided that all matters

governed by the Board be transferred to the relevant high courts. The IPAB was created as a specialised tribunal for hearing appeals against orders of the intellectual property offices, including the patent office as well as for filing revocation petitions of the Patents.

f) Pursuant to the above, the Intellectual Property Divisions (IPD) were created in multiple High Courts in India. The IPD in respective High Court would be entitled to hear appeals against the orders of the Controller of Patents as well as the revocation petitions.

g) On February 24, 2022, the Delhi High Court notified the Delhi High Court Intellectual Property Rights Division Rules, 2022 ("DHC-IPD Rules, 2022") for regulating the practice and procedure regarding the matters to be listed before the Intellectual Property Division of the Delhi High Court.

h) The Delhi High Court on February 24, 2022, also notified the 'High Court of Delhi Rules Governing Patent Suits, 2022'. These rules provide guidelines pertaining to Patent suits i.e. pleadings and documents to be filed; case-management hearings; evidence; expert evidence etc.

### 2. What is the typical timeline and form of first instance patent litigation proceedings?

In India, there is currently no bifurcation regarding infringement and invalidity proceedings in a Patent litigation suit. While, validity of a Patent can only be challenged through a Counter-claim in a suit and such Counter-claim is considered a separate law-suit, both the suit and counter-claim are heard and disposed of together. Evidence is led by the Plaintiff first on all the issues, followed by the Defendant. All issues are thereafter argued by the parties in the same order.

Disposal time pertaining to the law-suits in India has been considerably shortened due to the passage of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 which came into effect on 23rd October 2015. A Patent matter falls within the jurisdiction of a Commercial Court. Under the Commercial Court regime, the time-lines are stricter and shorter and therefore the matters are expedited and a suit can get disposed of within one and a half years. At the time of disposal of the law-suit, both the issues of

invalidity and infringement are decided. Under Order XVA of the Commercial Courts Act, 2015, the Court may, in a case-management hearing pass an order to set time-limits for completion of trial; address oral arguments etc. and may even ensure that the recording of evidence shall be carried on, on a day-to-day basis until the cross-examination of all the witnesses is complete.

The Courts have time and again and again emphasized on the importance of succinctly framed written synopsis in advance, and the same being adhered to in course of oral arguments to be addressed over a limited time period (decision of the Apex Court in **Ajit Mohan v. Legislative Assembly, National Capital Territory**, Judgment in W.P.(C.) No. 1088/2020 dated 8th July, 2021). The said decision was relied upon in the case of **ISRA v Ashok Singh, CS(COMM) 356/2016** dated 26th August 2021 wherein the Delhi High Court restricted the time-period of arguments by the main counsel of each party to 1 hour and in case of multiple counsels, they would each get 15 minutes to supplement their arguments. Further, the intervenors would complete their arguments in one and a half hours.

### 3. Can interim and final decisions in patent cases be appealed?

a) Yes, an appeal lies against an interim as well as the final decision. An appeal will lie to the High Court Single Judge Bench from an order of the District Court and has to be filed within 90 days. Thereafter an appeal lies to the Supreme Court of India within 90 days.

b) Where the Patent suit is filed at the original side of the High Court, an appeal will lie to the Division Bench of the High Court and has to be filed within 30 days, comprising of two Judges and thereafter an appeal lies to the Supreme Court of India within 90 days.

c) As regards an appeal to the Supreme Court, a Special leave to appeal may be filed to by the Supreme Court by virtue of which the Supreme Court may, in its discretion, grant special leave to appeal from any judgment, decree, determination, sentence or order in any cause or matter passed or made by any court or tribunal in the territory of India.

### 4. Which acts constitute direct patent infringement?

Infringement of a patent means infringement of the exclusive rights granted by the patent. Under Section 48 of the Patents Act, 1970 the patentee has the exclusive

right to prevent any third party, without his consent, from making, using, offering for sale, selling, or importing for those purposes the patented product in India; or in case of a process patent, the exclusive rights to prevent any third party who do not have his consent, from using that process and from using, offering for sale, selling, or importing the product obtained directly by the patented process in India.

### 5. Do the concepts of indirect patent infringement or contributory infringement exist? If, so what are the elements of such forms of infringement?

The Patents Act, 1970 does not specifically provide for contributory/indirect infringement and/or Divided Infringement. However, the same may be argued on the basis of the concept of common law.

### 6. How is the scope of protection of patent claims construed?

(a) Yes, Doctrine of Equivalents has been recognized in India.

(b) Recently, there have been few decisions which have recognized the Doctrine of Equivalence as crucial to the infringement inquiry. In *Sotefin SA V. Indraprastha Cancer Society*, CS (COMM) 327/2021 concerning infringement of a patent for smart dollies. The Court, while discussing the well-established principle of Doctrine of Equivalents, held that the critical question is whether the elements not found in the Smart Dollies, are essential or not, so as to construe an infringement. For determining the question of infringement, it must be borne in mind that the non-essential or trifling variations or additions in the product would not be germane, so long as the substance of the invention is found to be copied. The Court also identified some factors on the basis of which the said determination may be made like common general knowledge, intent of the inventor etc.

(c) In another decision, *FMC Corporation v. Natco*, FAO COMM 301/2022 by the Appellate Bench of the High Court, it was held that doctrine of equivalents is applicable where a product or process is not identical to the claim granted in a patent but its essential elements are sufficiently similar to the patented claim, so as to construe the product or process as infringing the patent.

### 7. What are the key defences to patent

## infringement?

(a) That the Patent is invalid and liable to be revoked- Under Section 107 of the Patents Act, 1970, in any suit for infringement of a patent, every ground on which it may be revoked will be available as a ground for defence. Some of the grounds on which a patent may be revoked are that the invention is not new or novel; that the invention so far as claimed in any claim of the complete specification is obvious and does not involve any inventive step; that the invention is not useful etc. and have been detailed in Section 64 of the Patents Act, 1970 and mentioned below.

(b) Bolar Exemption-Under Section 107A of the Patents Act, 1970, certain acts are not to be considered as infringement being: That the making, using, constructing, selling, or importing of the patented invention is solely for uses related to the development and submission of information required by any law for the time being in force in India or any other country that regulates such use; That the Defendant's importation from a person is duly authorized to manufacture, distribute, or sell. Detailed guidelines regarding inquiry pertaining to whether the acts of the infringing party are within the purview of the Bolar exemption were first laid down in the decision of *Bayer Corporation V. Union of India, LPA No.359/2017 & Bayer Intellectual Property GMBH & Anr. v. Alembic Pharmaceuticals Ltd., RFA (OS) (COMM) 6/2017* vide order dated 22nd April 2019. Thereafter, in the case of *H. Lundbeck A/S and Anr. v. Hetero Drug Ltd. and Anr.*, CS (Comm) 565 of 2020, vide order dated March 26, 2021, the Delhi High Court while permitting the Defendants to export the API under Section 107A of the Patents Act (Bolar exemption) set out detailed terms and conditions regulating such export by the Defendant. The terms included among others the requirement to disclose to the Plaintiffs along with requisite proof, the particulars of any party (to whom the Defendant has supplied the API) commercializing the API, as soon as the Defendant becomes aware of the same. The said terms further directed the Defendants to stop the supply of the API to such party immediately.

(c) Non-infringement- That the Defendant's product is different from the Plaintiff's patented invention, amongst others;

(d) Gillette Defense- In an infringement action, the Defendant may raise as a defence that his product is based on the claims of a prior patent which is now in public domain.

## 8. What are the key grounds of patent invalidity?

Section 64 of the Patents Act, 1970, provides the following grounds of patent invalidity:

- a) The invention so far claimed in any claim of the complete specification has been claimed in a valid claim of earlier priority date of another patent granted in India;
- b) The person who claims to be a patentee is not entitled to the claim under law;
- c) The patent was obtained wrongfully in contravention of his rights of a third party;
- d) The subject matter of any claim is not an invention;
- e) The invention is not new or novel;
- f) The invention so far as claimed in any claim of the complete specification is obvious and does not involve any inventive step;
- g) The invention is not useful;
- h) The complete specification does not completely and fairly describe the invention and the method by which it is to be performed;
- i) The scope of any claim of any complete specification is not clearly and sufficiently defined;
- j) The patent was obtained on a false suggestion or representation;
- k) The subject matter is not patentable under the Act;
- l) The invention so far as claimed was secretly used in India before the priority date;
- m) The patentee has suppressed material information or has furnished information which in any material particular was false;
- n) The Patentee has contravened the secrecy provision provided under Section 35 of the Patents Act, 1970;
- o) That leave to amend the complete specification was obtained by fraud;
- p) That the complete specification wrongly mentions or does not disclose the geographical origin of biological material used for the invention; or
- q) That the invention so far as claimed was anticipated with regard to knowledge, oral or otherwise, available within any local or indigenous community in India or elsewhere.

## 9. How is prior art considered in the context of an invalidity action?

(a) For the ground of anticipation to succeed, it is essential that all the claim elements or limitations must be found in a single prior art document. *Farbwerke Hoechst Aktiengesellschaft vormals Meister Lucius & Bruning a Corporation etc. v. Unichem Corporation*, AIR 1969 Bombay 255.

(b) On the aspect of obviousness, the Division Bench in *F. Hoffmann La Roche vs. Cipla*, RFA (OS) No. 103 of 2012 vide order dated 8th December 2015, held that following inquiries are required to be conducted: To identify an ordinary person skilled in the art; To identify the inventive concept embodied in the patent; To impute to a normal skilled but unimaginative ordinary person skilled in the art what was common general knowledge in the art at the priority date; To identify the differences, if any, between the matter cited and the alleged invention and ascertain whether the differences are ordinary application of law or involve various different steps requiring multiple, theoretical and practical applications; To decide whether those differences, viewed in the knowledge of alleged invention, constituted steps which would have been obvious to the ordinary person skilled in the art and rule out a hindsight approach. In an obviousness enquiry, hindsight is impermissible.

(c) On the aspect of mosaicing of prior arts, for obviousness, it was held in the case of *BDR Pharmaceuticals International Pvt. Ltd. & Anr. Vs. Bristol-Myers Squibb Holding Ireland Unlimited Company & ORS.*; *FAO (OS) (Comm) No. 29 of 2020* vide order dated 30th January 2020 that though mosaicing of prior art documents may be done in order to claim obviousness, however, in doing so, the party claiming obviousness must be able to demonstrate not only that the prior art exists but also how the person of ordinary skill in the art would have been led to combine the relevant components from the mosaic of prior art. That a hindsight reconstruction by using the patent in question as a guide through maze of prior art references, to achieve the result of the claim in the suit, should be avoided.

(d) In *FMC Corporation & Anr. v Best Crop Science LLP & Anr.* CS(Comm) 69 of 2021 dated 07.07.2021, it was held that the person skilled in the art must be in a position to arrive, without unduly straining his imaginative and creative faculties, at the patent, for obviousness. The element of "directness" must be there. The choice which the person skilled in the art would make, by way of substitutions on the Markush moiety or otherwise, must be apparent from the prior art (genus patent in the said

case), in order for the patent to be treated as "obvious". A "trial and error" approach would be antithetical to any suggestion of "obviousness".

(e) In a recent case of *Novartis AG & Anr. v. Natco Pharma Limited*, CS(COMM) 256 of 2021, decision dated 13th December, 2021, Delhi High Court, dealt with Section 3(d) of the Patents Act, 1970. Section 3(d) of the Patents Act provides – "*the mere discovery of a new form of a known substance which does not result in the enhancement of the known efficacy of that substance or the 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.* Explanation. – *For the purposes of this clause, salts, esters, ethers, polymorphs, metabolites, pure form, particle size, isomers, mixtures of isomers, complexes, combinations and other derivatives of known substance shall be considered to be the same substance, unless they differ significantly in properties with regard to efficacy*". The Court held that for the purpose of Section 3(d) of the Patents Act, the onus was on the patentee to show how enhanced bioavailability leads to therapeutic efficacy. The Court also held that for prior claiming, the Invention of the species patent and genus had to be identical. As regards prior, claiming, in a recent decision of *Boehringer Ingelheim v Vee Excel Drugs*, CS(COMM) 239/2019 order dated 29th March 2023, it was held that for anticipation by prior claiming, the fact that the publication of the genus patent was after the priority date of the specie patent, would not be relevant.

(f) Section 3(k) of the Patents Act, 1970 provides that mathematical or business method or computer programme per se or algorithms are not patentable. In *OpenTV Inc v. The Controller of Patents and Designs* (2023 SCC Online Del 2771), the Court stated that since a large number of inventions concerning emerging technologies would be in the field of software, a relook at the strict implementation of section 3(k) of the Patents Act, 1970 was required. Further, on 15th May 2023, the Delhi High Court in *Microsoft v. Assistant Controller of Patents (CA)(COMM. IPD-PAT)29/22* clarified that software inventions are certainly patentable, if used in conjunction with hardware or contain technical effect. The Hon'ble Court set aside the order of the Patent office rejecting the Patent under Section 3(k). The Court also expressed that it is essential for the Indian Patent Office to adopt a more comprehensive approach when assessing CRIs, taking into account technical effects and contributions provided by the invention rather than solely focusing on the implementation of algorithms and computer-executable instructions.

## 10. Can a patentee seek to amend a patent that is in the midst of patent litigation?

Yes. (a) Sections 57, 58 and 59 of the Act, which are under Chapter X of the Patents Act titled 'Amendment of Applications and Specifications' allow amendment of a Patent specification.

(b) Section 57 provides for amendment of the specification or an application before the Controller. As per Section 57 of the Patents Act, 1970, subject to the provisions of section 59, the Controller may, upon application made under this section in the prescribed manner by an applicant for a patent or by a patentee, allow the application for the patent or the complete specification [or any document related thereto] to be amended subject to such conditions, if any, as the Controller thinks fit. However, the Controller shall not pass any order allowing or refusing an application to amend an application for a patent or a specification [or any document related thereto] under this section while any suit before a court for the infringement of the patent or any proceeding before the High Court for the revocation of the patent is pending, whether the suit or proceeding commenced before or after the filing of the application to amend.

(c) Section 58 provides for amendment of specification or an application before the Appellate Board or the High Court for the revocation of the patent. Therefore, Section 58 is applicable during the revocation proceedings in the litigation before the High Court wherein a revocation is sought under Section 64 of the Patents Act by way of a counter-claim in the suit for infringement of the patent in the High Court.

(d) Under Section 58 of the Patents Act, 1970 in any proceeding before the Appellate Board or the High Court for the revocation of a patent, the appellate board or the High Court may allow the patentee to amend his complete specification in such manner and subject to such terms as to costs, advertisement or otherwise as the appellate board or the High Court may deem fit. If in any proceeding for revocation, the Appellate Board or the High Court decides that the patent is invalid, it may allow the specification to be amended instead of revoking the patent. Where an application for such order is made to the Appellate Board or the High Court, the applicant may give notice of the application to the Controller, and the Controller will be entitled to appear and be heard and shall appear, if so directed by the Appellate Board or the High Court. Copies of all orders of the Appellate Board or the High Court allowing the patentee to amend the specification must be transmitted by the Appellate Board

or the High Court to the Controller who will enter the same in the register.

(e) Section 58 is subject to the provision of Section 59 which defines the scope of amendment.

(f) Under Section 59(1) of the Patents Act, 1970: No amendment of an application for a patent or a complete specification or any document related thereto shall be made except by way of disclaimer, correction or explanation; and No amendment thereof shall be allowed, except for the purpose of incorporation of actual fact; and No amendment of a complete specification shall be allowed, the effect of which would be that the specification as amended would claim or describe matter not in substance disclosed or shown in the specification before the amendment: or That any claim of the specification as amended would not fall wholly within the scope of a claim of the specification before the amendment. Applying the aforesaid principles, the Hon'ble Court in the case of *Nippon A&L Inc. vs The Controller of Patents and Designs*, C.A.(COMM.IPD-PAT) 11/2022, vide order dated 5th July 2022 observed that the amendment of the claims from 'product by process claims' to merely a process claim is clearly a step down for the patentee. Thus, the patentee is amending and narrowing the scope of the claims and is not expanding the same. Further, the process claims sought by the Applicant to claim after amendment are clearly disclosed in the patent specification. In view of the same, the amendment under Section 59 was allowed. It was also held that amendment filed before the patent is granted will be given leniency over the those filed post grant. *Nestle SA v. Controller (2023/DHC/00074)* clarifies that there is no bar to an application to amend the patent, after its grant. In *Allergan v. Controller (2023/DHC/000515)*, the Delhi High Court held that an unduly, restricted, hyper technical interpretation of Patent law, would discourage inventiveness. It was held that while determining whether the amended claim is within the scope of the pre-amended claims, the complete specification must be looked into and not the textual cabined reading of the pre-amended claims dehors the patent specification.

## 11. Is some form of patent term extension available?

No.

## 12. How are technical matters considered in patent litigation proceedings?

(a) Expert witness – As per Section 45 of the Indian Evidence Act, 1872, expert witnesses may be summoned under the procedure code to establish any particular fact in a trial. When the Court has to form an opinion upon a point of foreign law or of science or art, or as to identity of handwriting or finger impressions, the opinions upon that point of persons especially skilled in such foreign law, science or art, or in questions as to identity of handwriting or finger impressions are relevant facts. In highly technical matters the Court has to go by the opinion of the experts in the field, whose testimony is found trustworthy and reliable and supported by documents.

(b) Scientific Advisers – Under Section 115 of the Patents Act, 1970, the court, in any suit for infringement of a patent or in any other proceeding relating to a patent may at any time, regardless of whether an application is made in that regard or not, appoint an independent scientific adviser to assist the court or to inquire into any question of fact or of opinion as it may formulate for the purpose. The Controller of Patents is also required to maintain a roll of scientific advisers for the above purpose. Any person may be entered in the roll of scientific advisers provided he holds a degree in science, engineering, or technology or equivalent; has at least fifteen years of practical or research experience; and holds or has held a responsible post in state or central government. (Rule 103, Patents Rules of 2003).

(c) Hot-Tubbing –the concept of Hot-Tubbing was introduced in Chapter XI Rule 6 of the Delhi High Court Rules, 2018 and guidelines for the same have been provided in Annexure G of the Rules. 'Hot-tubbing' is a technique in which expert witnesses give evidence simultaneously in each other's presence and in front of the Judge, who puts the same question to each expert witnesses. It is a co-operative endeavour to identify key issues of a dispute and where possible evolve a common resolution for all of them. However, where resolution of issues is not possible, a structured discussion, allows the experts to give their opinions without the constraints of the adversarial process and in a setting which enables them to respond directly to each other. The Judge is thereby not confined to the opinion of only one expert but has the benefit of multiple experts who are rigorously examined in public.

### **13. Is some form of discovery/disclosure and/or court-mandated evidence seizure/protection (e.g. saisie-contrefaçon) available, either before the commencement of or during patent litigation**

#### **proceedings?**

There are various mechanisms available for disclosure/discovery and seizure regarding the infringer's products, documents, books of accounts, premises etc., as below:

a) Search Orders/ Anton Piller Orders –under XXVI, Rule 9, Civil Procedure Code 1908 the Court has the power, on an application by the Plaintiff, to appoint an advocate commissioner to go to the Defendant's place and search the Defendant's premises and if any infringing material is found in the premises, the Court may also direct the commissioner to seize the infringing material and produce it in Court. The seized goods may also be directed to be stored in the Defendant's premises until further orders. The Advocate Commissioner so appointed is required to submit a report on the execution of the commission. The purpose of such orders is to enable the recovery of infringing articles and other evidence of infringement before it can be destroyed or concealed and are usually granted ex parte.

b) Discovery of documents-the Civil Procedure Code provides for discovery and inspection of documents. Under Order XI (1)(6) of the Code of Civil Procedure, 1908, in any suit, the Plaintiff shall set out details of documents which the Plaintiff believes to be in the power, control or possession of the Defendant and which the Defendant wishes to rely upon and seek production thereof by the said Defendant.

c) Discovery by interrogatories– under Order XI (2) of the Code of Civil Procedure, 1908, the Plaintiff or Defendant by leave of the Court may deliver one set of interrogatories in writing for the examination of the opposite parties. Where any party to a suit is a corporation or a body of persons, the interrogatories may be submitted to any member of the corporation or body of persons. All interrogatories are to be answered within ten days by way of an affidavit.

d) Inspection– under Order XI (3) of the Code of Civil Procedure, 1908, any party may seek direction from the Court, at any stage of the proceedings, for inspection or production of documents by the other party.

e) Pro tem orders are equitable orders passed by the court, to balance the rights and interests of both parties, till the case is finally decided. In the case of Nokia v. Oppo (FAO (OS) (COMM) 321/2022), Nokia had claimed protem security deposit under Order 39 Rule 10 of the Code of Civil Procedure, 1908. The Court held that in view of the settled law the admission required under Order XXXIX Rule 10 CPC in the present case is not of the

quantum of money claimed by Nokia; instead, all that is required is Oppo's admission of a relationship of a licensee-licensor or its resultant obligation to make payment of some license fee. It was held that Nokia had made out a prima facie case, the court directed Oppo to pay an undisclosed amount, comprising 23% of the royalty paid under the 2018 agreement.

#### 14. Are there procedures available which would assist a patentee to determine infringement of a process patent?

As per Section 104A of the Patents Act, 1970, in a suit for infringement of a process patent, the court may direct the defendant to prove that the process used by him to obtain the product is different from the patented process if:

- a) The subject matter of the patent is a process for obtaining a new product, or
- b) The patentee or a person deriving title from him is unable through reasonable efforts to determine the process used by the defendant, where the product directly made by the patented process is identical to that of the product obtained by the patented process.

However, the Act requires that the patentee or the person deriving title or interest in the patent first prove that the defendant's product is obtained by the patented process. The tools of Search/Discovery/Interrogatories/creation of Confidentiality clubs etc. may be useful to seek information which is within power, control, knowledge or possession of the infringer. In a recent decision, *FMC Corporation v. Natco*, FAO COMM 301/2022 by the Appellate Bench of the High Court, it was held that Doctrine of Equivalence is also applicable to process patent cases. The Court adapted the test to be applicable to process patent cases, as that the essential elements of the given process; the necessary steps of that process; and the manner in which the essential elements interact at each step must be substantially similar to the patented process or method to sustain a claim of infringement. Further, scientific advisors were appointed to determine the above and infringement.

#### 15. Are there established mechanisms to protect confidential information required to be disclosed/exchanged in the course of patent litigation (e.g. confidentiality clubs)?

There are following mechanisms through which confidential information required to be disclosed/exchanged in the course of litigation

proceedings including patent litigation, as enumerated below:

(a) Confidentiality Club: While Courts in India, have allowed setting up of a 'confidentiality club' in the past, of particular significance is the order dated 24th October 2017 in *Telefonaktiebolaget Lm ... vs Xiaomi Technology & Ors*. The Court while referring to Section 103 of the Patents Act, 1970 which states that "...103 (3) If in such proceedings as aforesaid any question arises whether an invention has been recorded, tested or tried as is mentioned in section 100, and the disclosure of any document regarding the invention, or of any evidence of the test or trial thereof, would, in the opinion of the Central Government, be prejudicial to the public interest, the disclosure may be made confidentially to the advocate of the other party or to an independent expert mutually agreed upon", has stated that the said section contemplates a situation where the disclosure of any document regarding the invention may be made confidentially only to an advocate or to an independent expert mutually agreed upon. The Court further laid down a procedure which may be adopted for establishing a confidentiality club, which broadly allowed access to confidential documents to not more than five lawyers (who are not and have not been in-house lawyers of one of the parties) and no more than three external expert witnesses. The documents would otherwise be filed in sealed cover and deposited with the Registrar General; Thereafter, the same was introduced in Chapter VII rule XVII of the Delhi High Court Rules, 2018. Annexure F of the Delhi High Court Rules, 2018 lays down the detailed procedure for establishment of confidentiality clubs. In the decisions of *Interdigital Technology Corporation & Ors. v. Xiaomi Corporation & Ors.* and *Interdigital VC Holdings Inc & Ors. v. Xiaomi Corporation & Ors.*, Interdigital requested that two types of confidentiality club be formed: 'outer tier' and 'inner tier' wherein the documents placed in the inner tier of the confidentiality club should be accessible only to advocates of both the parties and the experts appointed by them. Further, access to those documents could not be given to the representatives of the parties, such as in-house counsel. The Court rejected Interdigital's request. Finally, the Court allowed the creation of the outer tier confidentiality club that had the client's representatives. The said decision was challenged in an appeal. The decision now stands vacated due to the settlement entered between Interdigital and Xiaomi as recorded in the Supreme Court of India.

(b) In camera proceedings: Where an applicant desires that he be heard in Camera, he shall file an application stating reasons thereof and the same is provided under



Chapter X rule II of the Delhi High Court Rules, 2018.

(c) Filing documents and information under sealed cover- One may even file an application before Court to have the confidential documents filed under sealed cover.

### **16. Is there a system of post-grant opposition proceedings? If so, how does this system interact with the patent litigation system?**

(a) Post Grant opposition- Under Section 25 (2) of the Patents Act, 1970 at any time after the grant of Patent but before the expiry of a period of one year from the date of publication of grant of Patent, any person interested may give notice of opposition to the Controller in the prescribed manner on the grounds enumerated under the Section. A 'person interested' must be a person who has a direct, present and tangible commercial interest or public interest which is injured or affected by the continuance of the patent on the register. There have been instances where a patent which is the subject matter of a patent litigation was revoked on a post grant against which an appeal was instituted. In such a situation, the Courts usually stay the proceedings until final adjudication regarding the grant of the patent.

(b) Revocation- Under section 64 of the Patents Act, 1970, a person interested may file for a petition for revocation or by way of a counter-claim in the suit for infringement of the patent in the High Court. Earlier, a petition for revocation would be filed before the Intellectual Property Appellate Board (IPAB). However, since the IPAB has now been abolished, a revocation would be filed before a High Court. Pursuant to the abolition of the IPAB, the Delhi High Court has created an Intellectual Property Division (IPD) to deal with matters related to Intellectual Property Rights.

(c) It has been held by the Apex Court i.e. the Supreme Court of India in *Dr. Aloys Wobben And Another vs Yogesh Mehra And Others*, AIR2014SC2210 that a defendant in a patent infringement suit could only use one of the remedies available under the Patents Act to attack the validity of a patent. These remedies include filing a post grant opposition under Section 25, a revocation action under Section 64 and a counter claim for revocation in a suit for infringement. It was further held that if a "revocation petition" is filed by "any person interested" in exercise of the liberty vested in him under Section 64(1) of the Patents Act, prior to the institution of an "infringement suit" against him, he would be disentitled in law from seeking the revocation of the patent (on the basis whereof an "infringement suit" has been filed against him) through a "counter-claim".

Thirdly, where in response to an "infringement suit", the defendant has already sought the revocation of a patent (on the basis whereof the "infringement suit" has been filed) through a "counter-claim", the defendant cannot thereafter, in his capacity as "any person interested" assail the concerned patent, by way of a "revocation petition".

### **17. To what extent are decisions from other fora/jurisdictions relevant or influential, and if so, are there any particularly influential fora/jurisdictions?**

It is upon the discretion of the Judges to consider decisions from other fora/jurisdictions relevant. They are not bound to follow them. In case there is lack of precedence or law on a certain legal aspect, Courts do consider the opinions of foreign courts like the United States of America or of the English Courts although the same is not binding on them.

### **18. How does a court determine whether it has jurisdiction to hear a patent action?**

Under Section 20 of the Code of Civil Procedure, 1908, the Court having jurisdiction means the court where the Defendant voluntarily resides or carries on business, and where there are more than one Defendants, where at least one of them at the time of commencement of the suit voluntarily resides or carries on business. The jurisdiction will also lie in a Court, where the cause of action has arisen.

### **19. What are the options for alternative dispute resolution (ADR) in patent cases? Are they commonly used? Are there any mandatory ADR provisions in patent cases?**

Mediation is governed by the Arbitration and Conciliation Act, 1996 and by the Code of Civil Procedure, 1908. The mediation process can be initiated in the following ways:

1. Pre-litigation mediation/ Non-suit mediation- A request for pre-litigation mediation can be filed by either party or it may be filed jointly, before institution of a lawsuit. Mediation proceedings are confidential and a settlement agreement reached during mediation is also confidential, except where its disclosure is necessary for its implementation and enforcement. Proposals exchanged are "without prejudice", unless parties agree otherwise.

2. Mediation during the pendency of a lawsuit: The court may, on its own and with the consent of the parties, or at the request of parties, refer a dispute to mediation while the suit is pending under Section 89 of the Code of Civil Procedure Code, 1908. If the parties reach a settlement during ongoing litigation mediation, then the court passes an order recording the settlement and may even provide full refund of court fees, if the suit gets settled through mediation at the initial stages of the suit.

## 20. What are the key procedural steps that must be satisfied before a patent action can be commenced? Are there any limitation periods for commencing an action?

a) Article 88 of the Limitation Act, 1963 provides a period of limitation as three years from the date of infringement and not from the date of the grant. b) Procedural steps before a patent action can be instituted: There are no pre-requisites per se that must be satisfied before a patent infringement suit may be instituted. However, a patent infringement suit is a commercial matter and therefore governed by the Commercial Courts Act, 2015. Under Section 12A of the Commercial Courts Act, a suit, which does not contemplate any urgent interim relief under this Act, shall not be instituted unless the plaintiff exhausts the remedy of pre-institution mediation in accordance with such manner and procedure as may be prescribed by rules made by the Central Government. However, the said requirement need not be fulfilled in cases, where urgent relief is required, which is mostly the situation. Further, in case of a declaratory suit under Section 105 of the Patents Act, 1970, there the said person claiming such a relief must show that he has in writing sought for written acknowledgement from the patentee or his exclusive licensee to the effect of such a declaration so claimed and has also furnished him full particulars of the process or article in question, and; the patentee or his exclusive licensee has refused or neglected to give such an acknowledgement.

## 21. Which parties have standing to bring a patent infringement action? Under which circumstances will a patent licensee have standing to bring an action?

Under Section 48 of the Patents Act, 1970 the patentee has the exclusive right to prevent any third party, without his consent, from making, using, offering for sale, selling, or importing for those purposes the patented product; or in case of a process patent, the exclusive rights to prevent any third party from using that process and from

using, offering for sale, selling, or importing the product obtained directly by the patented process. Therefore, a patentee may institute infringement proceedings.

Under Section 109 of the Patents Act, 1970 the holder of an exclusive license shall have the like right as the patentee to institute a suit in respect of any infringement of the patent committed after the date of the license, and in awarding damages or an account of profits or granting any other relief in any such suit the court shall take into consideration any loss suffered or likely to be suffered by the exclusive licensee as such or, as the case may be, the profits earned by means of the infringement so far as it constitutes an infringement of the rights of the exclusive licensee as such. Further, in any suit for infringement of a patent by the holder of an exclusive license, the patentee shall, unless he has joined as a plaintiff in the suit, be added as a defendant, but a patentee so added as defendant shall not be liable for any costs unless he enters an appearance and takes part in the proceedings. Further, under Section 110 of the Patents Act, 1970 any person to whom a license has been granted under section 84 (compulsory license) shall be entitled to call upon the patentee to take proceedings to prevent any infringement of the patent, and, if the patentee refuses or neglects to do so within two months after being so called upon, the licensee may institute proceedings for the infringement in his own name as though he were the patentee, making the patentee a defendant; but a patentee so added as defendant shall not be liable for any costs unless he enters an appearance and takes part in the proceedings.

## 22. Who has standing to bring an invalidity action against a patent? Is any particular connection to the patentee or patent required?

a) Under Section 25(1) of the Patents Act, 1970 which provides for a pre-grant opposition, any person may oppose against the grant of a patent; b) Under Section 25(1) of the Patents Act, 1970 which provides for a postgrant opposition, any person interested may oppose against the grant of a patent; c) Under Section 64 of the Patents Act, 1970 which provides for revocation, the same may be filed a person interested or by the Central Government. Further, the defendant in a law-suit can seek revocation of a Patent through a counter-claim.

## 23. Are interim injunctions available in patent litigation proceedings?

Yes. Interim injunctions as a remedy is available in a patent litigation proceeding. The Plaintiff has to prove the elements of prima facie case, balance of convenience and

irreparable harm and injury. In some cases, where the Plaintiff has succeeded in establishing a prima facie case and the Defendant's product was not yet launched commercially, the Courts have held that it was appropriate that status quo be maintained which means that till final decision on the injunction application, the Defendant may not launch their product at the interim stage. There are various factors which may be taken into account while deciding whether an interim injunction should be granted, as below, among others:

- a) Whether Defendant has commercially launched the product;
- b) Whether there is a credible challenge regarding the validity of the patent being enforced;
- c) The likelihood of damage being caused to the Plaintiff if the injunction is not allowed;
- d) Whether the conduct of the Defendant has been malafide;
- e) Public interest;
- f) Whether there was an attempt to take a license from the Patentee and the license was available on fair and reasonable terms;
- g) Length of time between the expiry of the Patent and the time taken for grant of marketing authorization to the Defendant also should be factored in deciding the interim applications.
- h) Delay
- i) Whether the Defendant cleared the way by seeking a license; filing revocation or oppositions; or filing a declaratory action for non-infringement and waiting for the outcome of the same, before commercially launching the product.

#### **24. What final remedies, both monetary and non-monetary, are available for patent infringement? Of these, which are most commonly sought and which are typically ordered?**

The Plaintiff in a suit for infringement is entitled to seek various forms of relief under Section 108 of the Patents Act, 1970, including a permanent injunction, either damages or accounts for profits, delivery up, and seizure of infringing goods. The most commonly granted reliefs are –grant of a permanent injunction and costs. In many cases, other remedies are also granted like damages or account of profits and seizure/delivery up etc.

#### **25. On what basis are damages for patent infringement calculated? Is it possible to obtain additional or exemplary damages?**

Damages are of two kinds: compensatory damages and exemplary/punitive damages.

Compensatory damages could be calculated on the basis of loss of licensee fees; loss of royalty payable; profits made by the Defendant; loss caused to the Plaintiff etc.

Punitive damages are granted for rare cases. It has been held by the Courts that where compensatory damage is inadequate to punish the Defendants for their outrageous conduct and therefore to deter them from repeating it, the actions of the Defendants merit an award of exemplary as well as aggravated damages. There are certain restrictions provided under Section 111 of the Patents Act, 1970 wherein damages may not be granted against the Defendant. For instance, where the Defendant proves that at the time of infringement, he was not aware and had no reasonable grounds to believe that the patent existed or where the Plaintiff/Patentee failed to pay the renewal fee within the prescribed period and before any extension of such period. Where the specification is amended after the publication, no damages will be awarded for the use of the invention before the date of such amendments except if the Plaintiff is able to prove that the specification was framed in good faith and with reasonable skill and knowledge.

The Courts have also been granting aggravated damages. The Delhi High Court in the case of *Philips v. Amazestore & Ors*, CS (COMM) 737/2017 and *Philips v. Amitkumar Kantilal Jain & Ors.*, CS(COMM) 1170/2016 granted aggravated damages in view of the contemptuous acts of the Defendants. It was held that in cases of mala fide conduct of the Defendants, compensatory damage may be inadequate to punish the Defendants for their outrageous conduct and therefore to deter them from repeating it, the Courts may award some larger sum, i.e. aggravated/exemplary damages. This was also recently followed in another decision of *Pfizer Inc. v. Triveni*, (CS) COMM 442/2021.

#### **26. How readily are final injunctions granted in patent litigation proceedings?**

Where the patentee is able to prove infringement after final arguments, in most cases injunction follows. However, the courts have held that any permanent injunction shall be granted only for the term of the patent. A mere delay would not be a reason enough for refusal of a permanent injunction. Courts have inherent powers to

grant injunctions. Only acquiescence or totally unexplained delay is a defense. The Defendant using laches as a ground of defense would have to establish that the delay was unreasonable and without cause and that such delay materially prejudiced him or her.

Injunction may also not be granted where the terms of patent was to expire in few months. In *F. Hoffmann La Roche v Cipla*, RFA (OS) 92/2012 order dated 8th December 2015, the Delhi High Court held that since the patent was expiring in 3-4 months and there was no injunction operating against the Defendant, the Court despite holding infringement held that instead of an injunction, the Defendant would be liable to render accounts concerning manufacture and sale of the infringing product. In such cases like the *F. Hoffmann La Roche v Cipla*, RFA (OS) 92/2012, the Defendant rendered their accounts regarding the impugned product and thereafter the financial expert of the Defendant was cross-examined to assess the accurate accounts of sales and profits made by the Defendant during the period of the infringement. Further, in some instances, where the Defendant has discontinued manufacture, sale, use etc. of the impugned product, a final decree may also be passed upon an undertaking by the Defendant. The same, in effect, is even more effective than an injunction since it is an undertaking given by the Defendant.

## 27. Are there provisions for obtaining declaratory relief, and if so, what are the legal and procedural requirements for obtaining such relief?

As per Section 105 of the Patents Act, 1970 any person may institute a suit asking for a declaration that the use by him of any process, or the making, use, or sale of any article by him does not or would not constitute an infringement of a claim of a patent against the patentee or any one deriving title from the patentee. However, before proceeding with such an action, the said person claiming such a relief must show that he has in writing sought for written acknowledgement from the patentee or his exclusive licensee to the effect of such a declaration so claimed and has also furnished him full particulars of the process or article in question, and; the patentee or his exclusive licensee has refused or neglected to give such an acknowledgement.

## 28. What are the costs typically incurred by each party to patent litigation proceedings at first instance? What are the typical costs of an appeal at each appellate level?

The minimum court fees in a suit for patent infringement at the Delhi High Court is 2,00, 000.00 INR (approx. 2800 USD). The cost of litigation varies depending upon the counsel fees, complexity of the proceedings, interim proceedings etc.

## 29. Can the successful party to a patent litigation action recover its costs?

Yes. Courts have the discretion to grant costs, which includes the following:

- a) Expenses incurred;
- b) Courts fees and other office fees;
- c) Attorney Fees;
- d) Fees for conducting search and seizure and payment towards fees of the Court appointed Commissioner.

Under Section 35A of the Code of Civil Procedure, 1908, the Court may award compensatory costs in respect of false or vexatious claims or defences. The Court, if it so thinks fit may, after recording its reasons for holding such claim or defense to be false or vexatious, make an order for the payment to the objector by the party by whom such claim or defense has been put forward, of cost by way of compensation.

## 30. What are the biggest patent litigation growth areas in your jurisdiction in terms of industry sector?

Pharma, Telecommunications, Software, Artificial intelligence inventions and machine learning technologies, audio processing and image analysis, etc.

## 31. How has or will the Unified Patent Court impact patent litigation in your jurisdiction?

The Unified Patent Court serves as an international patent court for the European Union countries for handling cases related to European patent infringement and revocation proceedings. The creation of the UPC was intended to streamline and centralize patent litigation.

The UPC system will have limited direct influence on patent litigation in India due to its non-participation.

## 32. What do you predict will be the most

### contentious patent litigation issues in your jurisdiction over the next twelve months?

a) Litigations pertaining to Standard essential patents and Wi-Fi 6 standard essential patents; b) The concept of Genus and Species Patent and the fact that one product can be protected by multiple patents; c) The concept of protem orders as a unique interim arrangement wherein the Defendant would be directed to deposit a certain amount in the Court or furnish a bank guarantee for sales/profits made; d) Regulatory issues regarding Patents; e) Post-grant proceedings and inter parties review procedures to contest the validity of patents; f) Non-practising entities acquiring patents; g) Jurisdiction of the Intellectual Property Division (IPD) to deal with matters related to Intellectual Property Rights on account of abolishment of the Intellectual Property Appellate Board (IPAB); h) Patent infringement on e-commerce websites; i) Confidentiality Clubs; j) Damages.

### 33. Which aspects of patent litigation, either substantive or procedural, are most in need of reform in your jurisdiction?

Developing legal jurisprudence regarding the breakthrough developments being made in the field of Artificial Intelligence; Development of jurisprudence for infringement of process patent; Patent infringement issues involving Trans-border; statutory standardization of patent law on a global scale; What constitutes

quantities required for regulatory purposes for Bolar exemption to apply.

### 34. What are the biggest challenges and opportunities confronting the international patent system?

a) Developing legal jurisprudence regarding the breakthrough developments being made in the field of Artificial Intelligence; b) Controlling abuse of dominance by Patent Trolls or Nonpracticing entities; c) Concept of Patent Prosecution Highway under which participating patent offices agree that when an applicant receives a final ruling from a first patent office that at least one claim is allowed, the applicant may request fast track examination of corresponding claim(s) in a corresponding patent application that is pending in a second patent office, on the basis of the search and examination in the first patent office; d) Uniformity in applying the concept of validity of a Patent; e) The concept of genus and species patent; f) Patent infringement issues involving Trans-border; g) excessive influence by patent pools; h) ambiguity and complexity due to patent thickets; i) Patent infringement on e-commerce websites; j) Damages; k) What constitutes quantities required for regulatory purposes for Bolar exemption to apply; l) Import and export of infringing products; m) Plausibility as a ground for challenging the validity of a patent; n) environmental and sustainability considerations.

## Contributors

**Pravin Anand**  
Managing Partner

[pravin@anandandanand.com](mailto:pravin@anandandanand.com)



**Prachi Agarwal**  
Partner in the Litigation department

[prachi@anandandanand.com](mailto:prachi@anandandanand.com)

