

REMEDIES FOR PATENT INFRINGEMENT

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THE BASICS OF PATENT INFRINGEMENT

- What is the patentee trying to prove?
- How can the patentee prove it?
- What is the remedy that most patentees will want from a court of law?

SECTION 108. RELIEFS IN SUIT FOR INFRINGEMENT

Reliefs in suit for infringement.—

- (1) The reliefs which a court may grant in any suit for infringement include an injunction (subject to such terms, if any, as the court thinks fit) and, at the option of the plaintiff, either damages or an account of profits.
- (2) The court may also order that the goods which are found to be infringing and materials and implements, the predominant use of which is in the creation of infringing goods shall be seized, forfeited or destroyed, as the court deems fit under the circumstances of the case without payment of any compensation.

UNDERSTANDING THE REMEDIES

- Injunctions can be of two kinds – either interim injunctions or permanent injunctions;
- Interim injunctions are granted as an emergency measure pending trial;
- Permanent injunctions can be granted only after trial has been concluded and evidence has been judged on its merits;

CONTD.

- Damages can be granted only after a trial has been concluded and is meant to restore the plaintiff to its original position;
- Punitive damages are typically not allowed under Indian law;
- Account of profits allows the plaintiff to seek all the profits made by the defendant and can be granted only after trial;

CRITERIA TO GRANT INTERIM INJUNCTIONS

- Prima facie case;
- Balance of convenience;
- Irreparable Injury

ESTABLISHING A PRIMA FACIE CASE

- Prima facie means a first look at the evidence;
- Basically the judge looks at the evidence and tries to predict who exactly will win after the trial;
- In a patent infringement case that usually means that the judge will have to determine not only whether the patent has been infringed but also whether the patent is valid because the defendant will most often countersue for revocation;

BALANCE OF CONVENIENCE

- Balancing the ongoing loss caused to the plaintiff against the loss that will be suffered by the defendant if an interim injunction is granted;
- A range of factors can be looked at including potential job loss, loss of market share, size of market, availability of alternate revenue streams

IRREPARABLE INJURY

- Whether the denial of a patent will result in irreparable injury being caused to the plaintiff?

PUBLIC INTEREST - A FOURTH FACTOR RECENTLY INTRODUCED

- “Therefore, this Court is of the opinion that as between the two competing public interests, that is, the public interest in granting an injunction to affirm a patent during the pendency of an infringement action, as opposed to the public interest in access for the people to a life saving drug, the balance has to be tilted in favor of the latter. The damage or injury that would occur to the plaintiff in such case is capable of assessment in monetary terms. However, the injury to the public which would be deprived of the defendant's product, which may lead to shortening of lives of several unknown persons, who are not parties to the suit, and which damage cannot be restituted in monetary terms, is not only uncompensatable, it is irreparable. Thus, irreparable injury would be caused if the injunction sought for is granted.”
 - F. Hoffman-La Roche Ltd. and Anr. v. Cipla Ltd. (2008) Delhi High Court – Justice Ravindra Bhat

GENERAL TRENDS WITH INTERIM INJUNCTIONS IN THE PHARMA INDUSTRY

- Quite easily given;
- Very often ex-parte or on a qua-timet basis;
- Most favoured jurisdiction is Delhi High Court;
- Shoddily written judicial orders;

BAJAJ AUTO LTD. V. TVS MOTOR CO. LTD., (2009) 41 P.T.C. 398 (S.C.)

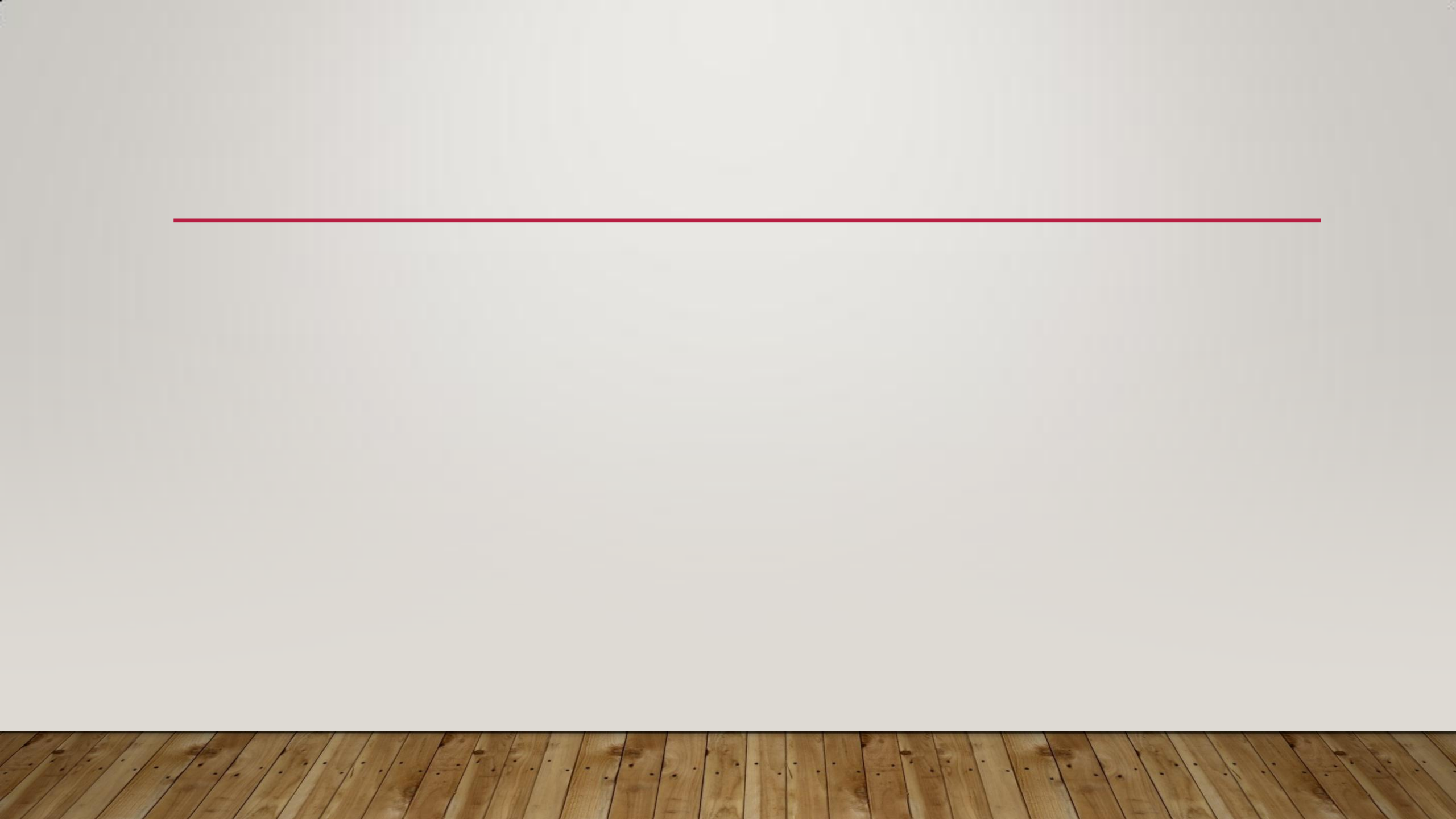
- “It is evident that the suit is still pending before the learned Single Judge of the Madras High Court. We are unhappy that the matter has been pending in the High Court at the interlocutory stage for such a long time as.... we are of the opinion that the matters relating to trademarks, copyrights and patents should be finally decided very expeditiously by the Trial Court instead of merely granting or refusing to grant injunction. Experience shows that in the matters of trademarks, copyrights and patents, litigation is mainly fought between the parties about the temporary injunction and that goes on for years and years and the result is that the suit is hardly decided finally. This is not proper.”

THE FUTURE OF INTERIM INJUNCTIONS IN PHARMACEUTICAL CASES

- Should we even have interim injunctions in patent infringement lawsuits?
- Should judges dispense with the interim stage and continue directly to trial and perhaps expedite the trial?

SHOULD THE PRIMA FACIE STANDARD BE REPLACED?

- American Cyanamid v Ethicon [1975] AC 396 followed the triable standard rather than the prima facie standards;
- The triable standard only examines whether there is a serious question to be tried;
- This standard is difficult to import into India because patents are presumed to be valid in the UK and the court will not examine the validity issue in the UK – this is not the case in India;



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- Should permanent injunctions always follow in patent infringement cases?

INJUNCTIONS & STANDARD ESSENTIAL PATENTS



OTHER TECHNICAL STANDARDS

- Building standards;
- Software: MPEG, JPEG, etc.
- Telecom standards: EDGE, LTE, Wi-Fi, WiMAX – ensures interoperability between different telephones;

HOW ARE STANDARDS SET?

- De-facto standards – market forces determined;
- De-jure standards – determined by SSO or government bodies;

THE UNIQUE PROBLEMS POSED BY SEPS

- The patentee controlling a standard can decide which manufacturers enter the market and thereby control downstream competition;
- If a SEP owner denies a patent they can control all downstream competition;
- Can they then demand whatever royalty they want to? Are they entitled to an injunction? If so, how do should the state regulate such SEP owners?

EBAY INC. ET. AL. V. MERCEXCHANGE L.L.C (SCOTUS 2005)

- “The traditional four-factor test applied by courts of equity when considering whether to award permanent injunctive relief to a prevailing plaintiff applies to disputes arising under the Patent Act. That test requires a plaintiff to demonstrate: (1) that it has suffered an irreparable injury; (2) that remedies available at law are inadequate to compensate for that injury; (3) that considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction. The decision to grant or deny such relief is an act of equitable discretion by the district court, reviewable on appeal for abuse of discretion. These principles apply with equal force to Patent Act disputes. “[A] major departure from the long tradition of equity practice should not be lightly implied.” *Weinberger v. Romero-Barcelo*, 456 U. S. 305, 320. Nothing in the Act indicates such a departure.”

WHEN DOES THE COURT HAVE TO GRANT A PERPETUAL OR PERMANENT INJUNCTION?

38. Perpetual injunction when granted.— (1) Subject to the other provisions contained in or referred to by this Chapter, a perpetual injunction may be granted to the plaintiff to prevent the breach of an obligation existing in his favour, whether expressly or by implication.

(2) When any such obligation arises from contract, the court shall be guided by the rules and provisions contained in Chapter II.

(3) When the defendant invades or threatens to invade the plaintiff's right to, or enjoyment of, property, the court may grant a perpetual injunction in the following cases, namely:—

- (a) where the defendant is trustee of the property for the plaintiff;
- (b) where there exists no standard for ascertaining the actual damage caused, or likely to be caused, by the invasion;
- (c) where the invasion is such that compensation in money would not afford adequate relief;
- (d) where the injunction is necessary to prevent a multiplicity of judicial proceedings.