

Interview No.24

The latest patent status in India(II)

"Secret use" becomes a reason for patent invalidity

[2012/07/03]

— — Are there any patent litigation cases that have attracted attention in India?

Mr. Lakshmikumaran: There is the case where the British airline Virgin Atlantic sent a warning letter to an Indian airline called "Jet Airways" suggesting a possibility of infringement on their invention for flattening business class chairs. Jet Airways had filed an opposition before the patent was granted, but it was not admitted. Moves are attracting attention as to what will result if Virgin Atlantic's patent application is granted. As for Japanese enterprises, there is the trademark case where a small entity was suspended from using its mark, but I have never heard of a case in which a patent suit was started.

Damages in "innocent infringement"

Mr. Takamatsu: It seems that in India there was a court precedent that compensation did not have to be paid when the infringement of a patent was not known. This is ordinarily unthinkable for enterprises.

Mr. Lakshmikumaran: In the trial, the party was not a company but an individual-level business operator. As he didn't know he was infringing, he decided to stop producing the product on that occasion. It was anticipated that nothing would be received if compensation was demanded from the individual person. So no compensation was demanded. If the party was an enterprise, then this would not happen.

Mr. Ito: In Japan, there is a provision for, "presumption of negligence" in the Patent Law Article 103. Patents are publicly disclosed to be in a state that anybody can access them. In applying the Civil Code Article 709, if there is an infringement, it is presumed there was negligence, and the burden of proof is shifted. There is no such a provision in India, right?

Mr. Lakshmikumaran: In India, unless a patent is granted, no compensation can be claimed, but when you notice an infringement during the period from the public disclosure to the grant of patent, you can send a warning letter. Then, when the patent is granted, you can claim

damages retroactive to the public disclosure date.

"Secret use" can be a reason for patent invalidity.

Mr. Takamatsu: There seems to be a clause that, if a patent is secretly used, this is a reason for patent invalidity. What is the content of this clause?

Mr. Lakshmikumaran: The clause is written in the Indian Patent Law Article 64, but there are no cases to which it has been applied.



Mr. Bapat: Here, the following two cases are conceivable: where one who has used an invention in secret is the same person as the patent owner; and where one who has used an invention in secret is a different person from the patent owner. The former means that a person filed a patent application and obtained the right after he/she had used it secretly for a while. The latter means that a person was using an invention secretly, but another person filed a patent application after the priority date of the invention and obtained the right.

Mr. Lakshmikumaran: In the former case, it means the person has used the invention longer than the duration of the patent, so that if it becomes known after the patent is granted, the patent can be invalidated. In the meantime, however, it is said to be very hard for another person to prove that the patentee had used the invention secretly. So, in India, in order to disclose information on the patent, the same step as that of "discovery" in the U. S. A. is to be taken. In the latter case, it suffices for a person who has used an invention secretly to prove the fact, so it is comparatively simple.

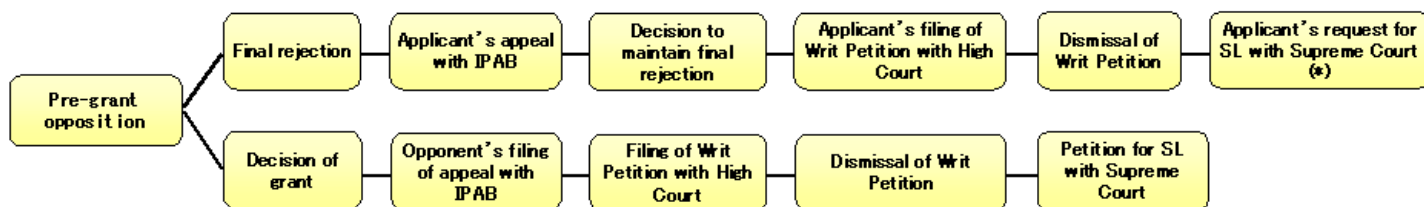
Flows of complaint and appeal

Mr. Ito: Where should we go if we wish to appeal against a decision of IPAB (Intellectual Property Appellate Board) when invalidation steps were taken there?

Mr. Lakshmikumaran: An opposition (pre-grant opposition) which should be filed between public disclosure and grant is determined by the Patent Office. If a final rejection is issued due to the pre-grant opposition, you can appeal with IPAB (Fig. 1). Meanwhile, when the

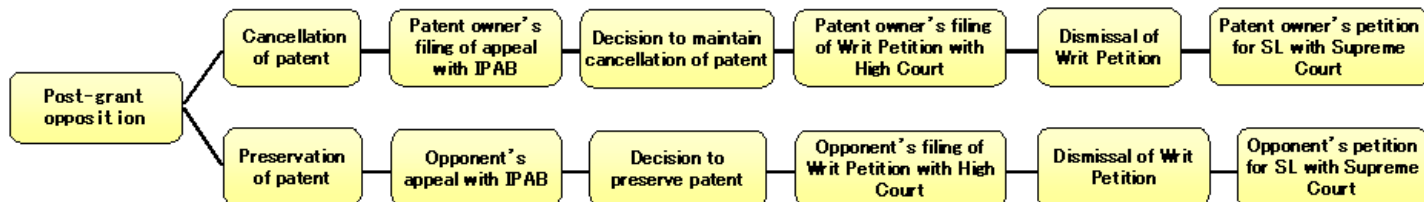
pre-grant opposition is rejected, you cannot file an appeal with IPAB and should take steps for pre-grant opposition or invalidation of the patent. That is to say, as for post-grant, if it is within 12 months, an opposition after grant of patent (post-grant opposition), and if it is beyond 12 months, an invalidation procedure should be taken, respectively. A post-grant opposition is decided by the Patent Office, while an invalidation procedure is decided by IPAB. You cannot appeal against the decision of IPAB, but for reasons associated with a problem in the law itself, or in the case that fundamental rights were violated, there are some exceptional cases where an appeal against discretion (Writ Petition) can be filed with the high court.

● Pre-grant opposition



*Special Leave (SL) is a system to allow approval of a court judgment by a lower court except when it is a ruling by the military tribunal. Special leave petition is a petition to request special permission from Supreme Court.

● Post-grant opposition



● Invalidation

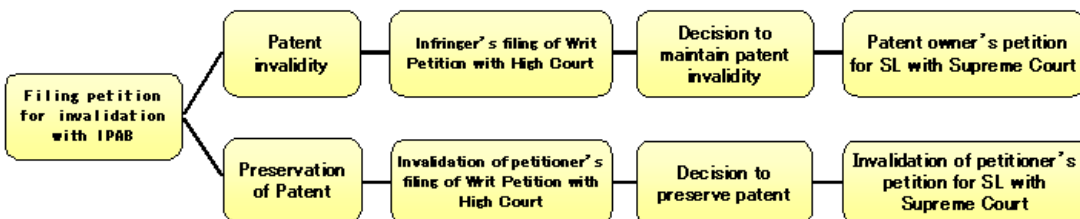


Fig 1 Structure of filing of opposition and appeal for invalidation procedures
(Prepared by TechnoAssociates, Inc. based on Mr. Lakshmikumarar's information)