

**COMMERCIAL EXPLOITATION OF PATENT RIGHTS INFRINGEMENT AND
LEGAL REMEDIES: A CASE STUDY OF PAKISTAN**

To 6618



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REMEDIES: A CASE STUDY OF PAKISTAN**

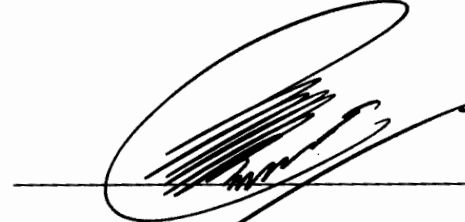
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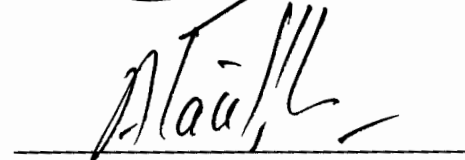
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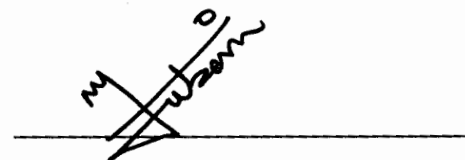
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List of Abbreviation

| | |
|------|--|
| AIR: | All India Report |
| CLC | Civil Law Cases |
| CLD | Corporate Law Decisions |
| FSR | Fleet Street Reports |
| GATT | General Agreement on Tariffs and Trade |
| IP | Intellectual Property |
| IPO | Intellectual Property Organization of Pakistan |
| IC | Integrated Circuit |
| ITO | International Trade Organization |
| IPRs | Intellectual Property Rights |
| ILR | Indian Law Reports |
| ISC | Indian Supreme Court |
| LDC | Least Developed Countries |
| MLD | Monthly Law Digest |
| NLR | National Law Reports |
| PLD | Pakistan Legal Decisions |
| PSC | Pakistan Supreme Court Cases |
| PLJ | Pakistan Law Journal |
| PO | Patent Ordinance |
| PR | Patent Rules |
| PD | Patent and Designs |
| CPC | Code of Civil Procedure |
| PC | Privy Council |
| RPC | Report of Patent Cases |
| SCMR | Supreme Court Monthly Review |

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|--------------|--|
| TRIPS | Trade Related Aspects of Intellectual Property Rights |
| USC | United States Code |
| WIPO | World Intellectual Property Organization |
| WTO | World Trade Organization |

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Dedication

"I dedicate this work to the Holy Prophet Muhammad (Peace be upon him) and his companions who laid the foundations of Modern civilization and paved the way for social, moral, political, economical, cultural and physical revolution"

It is also dedicated to my beloved parents who always appreciated me.

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"I humbly thank to *Allah Almighty*, the *Merciful* and the *Beneficent*, who gave me health, thoughts and cooperative people to enable me to achieve this task."

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Abstract

This research work analyses the concept of commercial exploitation of patent rights and the infringement thereof; ascertains the hypothetical defenses that the Patent Ordinance, 2000 (PO, 2000) and Patent Rules, 2002 (PR, 2002) forearm to counter the allegation of patent infringement; searches out the heterogeneous remedies that could be at hand to the aggrieved patentee as a matter of his right or otherwise; scrutinizes the judicial overtures as regards the elucidation and construction of the patent provision and other enactments to relate to have a bearing on the commercial exploitation of patent rights, their infringement and far-reaching remedies; finds out the congeniality of the Pakistani patent system with that of the international standards of patent concern as regards the talking point under deep study and examines the analysis and evaluation of the existing laws on the research topic and, if necessary, suggests suitable amendments, modification worth any consideration thereof.

The intellectual property rights, their explanation, different forms of intellectual property rights, their origin, especially patent rights, patent law, its origin in different countries and especially to Pakistan are discussed in first chapter . The international standards on patent rights, its legal proceedings, remedies available to a patentee in case of infringement, the mechanism of availing the privileges, implementation and others are discussed in second chapter. The provisions of the “PO, 2000” and “PR, 2003”, in relation to basic issues of patent rights are discussed in third chapter. The exploitation of patent rights, manners of exploitation, legal matters regarding exploitation and revocation of patents are discussed in fourth chapter. The fifth chapter contains a numerous detail on definition and constituents of infringement of patent rights, the mechanism to control and minimize the ratio of infringement of patent rights, the remedies available to a patentee, the cases which decided through superior courts of “India”, “Pakistan” and “United Kingdom”. . The last chapter contains the conclusion and recommendations.

CHAPTER 1: INTRODUCTION

1.1. Intellectual Property

The word Intellectual property, simply known as IP, has become one of the most significant matters in business nowadays, yet it is still understood by a small number of persons.¹ With the passage of time it has been started rapidly recognized and named as “Intellectual Property”. The IP is a present-day term. At present the IP does not attain any precise definition. The reason of this non-achievement is that it is a collection of miscellaneous rights. It includes inventions, artistic works, computer programs, new designs, a unique trademarks and many information which is confidential.² IP consists of commodities of the human mind and imagination that are required to be protected by law. It is an incorporeal property which is bereft of corporal substance. It has neither span nor space. It also has no weight and casts no shadow. It is having no colour, smell and flavor.³

Like corporal property, IP can be purchased, sold, and leased out. Also like corporeal property, it can be ruined, wasted or devastated through absent minded or neglect. It is insurable and could be used as collateral. This would have the ramification of a momentarily flash of brain waving of years of constant and assiduous labor. It may be destroyed in a second or continue eternally.⁴

The common judicious description of IP is that it is absolutely consisted of all those goods that are “intellectual” because they emanate from the use of the human intellect, for example Lara Craft, websites, mobile phones, lists of names and addresses, the way to make genuine coca-cola or a suitably seductive name for a new brand of perfume.⁵

1.2. Forms of Intellectual Property

There are various forms of IP. These forms are by and large cited to by the rights that attach to them. For example, a patent is a right in connection with an invention. The patent is not an invention but explains the classes of rights rejoice in connection with an invention. All creations

¹ Alexander I.Poltorak & Paul J. Lerner, *Essential of Intellectual Property*, III-VI.

² Dr. Anne-Marie Mooney Cotter, *Intellectual Property Law*, (Great Britain: Cavendish Publishing Limited, The Glass House, Wharton Street, London, 2003), 1.

³ Alexander I.Poltorak & Paul J. Lerner, *Essential of Intellectual Property*, III-VI.

⁴ Alexander I.Poltorak & Paul J. Lerner, *Essential of Intellectual Property*, III-VI.

⁵ Ibid.

are not patented, and thus one cites to a patented product or a patented invention. There are various legal standards which must be met before the incorporeal product of human activity is indicated as a form of IP to a right.

The major classifications of IPRs which are described in TRIPS agreement are:

- a. Patents
- b. Plant Variety Protection
- c. Copyright
- d. Industrial Design
- e. Trademark
- f. Integrated Circuit
- g. Geographical Indication
- h. Undisclosed information (Trade Secret)⁶

a. Patents

Patent, the adjective, means “open” and patent, the noun, is the familiar contraction of “open letter”. The officially announced and recognized name is “letters patent”, a verbatim translation of the latin “litterae patente”. The Letters patent are official papers through which definite rights, privileges, ranks, or titles are granted. Patent of invention gives the right to keep out others from using a particular product of human intellect. When the expression “patent” is applied lacking of criterion it today cites frequently to inventors’ rights. Similarly, the French “brevet” inferred from the latin “litterae breves” (brief letters), is a paper conferred a right or privilege, and generally stands for “brevet d’ invention.

b. Plant Variety Protection

The new ideas or methods in the field of agriculture have been significant to human civilization since farmers first start to prepare lands and grow crops. Rising crop produce has long been a purpose of agricultural research and development. The preservation and protection of the new verities by manipulation of seed gene in this field is so essential that there should be some law to guard it.

⁶ Frederick Abbott, Thomas Cottier & Francis Gurry, *The International intellectual Property System: Commentary and Materials*, Kluwer Law International, The Hague, The Netherlands, 1999, 23.
International Islamic University, Islamabad

The basic criteria for conferring a plant patent protection are as under;

- I. Novelty
- II. Distinctness
- III. Uniformity
- IV. Stability

We have numerous examples of laws for the preservation and protection of plant patent, such as U.S. Plant Protection Act, "Plant Variety Protection Act, 1970".⁷

c. Copyright

The copyright is conferred to authors and artistic to shield their creative expression against unlawful copying or reproduction. Distinct from the patent, the copyright does not create a monopoly connecting to the substance of the creation; ideas and thoughts prevail in the public dominion and can be used without being controlled or limited in various form of expressions. Hypothetically, a person who autonomously creates a work identical or similar to that of the former author is entitled to make and deal out his or her independent creation.⁸

d. Industrial Designs

Industrial design relates to aesthetic and ornamental features of a product. The producers may spend highly amount in making an external appearance of their products which they consider will captivate consumers. The pleasingly designed product may dominate a considerably higher price in the market than a regular product.

Generally, there are two types of systems for attaining fortification for industrial designs. The former, which is most extensively used through out the world. Under this system a design is filed or registered in the relevant industrial property office and protection is conferred without any substantive inspection by the office of the novelty of designs. It is also prevalent in Europe.

The later system incorporates designs more to patent than to copyright. In purview of this method applications for the security of designs are dependant to an essential examination by the related industrial property office.

⁷ Ibid., 65.

⁸ Ibid., 81.

The design of the productions is frequently close linked to the trademark or brand name of the manufacturers, and trademark fortification should prevent a potential.⁹

e. Trade Mark

A trademark is a mark used on a product or with regard to the marketing of a product together with goods and services. It means that it may come into view not only on the merchandise themselves, but also on the urn or wrapper of the products when they are dealt in saying that the symbol is employed regarding the advertising of a manufactured goods refer mostly to the manifestation of the mark in advertisement (“newspaper”, “television” or etc) or in the windowpanes of the shops in which the merchandise are dealt in. Where a trademark is employed with regard to services, it is sometimes particularly described as “Service Mark”. Service Marks are utilized, for example, as regards to the operation of hotels, airlines, banks, insurance companies and travel agencies. With the enlargement of service industries such symbols and their fortification have become as significant as customary trademarks with regard to goods. In general, it can be supposed that the trademark is for the customer the highly visible and considerably substantial form of IP.¹⁰

f. Integrated Circuit

An integrated circuit (I.C) or semi-conductor device is prepared by depositing and etching a pattern of electricity-conducting materials, for example, aluminum, and insulating material on to a semi-conducting base, generally silicon. The patterns form a series of transistors employed to execute computational functions. By employing smaller transistors and inserting them closer together, engineers can create ICs that run faster.¹¹

g. Geographical Indication

A geographical indication is a mark or denomination by which the connection and characteristics of a good to a particular zone, region or country is legally cosseted. It affords entire rights for the use of geographical names with respect to a particular product, and precludes from deceptive use of such names. The right basically protects the goodwill coupled with the name or the advantages

⁹ Ibid., 110.

¹⁰ Ibid., 128.

¹¹ Ibid., 162.

or characteristic of a region that lead to the fame for quality of the specific products of that area. For example, Basmati Rice, Sindhri Mangoes, etc. Legal notions relating to geographical indication vary from one legal system to another, and we do not find well-defined common characteristics in place around the world.¹²

h. Undisclosed Information (Trade Secret)

Undisclosed information cites to information of a confidential or clandestine nature that has monetary value. It provides basis to its holder for taking rational steps to protect it from making known publicly. It is deposited with the regulatory authorities for getting approval of the product which it associates to.¹³

1.3. Evolution of Patent Law

The first track recorded citation to patents seemed to be in Aristotle's politics. It was composed of in the fourth century B.C. in the course of discussion of rival descriptions of a product constitution. Aristotle mentioned a proposal by one Hippodamus of Miletos.

The initial regular administrative equipment for conferring patents-the opening actual patent system arose in the fifteenth century in Venice. Inaccessible conferment in Venice and in a different place were completed earlier, in the early fourteen century in Venice (for Corn Mill designs), and in Florence to the renowned architect Brunellesch for his 1421 creation of a barge with a hoist for transmitting marble. The Act under which these rights were protected was the Venetian Senate's Act, 1474.

In 1787, the Constitution of United States of America, 1787, had entrusted Congress the power under Article 1(8), to enact the law which protects the inventions. The US Congress while exercising these powers passed the first Patent law in 1790. It was accomplished by the act of President George Washington. The intention of US President was to encourage innovation and industrial progress in a growing country. Little did he discern that he was constructing the groundwork for America's future economic advantage? America was intended to become the most self-started inventive country in the world. It was later modified in 1793.

¹² Ibid., 185.

¹³ Ibid., 196.

The next country which implemented the patent legislation was Australia. In 1794, a Hydekret (Royal Decree) proclaimed for the formation of a patent system for granting and protecting the patent rights. The opening legislation on patent was enacted in 1810 in Australia.

Patent law was promulgated in Russia in 1812, Prussia in 1815, Belgium in 1817, Spain in 1820, Bavaria in 1825, Sardinia in 1826, The Vatican State in 1833, Sweden in 1834, Wurttemberg in 1836, Portugal in 1837, and Saxonia in 1843.

1.4. Patent History in Pakistan

Pakistan inherited the Patent and Design Act, 1911(PD Act, 1911) from British India. The first patent Act in Pakistan was the PD Act, 1911. Pakistan signed the WTO agreement in 1995 and became the member of new emerging trading organization. It is the vital condition of the WTO agreement that every country is bound to amend and reenact their laws on IP while observing the WTO agreements and its related agreements and others international conventions and treaties. In consequence of this signatory provision, Pakistan had repealed the PD Act, 1911 and enacted the PO, 2000 and PR in 2002. The supplementary provisions have been passed by the Parliament to meet the needs of the time.

1.5. Patent and Patent Law ¹⁴

The word patent had inferred from the old French patent and Latin patent. It has two meanings, one is literal and the other is technical. As far the literal meaning is concerned, we will find that there is no such ambiguity. Whereas the technical meaning is concerned, it is a legal term which required to be defined in the patent laws, conventions and treaties.

The literal meaning of patent is as defined in Oxford Advance Learner's dictionary,

“An official right to be the only person to make, use or sell a product or an invention; a document that proves this”.¹⁵

It is also defined as,

¹⁴ Ibid., 224.

¹⁵ Sally Wehmerier, *Oxford Advance Learner's Dictionary*, 7th Edition, Oxford University Press.

“a government authority gives to an individual or an organization conferring a right or title, especially, the sole right to make or use or sell some invention”.¹⁶

In this definition we see that patent is a right which is granted by the government to an individual, or an organization, or a legal personality “to make, use, or sell any patentable invention”. From this definition one can easily understand the meaning of patent but if he/she wants to know its technical meaning it is necessary for one’s to consult some law handbook.

A patent is, in spirit a monopoly conferred by the government to an inventor in return for complete public dissemination of the invention. When a patent is conferred to an inventor, it turns into a public document that completely unveils the details of the invention so that others skilled in the technology can make the exact copy of the results attained by the patented invention; however, the holder keeps the sole right to keep out others from “making”, “selling”, “using”, or “importing” of the invention.¹⁷

1.6. Types of Patent

The types of patent are divided into three different categories, naming as:

- a. Utility patents
- b. Design patents
- c. Plant patents

a. Utility Patent

Utility patents may be conferred to anyone who invents or discovers any novel and helpful process, machine, article of mass-produce, system (or method of use), software and Internet mechanisms, formation of matter, or any newish, functional improvement thereof. Utility patents are accorded for the term twenty years which starts on the date when it was conferred.¹⁸

b. Design Patent

Design patents may be conferred to anyone who invents a new, unique, and aesthetic design for an article of industrial application. Design patents are awarded for a term of 14 years from the date of filing an application.¹⁹

¹⁶ The Concise Oxford Dictionary, Ninth Edition.

¹⁷ Andy Gibbs & Bob DeMatteis, *Essentials of Patents*, John Wiley & Sons, Inc. Hoboken, New Jersey, Chapter, No.1, 1-6.

¹⁸ Ibid.

¹⁹ Ibid.

c. Plants Patents

Plant patents may be conferred to anyone who “invents” or “discovers” and asexually replicates of any different and novel species of plant. Plants patents are accorded for the term of twenty years which initiate from the date of the award of the patent.²⁰

In Pakistan, the PO, 2000, gives protection only process and product patent. It may both called utility patent, as it is named in U.S. For the protection of Designs and Plants patent, there are other laws, under which the rights are granted, protected, administered and regulated.

Thus the law under the provisions of the Patent is conferred, protected, administered, and supplied to others in legal and permissible manners, and punishment in case the conditions violated, titled as Patent Law. The Patent Law which is promulgated in Pakistan is called PO, 2000 and PR, 2002 which repealed the earlier existing laws named as the PD Act, 1911.

²⁰ Ibid.

CHAPTER 2: INTERNATIONAL STANDARDS IN RESPECTS TO PATENTS

2. Background

The first convention which provided the fortification to industrial property was the Paris Convention. It was accomplished in 1883. It is the pioneer in the international IP system. It administers “industrial property” in the broad sense, comprising of “inventions”, “marks”, “industrial designs”, “utility models”, “trade names”, “geographical indications” and the oppression of unjust competition. In 2004, Andorra and Pakistan attached to the Paris Convention, taking the sum of member States to 168.²¹

The TRIPS agreement in cooperation with the 1968 Stockholm Conference that assumed the amended Berne and Paris Convention and generated the WIPO is certainly the most important milestone in the growth of IP agreement. It is protecting not only all fields which are already protected under extent agreement but also demonstrating new spirits to treaties that had declined and is guarding for the first time the rights that did not protect from polygonal protection. The TRIPS agreement is cherished with comprehensive rules on one of the most complicated and for rights holders, aching aspects of IPRs: enforcement.²²

To know how this was made accomplishable and why it eventuated in the structure of GATT, we must think back to the chronicle of IP and the role of GATT in strengthens its protection. Then, we will resort to the coming out of TRIPS agreement during the Uruguay Round of polygonal trade discussions which gave birth, inter alia, to the WTO, almost 50 years after the unsuccessful efforts for establishing the ITO.²³

2.1. Introduction to WTO

The WTO Geneva based, relates to the rules of trade between states at an international stage. It is an international organization which is for freeing up trade, a medium for governments to discuss “trade agreements” and a venue for them to resolve trade disagreements. The life of WTO started on 1st January, 1995. It has been providing services in the related areas since 1948. In excess of the years GATT developed through various “rounds” of discussions.

²¹ http://www.wipo.int/wipo_magazine/en/2005/01/ last visited on 05-11-2009.

²² Daniel Gervais, *The TRIPS AGREEMENT*, 3.

²³ Ibid.

The WTO has more than one hundred and fifty members and accounting for more than 97% of the world trade around thirty other members are negotiating membership. The resolutions are taken consent by the whole members. It has normally worked by harmony. The concept of majority vote is also feasible but it has not at all been utilized in the WTO and would enormously unusual beneath the WTO. The arguments have been affirmed in all “members’ parliaments”.

The hierarchy of within WTO is as under,

a. Ministerial Conference:

The “Ministerial Conference” is the apex level decisions-making syndicate in the WTO. It congregates once in every two years.²⁴

b. General Council

The “General Council” is the second level apex body in the hierarchy of WTO. It generally incorporates of ambassadors and heads of delegation in Geneva. Sometime, the officials sent by the members’ states would be the part of it. It commune many times in a year in the “Geneva headquarters”. It also commune as the Dispute Settlement Body and Trade Policy Review Body.²⁵

c. Councils

There are various councils such as; Goods Council, Service Councils and Trips council, etc, those are working under the General Councils and directly report to it. There are different “specialized committees”, “working groups” and “working parties” those manage the respective agreements and other areas such as; “the environment”, “development”, “membership applications” and “regional trade agreements”.²⁶

The “Uruguay Round” which continued from 1986 to 1994 and gave birth to the formation of WTO while “GATT” had primarily concerned with “trade in goods”, the WTO and its related agreements currently envelop “trade in services” and trade in “inventions”, “creations” and “designs”.

²⁴ E-Learning course Title Introduction to WTO Module first.

²⁵ Ibid.

²⁶ Ibid.

2.2. Introduction to GATT

The GATT is a worldwide agreement and concluded in 1947. It comprises of rules and regulations that administer trade in goods for approximately fifty years (1948-1994) back between the member nations, generally named as “the Contracting parties”. It has also furnished the legal frame work for the immensity of world trade.

The GATT enriched rules for a manifold trading system through a sequence of trade discussions or rounds. The early rounds related primarily with tariff decreases on goods, but afterward rounds incorporated other fields, such as, “anti-dumping and non-tariff measures”. The final round remained for eight years (1986-1994) and is usually known as the “Uruguay Round”.²⁷

The task to set up the GATT initiated in the 1940s. The intention was to create a manifold trading system to discuss minimum customs charges and diminution or exclusion of other trade hindrances and to stimulate expansion in world trade.

The plan was supposed to go on two trails:

- a. formation of ITO; and
- b. Commencing of manifold tariff diminution negotiations that encompassed the drafting of binding legal provisions concerning to the tariff in the GATT.

2.3. Regulatory frame work under the TRIPS Agreement

The primary responsibility of the council for TRIPS is to watch the WTO members’ compliance with their commitments under “TRIPS agreement”.

As discussed earlier, the eventual task of the council is to supervise the Members’ compliance with their commitments. All the members’ countries shall inform the council about their TRIPS-related enactments. By going through this process, it will minimize the need for Members to have resort to the disputes settlement procedures on the disobedience of the provisions of this Agreement. Moreover, the overseeing and checking process of the Members, the TRIPS council performs other functions too.

²⁷ Ibid.

- a. It shall afford a place for Members' countries for discussions on IPR related issues. It is a significant contribution in building up a communal and co-operation, which preferably preclude members from having resort to dispute settlement proceedings.
- b. The council for TRIPS, in a situation, where an arrangement of dispute between the parties is not achieved, there it is focal responsibility of the council to afford support in dispute settlement procedures as in front of a WTO panel or the Appellate body.
- c. It is prescribed in the obligations of the council of TRIPS that it has ample discretion as to the procurement of the pertinent information essential to carry out its focal functions appropriately.
- d. The collaboration agreement between WTO and WIPO was concluded in 1995 and commenced on 1st January, 1996. On the whole, it performs three distinct areas of co-operations.
 - i. Firstly, WIPO accedes to make accessible to WTO Secretariat and Councils the regulations embodied in the WIPO database and to alter to the similar parties approach to "computerized database of the International Bureau" involving of laws and regulations.
 - ii. Secondly, both organizations consented on the procedure concerning the execution of Article 6ter of the "Paris Convention" for the reason of TRIPS. This pertains to the correspondence from WTO Members to the International Bureau of State symbols that shall not be used as Trademarks.
 - iii. Thirdly, the most significant for developing country and LDC Members that are members of the WTO or of WIPO but not of both, the organizations concede to make accessible to these countries the legal-technical assistance/technical and co-operation concerning to TRIPS.

Apart from these functions the council is also assigned such other functions follow as;

- a. a range of exemptions afforded in various segments of the "TRIPS agreement" have to be declared to the council, specifically the one's in Article 1.3, 3.1, 4(d) and 63.2 of the "TRIPS Agreement".

- b. Under Article 23.4 of the “TRIPS Agreement”, the Council shall assume negotiation relating to the formation of a manifold procedure of notification and registration of “geographical indication” for wines and spirits.
- c. Under Article 24.2 of the “TRIPS Agreement”, the council is afforded the authority to re-evaluate the implementation of the provisions on geographical indications.
- d. Under Article 63.2 of the “TRIPS Agreement”, the council shall collect notifications from WTO Members relating to their TRIPS-Related legislation.
- e. Article 66.1 of the TRIPS Agreement, empowers the council to accord upon prompt request by an LDC Member, an addition in the transition period after the expiration of which the TRIPS regulations become fully obligatory on LDC Members.

Under Article 71 of the “TRIPS Agreement”, the council is empowered to the review of the enforcement of the TRIPS Agreement at two years intervals.

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2.4. Promotion and Protection of Patent Rights

Any Article, clause, provision even that every rule of the obligatory part create responsibilities for the parties. The general perception for treaty elucidation is that expressions are assumed not to be superfluous. When the negotiations of the TRIPS Agreement determined to incorporate particular articles on “objectives” and “principles” in the agreement, they probably did so with the intention of creating rights and duties.

IPRS are constructed to expedite the society through affording privileges to make known publicly new inventions and creations. Intrinsically, it is described that “member countries” should be capable of reaching through the fortification and authorization of such rights. It is also clearly indicating from the wording of Article 7, that the protection is not mechanically effectuated by placing this Article. The promoting of IP products should be in those countries where scientific and technological capacities are low or where the financial conditions of the country do not authorize to spend in the invention field. The notion of “mutual advantage of producers and users of technological knowledge” is of practical significance in this context since “developing countries” are mostly users of technologies formed foreign countries.

The Article 8 of TRIPS agreement affords a basis for the assumption of internal measures in writing resembling to that used in Article XX (b) of the GATT 1994. This Article has furnished

discretion to accept internet measures they presumed essential to secure “public health” and “nutrition”, and to develop the community interest in sectors of significant substance to their “socio-economic and technological advancement”. The summit for great significance is that such actions are in any way not contrary to the provision of TRIPS Agreement. In case, any country desires to challenge or use the discretionary power, it is essential for that country to afford the reasonable basis for doing this.

The objectives and principles of TRIPS should be taken into account regarding to the objectives of the WTO agreement and it is confirmed from the preamble. They are corroborated with a myriad of other international conventions, treaties and other instruments that enhanced economic advancement; transmit of technology; social welfare and so on. The important are: “international covenants on Economic, Social and Cultural Rights”, the various agreements of “International Labour Organization”, and the charter of the World Health Organization.

2.5. Exploitation, Infringement and Revocation of Patent Rights

2.5.1. Exploitation of Patent Rights

Exploitation cite to the commercial activity by ways of making, using, selling, offering for sale by which patent owner engage their absolute “patent rights” to generate monetary benefits from their patent. The normal method of utilization by patent owners, as with owners of any other IPRs, is to eliminate all modes of competition that could deviate considerably from the monetary benefits predicted from a patent’s grant of market exclusivity. Protection of all ordinary exploitation practices is a fundamental component of the policy exposed of in all patent laws.²⁸

Historically, this Article was highly influenced by the Article 19 of the WIPO draft “Patent Law Treaty”. It describes selected rights relating to a product in a way tending to pre-existing laws. It contains acts of:

a. Making

It means and includes the acts of constructing, framing, creating from parts or other substances. The absolute rights may be exercised by doing these activities.

²⁸ Resource Book on TRIPS and Development, Cambridge University Press Cambridge, New York, Melbourne, Madrid Cape Town, Singapore, United States of America, 2005, 436.

b. Using

It means and includes the acts of making use of the products by the right holder and third parties. However, the absolute rights of patent holder in respect of acts of “using” are under the principle of exhaustion of rights. In the light of this principle, as interpreted under most laws, the patent owner cannot confine the exercise of the goods after its first opening.²⁹

c. Offering for Sale

It means and includes the acts of aiming at the commercialization of a commodity even where the latter has not yet eventuated. This concept is not expressly but impliedly include in the right of selling. Most jurisdictions do not admit it.³⁰

d. Selling

It means and includes the acts covering trading for the transmit against a price of a patented product. This right is making causes for the origin of exploitation and infringement of the patent product.

e. Importing

It means and includes the acts covering the foreword of the patented product into the country where protection is granted even if done for non-commercial purposes or free of cost.³¹

The provisions contained in clause 28.1(b) of the “TRIPS Agreement” elaborate the acts that can be restrained by the owner of a process patent. It deems and includes modes of “making” a product. The holder of these rights may restrain the use of such mode in a country for the registration of the patent. If a product is made by variant processes, a third party can legally make it, added that it employs a different process.³²

The right which is conferred under this Article can be entered on a process to the product “obtained directly by that process”. This addition, coupled with the annulment of burden of proof, implies an important strengthening of a patent right on process inventions under TRIPS.

²⁹ Ibid., 418.

³⁰ Ibid., 419.

³¹ Ibid., 420.

³² Ibid.

The provisions of Article 28.1(b) engage when a product has been candidly obtained by the patented process, and not merely when it is obtained by it. The difference is significant, since in the chemical sector the similar product may, in many cases, be obtained through various processes. The extended protection only implements when it may be proved that the product was produced by the patented process.³³

IPRs, like other property, can be gifted, assigned and transferred by succession. Clause 28.2 clearly described that patent owners have no restrictions to allocate their rights, may it be a burdensome or on a cost-free basis.

The “right... to conclude licensing contracts” seems to refer to the liberty to conclude contracts that is, to the patent owner’s free consent to make licensing agreement. The holders of patent enjoy, in principle, the right to ascertain the terms and conditions of the license they award. Article 40 of the TRIPS Agreement describes the measures that States may adopt to regulate licensing practices and conditions.³⁴

Thus, the exercise of these rights by the right holders himself or by third parties with the earlier approval of the patent holder is called exploitation otherwise it is an infringement of the patent rights. It is essential to elaborate here that there are a number of exceptions and restrictions to the rights granted. These are discussed in detail as follows.

The permissibility of exceptions to patent rights is dependant on this Article, to three conditions.³⁵

- a. The first condition to be fulfilled is that the exceptions must be limited.³⁶
- b. The second condition which is created under this Article is that the exception must not “unreasonably conflict with the normal exploitation” of the patent. The concept of “unreasonable” demonstrates that the acts go “beyond” the ambits of what is reasonable or equitable”. Conflict means “strive, struggle, clash, and be inconsistent and “normal” complying to standards, regular, usual, typical” lastly exploitation means utilization.³⁷

³³ Ibid., 421.

³⁴ Ibid., 422.

³⁵ Ibid., 432.

³⁶ Ibid., 433.

³⁷ Ibid., 434.

- c. The final condition wants that the exception does “not unreasonably prejudice the lawful interest of the patent owner”. To prejudice means to “deteriorate validity or strength of and “legitimate” means authorized, lawful, proper, regular, complying to standard type; logically acceptable.³⁸

Compulsory licensing is also a type of exploitation. The ways and manners in which its application is made are as follows.

These are a number of conditions under which a compulsory license may be granted, such as:

- a. The first condition is that each license should be considered on its individual merits.
- b. The second condition is that a party which is looking for compulsory license initially undertakes conversations with the patent holder for a voluntary license on “rational commercial terms and conditions and that such labors have not been fruitful within a reasonable period of time.
- c. The third condition is that when a patent holder confers a license for a specific territory, it may assume to prevent from granting marketing over the product contained in the license in that locality to other parties.
- d. The fourth condition is that the exercise of that compulsory license is not transferable. This requirement does not for compulsory license and thereby permits investments in the license to be maintained.
- e. The fifth condition is that above the fifty percent of the manufacture by a compulsory license should be aimed for provide of the domestic market.
- f. The sixth condition is that lawful interests of the patent holder should be secured by adequate means. In case these interests are not secured the consequence will be annulment of the compulsory license. For making successful these provisions, the competent authority of the government should evaluate it on timely basis.
- g. The seventh condition is that adequate remuneration should be given to the right holder. The commercial value of the approval should be taken into account while considering the remuneration for compulsory license.

³⁸ Ibid., 437.

- h. The eighth condition is that the assessment of grant and remuneration conclusions may be carried out by a court or may be undertaken as an “independent review” by a “distinct higher authority”.
- i. The ninth condition is that when a compulsory license is conferred based upon a judicial or administrative decision of anticompetitive practices, the otherwise appropriate requirement of previous negotiations, notice and bordering the license to predominant distribution of the domestic market does not administer.
- j. The last condition is that a compulsory license is awarded to allow the use of a second patented invention that relies on rights to exercise an existing patented invention. It wants that the second invention entail a significant technical advance of substantial economic significance, that the holder of the first patent be granted a cross-license on practical terms to use to the second patent and that the compulsory license not to be transferable except with consignment of the second patent.

2.5.2. Revocation of Patent Rights

The revocation of patent in the provisions of TRIPS is described in Article 32. It is elaborated as under:

“An opportunity for judicial review of any decision to revoke or forfeit a patent shall be available.”

An occasion for judicial evaluation of any conclusion to withdraw a “patent” shall be accessible. As per the draft of July 23, 1990, a patent may possibly not be revoked or forfeited (merely) on the basis of non-working specified in point may merely be revoked on grounds that it ceases to meet the conditions of points. Judicial review shall be accessible in the case of forfeiture of a patent where appropriate. A patent may be with drawn on the basis of public interest or where the terms for the grant of non-voluntary licenses are not fulfilled.³⁹

2.5.3. Infringement of Patent Rights

The provisions relating to infringement of patent in “TRIPS Agreement” are elaborated in Article 41 of TRIPS Agreement. This Article applies to judicial as well as to administrative procedures concerning to the implementation of IPRs. It describes the fundamental obligation with reference to the implementation procedures. The Members are forced to create procedures

³⁹ Ibid., 438.

that allow the successful actions against infringement. In determining whether a Members' enforcement procedures in fact permit successful action, a WTO panel or the "Appellate Body" would have to take into consideration that the usefulness of measures may be in various ways evaluated in various legal systems.⁴⁰

This Article necessitates the organization of two classes of remedies, expeditious remedies is kind of remedy which stops the infringements and other remedy which makes up a prevention to more infringement. A Member must be considered to afford expeditious preventive remedies if it accords with the obligations described in Articles 50 and 51 of TRIPS Agreement, and to fulfill with the obligation concerning to remedies which forms a prevention to additional infringements, if it offers for injunctions, damages and seizure to the degree commanded by the Agreement. The second sentence of the clause (i) also requires Members to make a start to evade abuse of enforcement procedures. Such abuse may equally establish barriers to lawful trade or inflict other burdens on the public or competitors.⁴¹

The other condition which is inflicted under this Article is that the procedure relating the enforcement of IPRs should be fair and equitable.⁴²

The principle of equality and equity imposes on all the parties concerned in enforcement procedures and not merely to the right holders.

The next condition under this Article is that verdicts on the merits of a case shall if possible be in writing and reasoned. Furthermore, these verdicts shall be made accessible at least to them "without undue delay".⁴³

Finally, it lays down that verdicts on the merits of a case be supported only on evidence with respect to which parties were tendered the opportunity to be heard.⁴⁴

It wants that the proceedings be made preventable for evaluate of final administrative decisions concerning to the enforcement of IPRs and such an evaluation be specially made by a "judicial Authority". This clause also directs the judicial review of "initial judicial decisions". There are

⁴⁰ Ibid., 440.

⁴¹ Ibid.

⁴² Ibid.

⁴³ Ibid., 442.

⁴⁴ Ibid., 580.

three essential feasible limitations to the right of appeal enshrined in this Article. Firstly, it must be conferred as a minimum in relation to “the legal aspects” of such verdicts, thereby reflecting the fact that in many jurisdictions appeals do not concentrate on findings of facts. Second, the right to appeal may be eliminated in cases of minor economic significance as also offered in many national laws, in relation to “jurisdictional provisions in a Member law. Finally, there shall be no obligation to afford an opportunity for review of a release in criminal cases.⁴⁵

The last paragraph of Article 41 of the TRIPS Agreement makes it clear that Members are not indebted to set up special court to deal with intellectual property issues, nor to allot particular finances to this area.⁴⁶

2.6. Procedure and Remedies

Civil and Administrative Procedures and Remedies

The essential obligation under Art.42 of the “TRIPS Agreement” is to make accessible civil procedures. This should not cause any difficulty to Members. It also points out different factors that such procedures must make available for;⁴⁷

Defendants shall have the right to write notice which is timely and includes adequate detail, including the significant facts of the claims. This obligation is proposed to afford the defendant an efficient occasion to present his case.⁴⁸

Parties shall be permitted to be pleaded by self-sufficient legal advisors. No immunity is afforded for this obligation, thus indicating that parties may be pleaded in all acts in judicial procedures by the legal advisor of their option.⁴⁹

Procedures shall not inflict “overly burdensome” obligations relating to obligatory personal appearances. The text which is employed in this provision points out that there is nothing

⁴⁵ Ibid., 582.

⁴⁶ Ibid., 585.

⁴⁷ Ibid., 582.

⁴⁸ Ibid.

⁴⁹ Ibid., 583.

erroneous with obligatory personal appearances even though they are burdensome. Only excessively burdensome pre and post-requisites are banned.⁵⁰

All parties shall be accordingly allowed to substantiate their claims and to present all related evidence. This provision applies to all types of civil and administrative procedures covering all the adoption of provisional measures.⁵¹

Finally, Article 42 of the TRIPS Agreement sets up that the procedures shall afford a means “to identify and to make secure confidential information, unless this would be opposite to existing constitutional requirements. This protection may apply, for example, when an expert is commissioned by the court to determine the damages arising from infringement.”⁵²

2.6.1. Injunctions

Article 44 of the TRIPS Agreement concerned to injunctions to be conferred when an infringement has been founded. It also pursues the “judicial authorities shall have the authority” formulation, in this case to order a party to refrain from an infringement.⁵³

This Article further states the particular case in which an injunction is essential to prevent the entry into the straits of commerce of imported goods that contains the infringement of any type of IPR, instantly after customs clearance of such goods.⁵⁴

A significant exception to the rule founded in Article 44.1 is that Members are not obliged to provide judges the authority to grant injunction with respect to protect subject matter acquired or ordered by an individual prior to knowing or having reasonable basis to know that dealing in such subject matter would involve the infringement of an IPR.⁵⁵ This means that where

⁵⁰ Ibid., 584.

⁵¹ Ibid.

⁵² See, Mireille Buydens, L'Accord ADPIC (TRIPS) et les dispositions destinees a assurer la mise en oeuvre effective des droits de propriete intellectuelle, IR DI, Mys & Breess ED., 1997, 9.

⁵³ Resource Book on TRIPS and Development, Cambridge University Press Cambridge, New York, Melbourne, Madrid Cape Town, Singapore, United States of America, 2005. 590-592.

⁵⁴ Ibid.

⁵⁵ The U.S. and EC original proposal did not contain this limitation. The Anell Draft as of July 23, 1990, read as follows: “1A. The judicial authorities shall have the authority to issue upon request an order that an infringement be refrained from or discontinued, irrespective of whether the defendant has acted with intent or negligence” (W/76).

infringement matter is naively acquired, Members are free to decline an injunction and permit the bona fide acquirer to exercise or further deal with the infringing subject matter.⁵⁶

Finally, Members have significant leeway to establish when the compensation would be deemed sufficient under Article 44.2 of the TRIPS Agreement. The compensation in this context is intended to compensate for the exploitation of the protected subject matter and not to compensate for the injury caused to the right holder, like in the case of damages. A payment corresponding to an equitable royalty as would be receivable under a freely negotiated contract would be “adequate” in this case. The compensation may also be founded on the recovery of costs.⁵⁷

2.6.2. Damages

The availability of damages and the amount of the grant varies under national laws. Oftenly, it is according to the type of intellectual property concerned. It inflicts damages as a mandatory remedy. It demands the judicial authorities to have the power to direct the infringer to pay the right holder sufficient damages to compensate for the injury that the right holder has experienced. Members may describe when compensation is to be believed “adequate”.⁵⁸

However, an infringer who did not know, or had no equitable grounds to know, that he employed in infringing activity is not demanded to pay damages, whatsoever the nature of his offence.⁵⁹

Article 45.2 of the TRIPS Agreement includes another “the judicial authorities shall also have the authority” form of provision. It demands Members to authorize the judges to order the infringer to pay the right holder expenditures, which may comprise of “appropriate” attorney’s fees. This obligation will be pleased if judges are authorized to inflict on the infringer the payment of expenditures made with respect to the judicial action, but are not obliged to contain attorney’s fees, which is an exceptional measure in various jurisdictions.⁶⁰

⁵⁶ According to Dratler, p. 1A-103, the exception operates like a “sort of compulsory license by refusing an injunction and remitting the claimant to a damage remedy”.

⁵⁷ Resource Book on TRIPS and Development, Cambridge University Press Cambridge, New York, Melbourne, Madrid Cape Town, Singapore, United States of America, 2005.592.

⁵⁸ Ibid., 592.

⁵⁹ Ibid.

⁶⁰ See, e.g., Gervais, p. 207.

Lastly, it also contains an additional optimal provision, according to which, unsuitable cases, Members may empower the judicial authorities to direct recovery of profits and/or payment of pre-established damages.⁶¹

2.6.3. Other Remedies

The measures that the authority may have the authority to take up “without compensation of any sort” to the infringer, include:⁶²

- a. To eradicate the infringing products from commercial distribution. Such a eradication would not apply, however if the commercialization did not become a reason to cause harm to the right holder;⁶³
- b. To demolish the infringing goods, unless this would be opposite to existing constitutional requirements. This is a reasonably strict sanction, since in the nonexistence of requirements describe in the constitution itself, demolition may be deemed mandatory and may lead to important economic waste and be generally debatable, particularly in developing countries;⁶⁴
- c. To deal with outside the channels of commerce substance and tools used in the creation of the infringing products. This measure would administer when the “predominant” exercise of such materials and implements was to establish infringing goods, and when disposition is essential “to reduce the risks of more infringements”;⁶⁵ and

Finally, this Article subjects the taking up of these measures to a proportionality test under which the significance of the infringement and the remedies ordered, as well as the benefits of third parties, require to be taken into consideration. This means that judicial authorities want to balance the interests at stake and at their discretions. They can use again the conferring of the measures explained in the first and second sentences of this Article. One of the considerations is that such authorities can narrate to the effects of the mandated remedies on third parties, for

⁶¹ Resource Book on TRIPS and Development, Cambridge University Press Cambridge, New York, Melbourne, Madrid Cape Town, Singapore, United States of America, 2005, 593.

⁶² Ibid., 595.

⁶³ Ibid.

⁶⁴ Ibid.

⁶⁵ Ibid.

example, distributors who may have asked to deliver the products and paid for the infringer's merchandise innocently that these were counterfeit products.⁶⁶

⁶⁶ Ibid.
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CHAPTER 3: CHARACTERISTICS OF PATENT ORDINANCE, 2000 OF PAKISTAN

3.1. Patentable Inventions

The word “Patentable invention” is not described in Sec. 2 of the PO, 2000, but there is an elaboration on it in Sec. 7, of the PO, 2000. Before going in detail, it is essential to define some other terminologies which are in either sense incidental or ancillary thereto.

3.1.1. What is an Invention?

The word “invention” has been defined in Sec. 2(i) the PO, 2000.⁶⁷ This is an exclusive definition. It has been made while taking into account the international standards on IPRs and especially of TRIPS Agreement and WIPO handbook provisions. Along with it, the provisions of “Paris Convention” has also been discussed.

“It was held by the Oudh High Court in a suit that no general rule can be laid down as to what does or does not constitute an invention. It is an invention if the process of manufacturing an article requires some ingenuity or inventive skill, novelty need only be established in the process of manufacturing, not in the article produced. A novel combination of two known ideas may be sufficient to establish novelty of subject matter. Invention means a manner of new manufacture”.⁶⁸

“It was held in Canadian General Electric Co. v. Fada Radio Ltd. that there must be a substantial exercise of the inventive power or inventive genius, though it may in cases be very slight. Slight alterations or improvements may produce important results, and may disclose great ingenuity”.⁶⁹

“In Pope Appliance Corporation v. Spanish River Public Paper Mills Ltd. it was held that there may be invention in what after all is a simplification. After all, invention is finding out something which has not been found out by other people. The quid to the patentee is the monopoly; the qua is that it presents to the public the knowledge which they have not got”.⁷⁰

⁶⁷ Sec. 2(i) the Patent Ordinance, 2000.

⁶⁸ AIR (Vol. 32) 1945 Oudh 6: 20 Luck 170: 1944 OWN 374: 1994 AWR CC 252.

⁶⁹ AIR 1930 P C. 1.

⁷⁰ AIR 1929 P C 38.

“Thus a new process or improvement of an old process may be an invention. It was held in by the Court while disposing of a case for infringement. (Lallubhai Chakubhai versus Chimanlal & Co. But there must be some novelty in the process or improvement. Ganendro Nath Banerji versus Dhanpal Das (3)”.⁷¹

“It was held by Delhi High Court that an invention is to find out or discovery something not found or discovered by any one before and it is not necessary that the invention should be anything complicated and the essential thing is that the inventor was the first one to adopt it and the principle therefore is that every simple invention that is claimed, so long as it is something novel or new, would be an invention and the claims and the specifications have to be read in that light and a new invention may consist of a new combination of all integers so as to produce a new or important result or may consist of altogether new integers and the claim for anticipation by the defendant has to be either by prior user or by prior publication”.⁷²

“In a patent case the court while deciding the issues held that an invention is not a property right unless it has been patented”.⁷³

3.1.1.1. Kinds of Invention

“The High Court of Delhi in a case of patent, defined the types of inventions as, the invention for which patent is claimed may be a product or an article or a process and in the case of an article the patent is in the end product or the article and in the case of a process the patent does not lie in the end product but only in the process by which it is arrived at”.⁷⁴

3.1.2. Who is an Inventor?

The term “inventor” has been described in Sec. 2(j) the PO, 2000, in a very thorough manner. It may contain all significant elements which the most probably contain in it. There is no elaboration on it from any court of competent jurisdiction.⁷⁵

A financing partner who has not contributed any part of his ingenuity or skill or technical knowledge towards the invention made by some of the partners of a partnership by their skill and labor cannot be treated as inventor, merely because he gave the finances for running the concern

⁷¹ AIR 1936 Bom. 99.

⁷² AIR 1978 Delhi 1: 1977 Rajdhani LR 440: ILR (1977)2 Delhi 412 (DB).

⁷³ 1974 All LJ 960: ILR (1974)2 All 430: AIR 1975 All 231 (233) (DB).

⁷⁴ AIR 1978 Delhi 1: 1977 Rajdhani LR 440: (1978) 10 lawyer 16 (DB).

⁷⁵ Sec. 2(j) the Patent Ordinance, 2000.

and carrying out the experiments out of which the invention is evolved. Nor can the firm of partnership be treated as the inventor. A firm cannot be said to have capacity to invent. It cannot be called an inventor although there may be no objection to its being registered as a patentee either on assignment by a patentee or jointly with the true and first inventor. A corporation cannot be the sole applicant claiming to be the inventor.⁷⁶

3.1.3. What is patentable invention?

Every invention is not patentable apart from those which are patentable and discussed in Sec. 7 of the PO, 2000.

- a. The only invention is patentable if it is “new”, “involve an inventive step” and “capable of industrial application”.
- b. Certain articles are not treated to be an invention for granting a patent. These may be a discovery of any nature, “any scientific theory”, or “any mathematical method”, “any literary”, “dramatic”, “musical or artistic work” or “any other creation of purely aesthetic character” whatsoever it is, “a scheme, rule or method for performing a mental act, playing a game or doing business, the presentation of information” and the substance that subsist in nature or if isolated there from. The reason for their inability is the lack of novelty of all or any of them, novelty, inventive step and industrial application.

Along with these, if an invention though it is patentable but the patent cannot be granted on it. It includes any invention whose commercial exploitation is prohibited on the following grounds:

- a. “To protect the order public”; “Morality”; “to protect human”, “animal or plant life or health”; and “to avoid serious prejudice to the environment”; and
- b. But, it must be noted that such keeping out is not prepared simply as the exploitation of the patent rights is prohibited by any law currently applicable.

A patent shall also not be conferred for plants and animal and process for product of plants and animals because animal and plant remains in nature. Identification of plants and animals though that may be new for the world but do not contain any invention. As, they are abiding in nature and that would only amounts to discovery. However, micro-organism and micro-biological processes are patentable but subject to meet “the criteria of patentability”, such as, “novelty”,

⁷⁶ ILR (1958) Mys 357: 37 Mys LJ 621: AIR 1960 Mys 173 (175) (Pt B) (Prs 4, 5) (DB).
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“inventive step and industrial application”. Furthermore, the patent shall also not be awarded for invention relating to “diagnostic, therapeutic and surgical methods for the treatment of human and animal”.

The patent shall also not be allowed if the invention relating to a new or successive use of a recognized product or process.

Most of the chemicals and pharmaceutical raw material have more than one physical appearance, for example, crystalline form, amorphous form with different size and structure which have no different medical use. Therefore, on the basis of physical appearance of a product is not patentable, just to avoid ever-greening of patent.⁷⁷

3.1.4. Novelty

For determining, if an invention shall be deemed to be a novel if it is not the part and parcel of the “state of art”. The “state of art” means and includes everything exposed to the public wherever in the world, by publication in corporeal form or by verbal disclosure, by exercise or in any other way, before the filing or, where suitable, the priority date, of the application claiming the invention or customarily urbanized or abiding knowledge accessible or in ownership of a confined or aboriginal group of people. The papers on which the patentee has asserted priority also incorporate in the state of art.

There is an exemption to this common rule. The exemption is that the revelation of a “patentable invention” regarding to products shall not make up “state of art” if that article is exposed at an official or officially made out international exhibition within a year earlier the date of submitting of an application for award of patent. The Controller of patent may afterward required for documentary proof of evidence as s/he believed necessary for the identity of the article exhibited. Furthermore, it can also confirm the date of its introduction into the exhibition.⁷⁸

“The Bombay High Court in a patent case held that “the two features necessary to the validity of a patent are novelty and utility; but the real test is the novelty of the invention. Novelty is essential, for otherwise there would be no benefit given to the public and consequently no consideration moving from the patentee. There must be an absence of prior publication or of

⁷⁷ Sec. 7 the Patent Ordinance, 2000.

⁷⁸ Section 8. Novelty, *ibid.*

prior public user; and if the use is secret or experimental, the profits made by the inventor from his invention must not be excessive".⁷⁹

3.1.5. Inventive Step

For ascertaining the inventive step of a product or process, it is necessary that it shall not be in the information of persons who are skilled in the art relating to that product or process prior to the application has been filed for the grant of patent.⁸⁰

3.1.6. Industrial application

For ascertaining the industrial application of patented products, it is essential that it is capable of being produced or industrial used or otherwise.⁸¹

3.2. Parts of a Patent Application

There are four major parts of patent. These are;

- a. Invention
- b. Inventor
- c. Specification
- d. Claims

As far the invention and inventor is concerned, they are discussed above with complimentary details. The specification and the claims are discussed as under.

3.2.1. Specification

The specification is a document in which the inventor specifies, describes, illustrates, and discloses the invention in so much detail that an experienced person could understand and use that invention.⁸²

"It is the duty of a patentee to state clearly and distinctly, either in direct words or by clear and distinct reference, the nature and limits of what he claims. If he uses language which, when fairly read, is avoidably obscure or ambiguous, the Patent is invalid whether the defect be due to design, or to carelessness or to want of skill. Where the invention is difficult to explain, due

⁷⁹ AIR (Vol. 23) 1936 Bom 99: 37 Bom LR 665: 60 B 261: 161 Ind Cas 393 (2).

⁸⁰ Section 9. Inventive step of the Patent Ordinance, 2000.

⁸¹ Section 10. Industrial application, *ibid.*

⁸² <http://inventors.about.com/od/definations/g/specification.htm>.

allowance will, of course, be made for any resulting difficulty in the language. But nothing can excuse the use of ambiguous language when simple language can easily be employed, and the only safe way is for the patentee to do his best to be clear and intelligible".⁸³

"In *Lakshpat Rai and others-Plaintiffs-Appellants V. Sri Kishan Das and others-Defendants-Respondents*, it is held by the Allahabad High Court that, "the specification must be read as a whole and the claim interpreted by the body of the specification".⁸⁴

"A specification must be construed impartially, and the Court is generally slow to continue it against the patentee. But the construction must not only be a benevolent but a reasonable one".⁸⁵

3.2.2. Contents of Specification

Each "specification" whether it is "complete or provisional" shall start with a title, signed (where it is submitted by the applicant or an agent, the applicant himself or the agent), and dated at the end of the application. It is essential that a drawing (the drawing shall be made under the provisions of the Rule 11 of the PR, 2003) of the invention shall be submitted with the specification (complete or provisional) and may be considered the forming part of the application.

Where the specification is constructed for "chemical product", only one "specification" shall be made for one "chemical product", "explaining the physical, chemical, pharmacological and pharmaceutical properties". Furthermore, its exercise in the particular field and impact on environment shall also be written.

Where the specification is constructed for "a biological material", the "specification" shall express "the place of origin" and foundation of such "biological material". It shall also explain the fulfillment of pertinent appropriate rules on access, export and use of that material.

Specifically, for complete specification, the applicant has to define the invention completely and particularly the method in which it is to be functioned. The claims (the claim shall be connected with one invention, be clear and concise, reasonably supported on the matter revealed in the invention) for which the applicant desires protection shall be written at the last of the application.

⁸³ *Minerals Separation North American Corporation V. Noranda Mines, Limited*, PLD 1952 Privy Council 53.

⁸⁴ AIR 1918 Allahabad 24.

⁸⁵ AIR (Vol. 23) 1936 Bom 99: 37 Bom LR 665: 60 Bom 261: 161 Ind Cas 393(2).

The “complete specification” shall be accompanied by an abstract (the abstract shall be made under the provisions of Rule 10 of the PR, 2003) which explained the technical information. The Controller of Patent ultimately determines whether it accomplishes the object or not.⁸⁶

3.2.3. Claim

The claim is usually constructed in a number of paragraphs and numbered serially. The primary claim is the focal claim which can be drafted as wide as feasible. The ancillary claims cite to the main claim and comprise of qualifying or explanatory clauses on the various figures of the main claim or optional features. They may also involve in independent claim. Although the claim clauses comprises of a number of claims, the total number of the claims must be connected with one invention only. It should be kept in mind that a claim is a statement of technical facts stated in legal terms defining the extent of the invention sought to be promoted.⁸⁷

For claims (chemical products proposed to be used in medicine or agricultural) shall be structurally defined and shall relate to a single “chemical product”. For “biological products” and “product by process”, the claims shall be prepared and protection shall be restricted to the product attained with the only claim process.

“It is well settled that where the scope of a claim includes some method which is useless the claim cannot be saved by showing that no skilled person would ever try to use that method”.⁸⁸

3.2.4. Objects of the Claim

The object of the claim clause is to encircle the invention. There is a famous case in which it is described that “the delimitation of the invention, and full practical directions how to use it are in their nature almost antagonistic. As it is the duty of the inventor to give the fullest practical information to the public he is bound to put in. If, for instance the invention is a process, quantities and times which are the best he knows”.⁸⁹

⁸⁶ Section 15. Contents of specification of the Patent Ordinance, 2000.

⁸⁷ P. Narayanan, *Patent Law*, Estern Law House, Pvt, 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, 82.

⁸⁸ Minerals Sepatation North American Corporation versus Noranda Mines, Limited (PLD 1952 Privacy Council 53).

⁸⁹ British United Shoe Machinery Co. Ltd. versus Fussell & Sons Ltd., (1908) 25 RPC 631 at 650 (CA).
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3.3. Patent office and Powers of Controller

3.3.1. Patent Office

There is Patent Office which has established for the sake of administers the different functions of the PO, 2000, by the Federal Government and Controlled by the Controller of Patent under the provisions of PO, 2000. There may also be a seal of the Patent Office and impression of the seal shall be judicially noticed.⁹⁰

3.3.2. Power of Controller

The Controller of patent has definite powers under the provisions of the PO, 2000. The powers and procedure in which these are exercised are discussed below.

3.3.2.1. Controller to have Certain Power of a Civil Court

The Controller has given the power to summon and make sure the presence of any person and inspects him on oath or obtain evidence on an affidavit, call for the finding and bringing any concerned document, issuing commissions for the examination of witnesses or documents and award costs in any proceedings before him/her under the PO, 2000. He shall have the privilege to use the powers of a civil court as it tries a suit under the CPC, 1908 (Act V of 1908).⁹¹

3.3.2.2. Power of Controller to Correct Clerical Errors

The Controller is empowered with the authority to accurate any clerical error in any “patent”, any “specification”, other document submitted relating to such application, or in any application for a patent, and also any secretarial mistake in any substance which is written in the Register. The rectification shall be made upon a written demand by the concerned party. The Controller shall make cause to issue notice to the patentee, the applicant for the patent and any other person interested and afford them an opportunity of being heard.⁹²

3.3.2.3. Evidence before Controller

In any proceedings under the PO, 2002, in front of the Controller, evidence shall be submitted through an affidavit or orally if the Controller deems appropriate. The Controller shall also allow the other party to cross-examine on the contents of the affidavit.⁹³

⁹⁰ Section 4 Patent Office of the Patent Ordinance, 2000.

⁹¹ Section 50. Controller to have certain power of a civil court, *ibid*.

⁹² Section 51. Power of Controller to correct clerical errors, *ibid*.

⁹³ Section 52. Evidence before Controller, *ibid*.

3.3.2.4. Exercise of discretionary powers by Controller

The Controller is empowered with the discretion to attend to any such party to the proceedings, to afford any such party a chance of being heard, to offer any applicant for a patent or for amendment of a specification an opportunity of being heard prior to passing an order without prejudice to any provision of the PO, 2000.⁹⁴

3.4. How to Obtain a Patent

3.4.1. The Applicant

The applicant is a person⁹⁵ who is under the PO, 2000, can apply for patent.

3.4.2. Persons Entitled to Make an Application for Patent

The persons who are permitted to submit an application of patent are the “true and the first inventor” or “inventors of the invention”, his “assignee”, “successor-in-interest and the legal representative” of any deceased person who right away prior to his death was enabled to submit that application.⁹⁶

3.4.3. Application for Patent

An application for patent shall be constructed in writing, hold the full name, address and nationality of the applicant or applicants, the name of the invention, the inventor, the type of the specification (complete or provisional), number of sheets of the description, claim(s), abstract, and drawing, address for service in Pakistan and name, designation and address of the signatory in case of Agent (the last communication). It shall be filed in the Patent Office with an assertion that the applicant is in custody of the invention. The significant for application is that only one application is used for only one invention. The applicant may take out the application by submitting a request to the Controller.⁹⁷

3.4.4. Examination of Application

For ascertaining the invention is true and a new one, the Controller shall pass on the application which has attained the status of the complete specification to examiner. The examiner shall inform the Controller through a report after detailed examination of the “letter of application”,

⁹⁴ Section 53. Exercise of discretionary powers by Controller of the Patent Ordinance, 2000.

⁹⁵ Section 2(p) *ibid* (The word “person” includes any natural or judicial person and includes any association or body of individuals, whether incorporated or not).

⁹⁶ Section 11. Persons entitled to make an application for patent, *ibid*.

⁹⁷ Section 13. Application for patent, *ibid*.

“specification”, “claims and drawings” and the compliance of other provisions of the PO, 2000, and PR, 2003. The examiner shall complete the report as soon as feasible and convey it to the Controller. The utmost time limit for reporting is a period of one year and six months from the date of furnishing an application in Pakistan. The examination conducted by the examiner or the Controller is not the assurance of the validity of any patent.

3.4.5. Acceptance of Complete Specification

The Controller shall make a cause to give notice to the applicant for the approval of a “complete specification” and publish it in the official Gazette to the point that specification has been admitted. The application, specification and all other documents shall be furnished for public examination after the acceptance of a “complete specification”.⁹⁸

3.4.6. Publication Restriction on Certain Specifications

The matter which is very significant in the publication of specification is that every acceptance of “a complete specification” is not advertized in the official Gazette. Whenever an application has been submitted with the Controller for the award of a patent and it comes to his knowledge that the invention is one of the categories notified to detrimental to the defence of Pakistan, the Controller may forbid the publication of such specification.⁹⁹

3.4.7. Effect of Acceptance of Complete Specification

Once an application for award of patent is accepted and sealed by the seal of the patent office, the applicant shall be entitled to all the privileges which have been enjoyed by a patent holder. Furthermore, where the allowable time to seal the patent has been elapsed and the patent has not been sealed, in that case according to the provision of this Ordinance the applicant shall have all the privileges which a patentee of a sealed application has been availing. The significant is that the applicant has not been able to sue the infringer for infringement unless the application has been sealed.¹⁰⁰

3.4.8. Opposition to the Grant of Patent

When a patent has been granted and the act of awarding the patent is detrimental for any person. In that matter, the opposition for an awarded patent has been submitted by any interested person after a period four months from the date of publication of the acceptance of a complete

⁹⁸ Section 21. Acceptance of complete specification, *ibid*.

⁹⁹ Section 25. Information prejudicial to defence of Pakistan or safety of public, *ibid*.

¹⁰⁰ Section 22. Effect of acceptance of complete specification, *ibid*.

specification under the PO, 2000. The grounds upon which an application can be filed are: the applicant for the invention has attained the invention or any part thereof from him¹⁰¹; the invention is not patentable; the invention is not disclosed in an obvious and absolute manner; the claims are not vivid or beyond the extent of the disclosures; and the “complete specification” defines the claims an invention other than illustrated in the provincial specification.

The Controller shall cause to send a notice of the opposition to the applicant of the invention and afford him a chance of being heard formerly making an order on the opposed application.¹⁰²

3.4.9. Grant and Sealing of Patent

When an application for the grant of a patent approved an before granting a patent it will be sealed with the seal of the Patent Office and the date on which the patent is sealed shall be entered in the Register.

In the case of patents of addition, the sealing of a patent shall be made not later than the ending of six months from the date of the publication of the complete specification.

The period for submitting the request to seal a patent may be expanded by the Controller by six months if the application is filed and the given fee deposited within the expanded period.¹⁰³

3.4.10. Rights Conferred by Patent

The owner of a legitimate patent shall have the rights, such as, where the invention is a “product”, the holder of a legitimate patent may debar third parties from prohibited “acts of making, using, offering for sale, selling, and importing” and where the subject matter is a process, the owner of legitimate patent may debar third parties from unlawful “acts of using, offering for sale, selling, and importing”. The owner of legitimate patent shall also have the right to “assign”, “transfer by succession”, to conclude licensing contracts and to seek court proceedings against any person who infringes the patent by doing any action mentioned supra.

The above mentioned rights are not extend to acts in compulsory licenses; the use of articles on “an aircraft, land vehicles or vessels of other countries which temporarily or accidentally enter the airspace, territory or waters of Pakistan; acts done only for experimental purposes; acts

¹⁰¹ The word “applicant” includes legal representative, assignee, agent or attorney.

¹⁰² Section 23.Opposition to the grant of patent, *ibid*.

¹⁰³ Section 27.Grant and sealing of patent, *ibid*.

performed by any person who in good faith was using the invention or was making effective and serious preparations for such use; acts, including tests, necessary for the approval of a product for its commercialization after the expiration of the patent; and acts done for teaching purpose in educational or research institutions”.¹⁰⁴

3.4.11. Term of Patent

The term of a patent under the PO, 2000, shall be for twenty years from the filing date.¹⁰⁵

3.5. Patents of Addition

3.5.1. Patents of Addition

The Controller may award a “patents of addition” upon a letter of application where the applicant has innovated any improvement in or alteration of an invention. A “patent of addition” shall not be awarded as a “patent of addition” unless the date of filing of the “complete specification” was the same as or later than the date of filing of the “complete specification” with respect to the main invention. A patent of addition shall not be sealed before the sealing of the patent for the main invention.¹⁰⁶

3.5.2. Term of Patents of Addition

A “patents of addition” shall be awarded for a period tantamount to that of the patent for the main invention, or so much thereof as is unexpired, and shall continue effective under the duration of such term and no longer.¹⁰⁷

3.5.3. Patents of Addition not to be Refused

The award of “patents of addition” shall not be declined, and a patent awarded as a “patents of addition” shall not be rescinded or made ineffective on the reason merely that the invention claimed in the “complete specification” does not include any “inventive step” having respect to any advertisement.¹⁰⁸

¹⁰⁴ Section 30. Rights conferred by patent, *ibid.*

¹⁰⁵ Section 31. Term of patent, *ibid.*

¹⁰⁶ Section39. Patents of addition, *ibid.*

¹⁰⁷ Section 40. Term of patents of addition, *ibid.*

¹⁰⁸ Section 41. Patent of addition not to be refused, etc., *ibid.*

CHAPTER 4: COMMERCIAL EXPLOITATION OF PATENT RIGHTS

4.1. Overview of Exploitation

The term exploitation is not defined in any Patent Law of the world even in WIPO conventions or treaties and TRIPS. It is not a new term. Its origin is as old as the origin of human being or as the Universe. The term “exploitation” is defined on Wikipedia under the same, the gist of the research is an under;

The term "**exploitation**" may carry two distinct meanings:

- I. “The act of utilizing something for any purpose. In this case, *exploit* is a synonym for “Use””.
- II. “The act of utilizing something in an unjust or (unlawful) manner.”¹⁰⁹

A patent gives to its holder (the assignee, licensee) the absolute rights to ‘exploit’ the invention during its life, and ‘exploit’ is described to contain commercial activities like making, using, hiring, selling and importing.

“A patent is a statutory grant conferring certain monopoly rights on the grantee for a defined period, subject to certain conditions. In some respect it may be considered as a species of property. A patent grant gives the patentee the exclusive right to make or use the patented article or use the patented process. As a consequence flowing from this he can prevent all others from making or using the patented article or process. A patent monopoly not only entitles the holder to exploit the invention without competition during the period of patent protection but also enables him to enter the market, on the expiry of the monopoly in a strong position”.¹¹⁰

The exploitation of patent rights generally done in two ways; one is legal/lawful and the other is illegal/unlawful. The “act of making, using, selling, or offering for sale” with the permission and assent of the holder of the patent or its holder is called **legal exploitation or normal exploitation**. If the same act is done for the purpose of earning money, it is called **commercial exploitation**.

¹⁰⁹ <http://en.wikipedia.org/wiki/Exploitation> last visited 03-04-2009.

¹¹⁰ American Cyanamid versus Ethicon (1975) AC 396 at 410 quoted and followed in Monsanto versus Stauffer (NZ) 1984 FSR at 570.

exploitation. The act of making, using, selling or offer for sale without the permission of the holder of patent, it is called **illegal/unlawful exploitation** of patent invention, which amounts to infringement.

“Make, use, exercise or sell the invention”, apprehended the methods of exploitation suitable to all modes of production. The substance of the patent if a good it can be produced, if a process it can be exercised, if a working device it can be used to protect the secured result, and each time there is a final good, that can be traded.¹¹¹

4.2. Exploitation of Patented Invention

The “act of making, using, selling, offer for sale and importing” the patented goods is called exploitation of patented invention. The manners in which the act is performed are described in detail below.

4.2.1. Manners of Exploitation

There are three manners of exploitation of the patented invention. These are as under;

- a. Exploitation by the Government
- b. Exploitation by the Patent Holder
- c. Exploitation by the other means

4.2.2. Exploitation by Government

A patent has the similar consequence against the Government as against any other person. It is, however, subject to the right of the Government to exercise the patented invention in described circumstances. In many cases the exercise of the rights attached to patent can be made without payment of any royalty or compensation, while in others the exercise is subject to payment of royalty as may be agreed upon or as ascertained by the “High Court”. The power of the Government to exploit patents relating to medicine or drug is very wide. It includes the right to make, exercise and vend the invention and also to import and sell the patented articles.¹¹² A purchaser of such products has the similar rights as if the products were purchased from the patentee himself.

¹¹¹ Pfizer Corporation versus ministry of Health (1963) RPC 173 at 175.

¹¹² P. Narayanan, *Patent Law*, Estern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, nd., 210.

The Government has the absolute authority to exploit the patented invention in the result of **Extreme Emergency**, where, it comes in front of the Government that the situations exist in which manufacturing companies are unable to fulfill the needs of the patented articles and it is the state in which it is compulsory to grant the license to other manufacturing companies to exploit it and fulfill the needs, then the Government permits to use the patented rights. It is also happened in certain cases, such as, **in case of “Urgency, extreme emergency and Public Non-commercial Use”**. It is enhanced in The PO, 2000,¹¹³ as the “public interest, in particular, national security, nutrition, health or the development of other vital sectors of the national economy” so necessitates.¹¹⁴

4.2.3. Terms for Use of Invention

The terms and conditions upon which the exercise of the invention may be manufactured for the function of Government may be settled between the Federal Government, or any person authorized by it, and the patentee. If the terms and conditions could not be agreed upon, then it will be ascertained by the High Court on a reference made.¹¹⁵

4.2.4. Patentee to be notified of the Use

When an invention has been exploited under the command and administration of the Federal Government for the functions of Government in that case it should inform the patent holder immediately when it is feasible of the fact and afford him with dossier as to the degree of utilize from time to time as it may reasonably necessitate. In a situation when a subject matter of an invention would have been exercised under the directly command of the Government, the concerning authority of the Federal Government may call for getting the information requisite for this purpose from such undertaking.¹¹⁶

4.2.5. Payment of Royalty

Compensation for the procurement of patent rights will be paid to the persons interested in the invention or patentee, the amount of which being ascertained either by an agreement or by a reference to the High Court. In determining the amount of compensation the High Court will take into consideration:

¹¹³ Subsection (i) of Section 58, The Patent Ordinance, 2000.

¹¹⁴ <http://www.anguilla-attorney.com/intprop.php?>

¹¹⁵ P. Narayanan, *Patent Law*, Estern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, nd., 255.

¹¹⁶ *Ibid.*, 210.

The expenses aroused in connection with the invention; the terms and conditions under which, the time duration for the exercised of the patentable subject matter; the mode and ways through which the patentable subject matter has been exercised; the earnings made during that time period, by the patentee or by his licensee; and other relevant factors.¹¹⁷

4.2.6. Dispute between the Government and Patentee

In a case in which a dispute with regard to any matter between the Government and the patentee whether on compensation or on use of invention or any term of the agreement, the matter will be passed on to the High Court by the act of either member of the dispute.¹¹⁸

4.2.7. Anti-Monopoly

It is a state in which one or more producers or distributors enrolled in the market and established a monopoly there. This state can be established by various ways especially by increasing the prices of the patented products or by lessening the supply of the patent products. In this situation, it is an illegal exploitation of the customers.

To overcome this situation the government can issue compulsory license. For issuing the compulsory license, the government has no need to get the consent of the patent holder. The government in nationally level issues the compulsory and in internationally level issues the parallel import.¹¹⁹

4.2.8. Royalty

Generally, in compulsory license the government set an amount of royalty for the patent holder but in case of anti-monopoly situation there is no royalty. The licenses are issued on free of cost basis.

4.2.9. Compulsory Licensing

The Federal Government may with or without consulting the patent holder award the compulsory license. It is necessary for awarding a compulsory license that the following circumstances exist at the time of awarding compulsory license. These are:

- a. "the public interest, especially, national security, nutrition, health or the development of other focal sectors of the national economy;

¹¹⁷ Ibid., 256.

¹¹⁸ Ibid.

¹¹⁹ Subsection 1(ii) of Section 58, The Patent Ordinance, 2000.

- b. the Federal Government considers that the manners of exploitation is contrary to the actual;
- c. the patent holder declines to grant a license to a third party on equitable commercial terms and conditions; and
- d. where the exercise of a patent rights is not in a manner which offers to the promotion of technological innovation and transfer and dissemination of technology”.

The use of the compulsory license shall be for the particular purpose for which it was granted. The equitable remuneration shall be paid to the patent holder.

The authorization shall be suspended if the patent holder affords sufficient grounds for its discontinuation and assumes the abiding of the provision of the legislation which is for the time being in force.

The provisions of section 59 of PO, 2000, shall not relate in the following circumstances,

- a. “national emergency or other circumstantial urgency provided that in such cases the owner of the patent shall be informed of the decision of the Federal Government as soon as reasonably practicable;
- b. public non-commercial use; and
- c. Anti-competitive practices determined as such by a judicial or administrative body”.¹²⁰

4.2.10. Procedure for Granting Compulsory License

The procedure for awarding a compulsory license is that the interested person firstly made a negotiation with patent holder on equitable terms and condition. For doing this, firstly he/she send a notice to the patent holder in which he/she discloses his/her intention of taking the patent rights by license. If, after passing a reasonable time he/she does not get any reply, or the negotiations between them could not bring any fruit then he/she recourses to the Controller for getting compulsory license.

In getting a compulsory license, the interested person must satisfy the authority that there are reasonable basis on which a compulsory license can be awarded. Here the reasonable grounds

¹²⁰ Section 59, The Patent Ordinance, 2000.
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include a prima facie case. For proving a prima facie case, the grounds such as, high prices of patented articles, lack of supply, public non-commercial use (for government), urgency and extreme emergency and non-exploitation of the patent right, that is, when it is arose when an inventor has got the patent on his/her invention, neither he/she himself or herself is not exploiting the patented goods nor giving permission to others to exploit the invention.

Before issuing the compulsory license, the authority has in considering the nature of the case, may hear the patent holder. After considering the case by the authority, it issues the compulsory license.

4.2.11. Royalty in Compulsory License

The royalty in compulsory license shall be determined by the patent holder and the authority after taking into consideration, the nature of the patented invention, the financial condition of the parties, the nature of the business, the scale of supply and demand. In Pakistan it is three percent on the supply of patented goods.¹²¹

4.2.12. Parallel Import

From the perspective of developing countries, it is ambiguous whether parallel trading causes net advantages to the economy or not. Various interrelated effects come into consideration. From the viewpoint of a develop country consumer, numerous analysts have discussed that parallel trading enhanced competition and decreases the prices. Accordingly, parallel import could depart potential price increases connected with the introduction of IPRs protection. At the same time, however, parallel trading of universally adopted, encircles the ability of intellectual owners to ascertain the prices across countries or regions. To the scope that process previously tend to be the lowest in low-earnings countries will encircled purchasing power, the danger of parallel trading may actual lend patent holders to increases prices in developing countries or not to assist a particular market so as to protect higher prices in developed countries.¹²²

¹²¹ Section 59, *ibid.*

¹²² Frederick Abbott, Thosmas Cottier & Francis Gurry, *The International Intellectual Property System: Commentary and Materials*, Kluwer Law International, P.O. Box 85889, 2508 CN The Hague, The Netherlands, 1999, 1856

Unfortunately, no empirical evidence presents to document price movement in developing countries in relating to parallel trading.¹²³The royalty in parallel import shall be determined by the Federal Government.

4.3. Exploitation by Patent Holder

A patent is recognized as a kind of property and can be transmitted from the true patentee to any other person “by assignment or by operation of law”. Property in a patent is absolutely a formation of the statute. There is no such concept as a common law property in a patent as in the case of a trademark. The rules of convey of a patent are therefore determined by statute.

What the patent grants upon the patentee is not only the right “to make, use, exercise, or sell” the patented article, however, the absolute rights to do so. Thus the patent offers the holder the right to stop others from “making, using, exercising or selling” the invention without his previous consent. Therefore, there are, two ways in which he can manage the patent rights: he can transfer to another person the complete or part of his right to stop others from “making, using, exercising, or selling” the subject matter of the patent; or he can deprive himself of the exclusive right to exercise those rights or part of them against particular persons. The first is an assignment and the second a license. The patentee may affect a transfer of his rights partly by assignment and partly by license to the same person.

4.4. By Licensing

“A patentee may allow others to make, sell, use, import or exercise the invention which would otherwise be illegal for them to do by a licence”.¹²⁴

“In an implied licence the permission is not given in express terms but is implied from the circumstances. Implied licences usually arise in connection with the purchase of patented articles sold with or without restrictions. Thus where a person buys a patented article, either within

¹²³ Ibid.

¹²⁴ Heap versus Hartley (1889)6 RPC 495 at 500, 501.
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jurisdiction or abroad, either directly or indirectly from the patentee or his licensees, there is an implied licence to use the article in any way and to resell it”.¹²⁵

“A license is not valid unless it is in writing and an application for registration of the document embodying the terms of license is filed with the Controller”.¹²⁶

4.4.1. Revocation of License

The principles governing revocation of patent licences would appear to be the same as those applicable to revocation of licenses in general. Usually in licenses relating to use of patents terms are inserted in the license deed or agreement specifying the circumstances in which the license can be terminated by either party.¹²⁷

A license, if a “mere license”, is revocable at will, but that a license coupled with an interest is not so revocable. Where the license is not revocable at will it would be liable to forfeiture and would be determinable on proof of breaches of the terms and conditions thereof.¹²⁸

Whether a license is revocable or irrevocable depends upon the construction of the license agreement.

Thus, where the deed of lease was a grant of a right to use the patent coupled with obligations both on the grantor and the grantee and there was no express provision for revocation by the grantor although there was a provision for revocation by the grantee, it was held on the construction of the deed that the grantor had no power to revoke the license.¹²⁹

The license is also revoked when the license holder is not able to manufacture the goods according to the requirement of the license. It is happened when a license holder, by an agreement to produce a certain amount of the patented invention but fails and the royalty is being set on the production and selling of the patented invention. Here, the patent holder has to face the loss.

¹²⁵ Betts versus Willmott LR 6 ch 239, referred to in National Phonograph Co. of Australia Ltd. versus Menck (1911)28 RPC 229 at 246.

¹²⁶ Ibid., 275.

¹²⁷ Ward versus Livesey (1888)5 RPC 102 at 106, following Wood versus Leadbitter 13 Mee & W. 383.

¹²⁸ Ibid.

¹²⁹ Guyot V. Thomson (1894) 11 RPC 541 at 554.

4.4.2. Termination of License

The right to terminate the license is dependent upon the terms and conditions of the contract. Where the terms and conditions are silent then the construction of the license agreement will decide by the court.

4.5. By Transferring

The transfer of patent rights is made by two ways,

- a. By operation of Law
- b. By Act of the Parties

4.5.1. By Operation of Law

Transfer of a patent by operation of law occurs when the patentee dies or becomes bankrupt, or, in the case of a company, is dissolved. On the death of the patentee his interest in the patent passes to his legal representative in the same manner as any other form of property. In the case of bankruptcy or dissolution of a company, devolution of property in the patent takes place in the same manner as in any other property.

The patent rights are exercised by the act of the parties. By the acts of parties include, **Sale, Pledge, Mortgage, etc.** A mortgage is a deed alienating the rights attached to the patent, absolutely or partially, to the mortgagee keeping in view to preserve the payment of an amount of money. On reimbursement of the amount, the mortgagor has entitled to have the patent retransferred to him. A mortgagee is not permitted to register his name in the register as the owner. But he may have notice of his interest in the patent as mortgagee entered on the register.

4.5.2. By Act of the Parties

4.5.2.1. By Assigning

The term "assignment" is not defined in detail in the Ordinance. In Patent Law the term means an act of the patentee by which the rights attached to the patent are absolutely or partially conveyed to the assignee who acquires the right to prevent others from "making, using, exercising or vending" the invention. The patentee may assign the whole or any share of the patent.¹³⁰

¹³⁰ P. Narayanan, *Patent Law*, Eastern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, nd., 219.
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“In Hiralal Banjara-Applicant. V. Bashiram Sharma and others-Respondent, it is plain from these provisions that until an assignee has had himself entered on the register, he is incapable of protecting the patent assigned to him by legal proceedings for infringement or of assigning it or granting license to it. Until registration these powers, subject to equities, remain vested in the assignor as long as he remains on the register. The assignor however loses these powers as soon as the assignee himself has registered as the proprietor”.¹³¹

4.5.2.2. Legal Assignment

“An assignment of (or an agreement to assign) an existing patent by deed is a legal assignment. A legal assignee is entitled to have his name entered in the register of patents as the proprietor of the patent and can thereafter exercise all the rights of the proprietor of a patent”.¹³²

4.5.2.3. Validity of Assignment

For the validity of an assignment, it is essential that the document of assignment must be registered. The purpose of the registration of the document is to enforce the rights and obligations of the assignee and assignor. The effect of an unregistered assignment is not clear. It becomes ambiguous. An agreement to assign an invention by an applicant for a patent during the pendency of his application or an assignment of the right to apply for patent does not amount to assignment of any patent which he might obtain by virtue of his invention.¹³³

4.5.2.4. Equitable Assignment

An assignment of the patent rights before the grant of the patent is an equitable assignment, which gives the assignee the right to call upon the patentee when the patent is granted to assign that patent to the assignee. Any document agreeing to transfer a patent or a share of a patent is an instrument of equitable assignment.¹³⁴

An “equitable assignment” cannot get his name registered in the register until he obtains a legal assignment. He can, however, sue the assignor to compel him to execute a legal assignment. An

¹³¹ AIR 1940 Calcutta 474.

¹³² Stewart versus Casey (1892)9 RPC 9 at 13.

¹³³ P. Narayanan, *Patent Law*, Eastern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, nd., 222.

¹³⁴ Stewart versus Casey (1892)9 RPC 9 at 14.

equitable assignment does not alter the proprietorship, but it affects it, because it gives a man a right in equity to have it altered at law.¹³⁵

4.6. Exploitation by Other Means¹³⁶ or Exception to Infringement

Anyone can work on an invalid patent. For valid patents, fairly liberal exemptions are, as for copyrights, allowed by International Law. These are some exceptions to the general rule. For doing exploitation by these manners, it is essential to get the consent of the owner of the patent holder.¹³⁷

4.6.1. Experiment and Research by Private Organization

A major purpose of the patent law is to disclose technology for others to experiment with and build on, perhaps even themselves obtaining patents for advances in the art. Any use, manufacture, construction, “solely” for experiments that “relate to the subject-matter of the patent” may be permitted. A product may be made or a process may be used on a small scale if the defendant’s purpose is to evaluate whether or how the invention works. Acts beyond that, however, infringement.¹³⁸

4.6.2. Government Product Approval

Many products (for example, medicine, chemicals and explosives) cannot be made or sold without prior government approval for public safety or health reasons. It may be helpful or even necessary to use something patented to develop and submit information to solicit approval. The Ordinance allows a patent to be employed for uses reasonably related to these purposes. The approval may be needed by Federal or Foreign Law (for export) and can relate to any product, not just the one the patent is used for.¹³⁹

4.6.3. Private Non-Commercial Use

Acts “done privately” either “on a non-commercial scale” or “for a non-commercial purpose” are apparently allowed. This reflects a common law exemption, dating back to the nineteenth

¹³⁵ Ibid.

¹³⁶ William Cornish and David LLEWELYN, *Intellectual Property: Patents, Copyright, Trade Marks, and Allied Rights*, William Cornish and David LLEWELYN, Sweet & Maxwell Limited 100 Avenue Road Swiss Cottage, London, NW3 3PF, 2003, 161-167.

¹³⁷ Sec. 30 (5) of the Patent Ordinance, 2000.

¹³⁸ Sec. 30 (5) (c) *ibid.*

¹³⁹ Sec.30 (5) (e) *ibid.*

century, which permitted patents to be used not only for experiments but for private amusement or for making models.¹⁴⁰

4.6.4. Education

A nineteenth-century English case holds that importing an infringing product to train the importer's potential employees or apprentices on its workings infringed the patent. The training there was for the employer's business purposes, so the case leaves open whether uses for non-profit educational purposes infringe the patent. It is established that uses of patented invention for non-commercial educational purposes are allowed.¹⁴¹

4.6.5. Repairs and Modifications

A patented article may be repaired, modified, or customized without infringement. Extensive repairs or changes that amount to reconstructing of the article substantially, however, infringe the patentee's right to make or construct the invention. Whether an activity is repair or modification, on the one hand, or reconstruction, on the other, is a factual issue that depends on what the patent claims, the nature of the patented article, and the character of the work done on it. Refilling a patented printer cartridge with toner and necessarily replacing any worn parts may be repair. Replacing the whole cartridge is not.

4.6.6. Visiting ships, Aircraft, and Vehicles

A patent is not infringed if the invention is utilized absolutely for the manufacturing of a "ship, vessel, aircraft or land vehicle" that enters one's country temporarily or accidentally, but goods cannot be manufactured on the craft for sale in or export from that country.¹⁴²

4.7. Grounds on which Patent can be revoked

4.7.1. Revocation of Patent

Although a patentee has the exclusive right of "making, using or selling" the invention, the validity of the patent is not guaranteed by the Government, as is made clear in the form of the grant itself. This is a basic principle of patent law accepted in all the patent laws. When a patent

¹⁴⁰ P. Narayanan, *Patent Law*, Eastern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, nd., 219.

¹⁴¹ Sec. 30 (5) (f) of the Patent Ordinance, 2000.

¹⁴² Sec. 30(5) (b) of the Patent Ordinance, 2000.

is not fulfilled the required functions for which it was granted, it would be revoked by the competent authority.¹⁴³

In a petition for revocation of a patent, the onus lies heavily on the petitioner to show that the respondent is not the true and first inventor of the invention.¹⁴⁴

The revocation and opposition are of two different stages, and at least in so far as the grounds are different and in the absence of any prohibition, it cannot be said that a person who has unsuccessfully opposed the grant of a patent cannot file an application for its revocation.¹⁴⁵

4.7.2. Revocation by Controller for non-working of the Patent

Where it comes in the knowledge of the patent Controller that a patent which is not performing the functions for which it is granted, he himself revokes the patent.¹⁴⁶

4.7.3. Revocation by the Federal Government

The "Federal Government" can revoke the patent under Section 48 of the Patent Ordinance, 2000 on the following grounds namely as:

- a. That the patent or its use is harmful to the State or usually harmful to the public;
- b. That the patent has been attained by misrepresentation or concealment in the letter of application of patent; and
- c. That the compulsory license is issued to combat the anti-competitive practices but in vain.

4.7.4. Revocation by the High Court on petition for failure to comply

The Federal Government may file petition to the High Court to revoke a patent on the ground that the patentee has failed to comply with its request to use the patented invention for purposes of Government on reasonable terms. If the High Court is satisfied that the patentee has without reasonable cause failed to comply with the request of the Federal Government to use the invention in question, it may order revocation of the patent. What constitutes reasonable terms will depend upon the circumstances of each case.¹⁴⁷

¹⁴³ P. Narayanan, *Patent Law*, Estern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, nd., 285.

¹⁴⁴ AIR (Vol 2) 1915 Lah 424; 74 P.W.R. 1915: 148 PLR 1915: 29 Ind Cas 904.

¹⁴⁵ AIR (Vol. 38) 1951 Nag 284; ILR (1950) Nag 156: 1950 NLJ 138.

¹⁴⁶ Sec. 47 The Patent Ordinance, 2000 (Ordinance No. LXI of 2000).

¹⁴⁷ Sec. 46 (2) The Patent Ordinance, 2000 (Ordinance No. LXI of 2000).

4.7.5. Revocation by the High Court on Petition by a Person Interested on any of the Grounds

The High Court may revoke the patent on the petition by any interested person or by the Federal Government or on a counter-claim in a suit for infringement of the patent.¹⁴⁸

4.7.6. Patent Granted to Person not entitled to Apply

The patent can be revoked on the ground that the person who filed an application for the patent is not entitled to file an application for the patent.¹⁴⁹

“In Messrs the Mont Blanc Industry (RECD.)-Plaintiff Versus Abdul Aziz-Defendant, a patent may be revoked inter alia on the ground-that the true and first inventor or his legal representative or assign was not the applicant or one of the applicants, for the patent”.¹⁵⁰

4.7.7. Patent Wrongfully Obtained

Where the patent was obtained wrongfully in contravention of the rights of the petitioner or any other person under or through whom he claims, the patent will be revoked on this ground only.¹⁵¹

4.7.8. False Suggestion or Representation

A patent may be revoked on the ground that it was obtained on “a false suggestion or representation”. There is no limitation as the nature of the “false suggestion or representation”. It may thus relate to the specification or relate to any fact or statement required to be made in connection with the application for a patent. Ordinarily, however, “false suggestion or representation” is alleged in respect of something contained in the specification.¹⁵²

Where the process claimed depends upon some chemical substance as a starting point, the patent will be invalid if it is shown that such chemical substance is not only non-existent but impossible, as the claim then becomes an impossible process.¹⁵³

4.7.9. Failure to Disclose Information

Where the applicant for a patent to furnish the particulars regarding any application made by him in a foreign country in respect of the same or substantially the same invention and details relating

¹⁴⁸ Sec. 46 (1) The Patent Ordinance, 2000 (Ordinance No. LXI of 2000).

¹⁴⁹ P. Narayanan, *Patent Law*, Eastern Law House, Pvt, 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, nd., 295.

¹⁵⁰ 1980 CLC 396.

¹⁵¹ Section 48(1) (b) The Patent Ordinance, 2000 (Ordinance No. LXI of 2000).

¹⁵² P. Narayanan, *Patent Law*, Eastern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, nd., 296.

¹⁵³ *Le Rasoir Appollo's Patent* (1932) 49 RPC 1at 15.

to objections raised, amendment effected in the specification, claims allowed and any other particulars required by the Controller in connection with such foreign applications. Failure to furnish this information would be made a ground for revocation of the patent. If the information furnished is false in any material particular, that can also constitute a ground for revocation. But the false information furnished must be known to the applicant as false.¹⁵⁴

4.7.10. Non-compliance with Secrecy Provisions

Where the Controller may issue directions imposing restrictions on the publication or communication of information relating to inventions which the Federal Government has considered relevant for defence purposes there any person fails to comply with these provisions, his application will be deemed to have been abandoned and the patent if granted will be liable to be revoked.¹⁵⁵

4.7.11. Amendment of Specification Obtained by Fraud

Where the Controller has order for making amendments in the specification and the patentee or the applicant fails to do so or did by fraud, there patent shall be revoked only on this ground.¹⁵⁶

4.7.12. Claim not an Invention

A patent can be granted only for an invention. Thus, it is obvious that if the patent granted does not satisfy this requirement of an invention it is invalid and entitles to be revoked.¹⁵⁷

4.7.13. Lack of Novelty or Anticipation

Prior secret use will invalidate a patent unless such use comes within the following exceptions; use for the purpose of reasonable trial or experiment, use by government authority to whom the invention was communicated by the applicant for the patent, use by third person to whom the invention was communicated by the applicant for the patent and where the use was made without the consent or acquiescence of the applicant. Secret use is a ground for revocation of a patent but not for opposing the grant.¹⁵⁸

¹⁵⁴ P. Narayanan, *Patent Law*, Estern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, nd., 297.

¹⁵⁵ Section 25 The Patent Ordinance, 2000 (Ordinance No. LXI of 2000).

¹⁵⁶ P. Narayanan, *Patent Law*, Estern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, Printed by P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, nd., 298.

¹⁵⁷ *Ibid.*, 299.

¹⁵⁸ *Ibid.*, 304.

4.7.14. Obviousness or Lack of Inventive Step

It is a principle of Patent Law that a patent for an invention is granted only to one person. It follows therefore that a patent should be capable of being revoked if it is shown that it is the subject-matter of a prior grant. An application for patent may be opposed on the ground of prior claiming. The Controller has power to refuse an application on the ground of prior claiming or prior grant. These provisions are made to avoid the grant of patents for the same invention to more than one person.¹⁵⁹

4.7.15. Inutility

One of the essential requirements of a patentable invention is that it should be useful. This follows from the definition of “invention” which says that “invention means any new and useful” etc. It is therefore natural that a patent which is not useful must be capable of being revoked on the ground of inutility. This principle has been recognized in all Patent Laws around the world.¹⁶⁰

4.7.16. Insufficiency and Non-Disclosure of Best Method

The patent can be revoked where the “complete specification” is not adequately and reasonably explain the “invention” and the process through which it is to be exercised, that is to say, that the depiction of the process or the directions for the functioning of as retained in the “complete specification” are not by themselves adequate to facilitate a person in holding standard skill in, and standard acquaintance of, the art to which the invention communicates to work of the invention, or that it does not reveal the best process of doing it which was acquainted to the applicant for the patent and for which he was allowed to claim protection.¹⁶¹

4.7.17. Claim not clearly defined or not fairly based

“A specification contains claims which are not supported by the description or which are neither clear nor concise and which fail to define the matter for which the applicant seeks protection is not a specification directed to a patentable invention. It is one in respect of which a patent should never be granted”.¹⁶²

¹⁵⁹ Ibid., 324.

¹⁶⁰ P. Narayanan, *Patent Law*, Estern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, Printed by P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, nd. 363.

¹⁶¹ Ibid., 368.

¹⁶² Genentech’s Patent (1987) RPC 533 at 592.

CHAPTER 5: PATENT INFRINGEMENT: SUBSTANTIVE AND PROCEDURAL REMEDIES

5.1. Abstract of Infringement

5.1.1. Definitions of Infringement

“The term “infringement” in patent law describes the act of intruding on the intangible right protected by the patent. Unauthorized manufacture, sale, or use of subject matter secured by letters patent within area and time described therein constitutes “infringement”.”¹⁶³

“Infringement is the unauthorized making, using, or selling for practical use, or for profit of an invention covered by a valid claim of a patent during the life of the patent. It may involve any one or all of the acts of making, using, and selling. It is therefore an infringement for an unauthorized person to make a patented machine for use or for sale, though in fact it is neither used nor sold”.¹⁶⁴

“The word infringement has no technical legal meaning when dissociated from the phrase infringement of a copyright or patent or trademark or the like and consequently an action based upon infringement or breach of contract would fall within the terms of a statute relating to infringement of rights which might be contractual and only where the statute refers to a term of art such infringement of copyright will the action for breach of contract be excluded from its operation”.¹⁶⁵

To constitute infringement of a patent claim, it is essential that there be present in the infringing device or combination every element of such claim or its equivalent, so combined as to produce substantially the same result operating in substantially the same way.¹⁶⁶

Infringement of a design patent is to be determined by the inquiry whether the two designs would appear to be the same to the eye of an ordinary observer giving such attention to designs as a purchaser usually gives, and not whether an ordinary purchaser giving no attention to designs

¹⁶³ Words And Phrases Permanent Edition Volum 21 St Paul Minn, West Publishing Co. 634.

¹⁶⁴ Ibid., 636.

¹⁶⁵ Ibid.

¹⁶⁶ Ibid., 637.

might be led to buy the article bearing one of the designs supposing it to be the article bearing the other.

Infringement of a process patent is absent from a process which does not proceed with substantially the same mode of operation as that of the process described and claimed in the patent; and the same result must be reached by substantially the same or similar means.¹⁶⁷

For infringement, the plaintiff must establish before the Court facts bearing on both of two aspects, not only the commission of infringing acts by the defendant with his article or process but also sufficient similarity in the article or process of the defendant with the patented invention as described in the specification to bring it within the scope of the plaintiff's monopoly.¹⁶⁸

“A patent may sometimes be infringed by taking a part only of the invention but that depends on whether the part for which protection is asked is a new and material part, especially in the case of a combination. If it is not new and material the Court must consider what is the substance of the invention, and to do so this it has to consider the relative importance of all the parts of the invention”.¹⁶⁹

5.1.2. How to Determine Infringement

The assessment differs from region to region, but on the whole it necessitates that the infringer's product (or method, service, etc) falls within one or more of the claims of the conferred patent.

In determining whether what the charged infringer is doing tantamount to an infringement of a specific patent, three questions are observed:

- a. The scope of monopoly right granted by the patent which has to be determined by an interpretation of the specification;
- b. Whether the charged acts tantamount to “making, using, exercising, selling or distributing a product or using or exercising a method or process in the case of a process patent”; and
- c. Whether what the charged infringer is doing tantamount to an infringement of the monopoly granted by the patent grant.

¹⁶⁷ Ibid., 651.

¹⁶⁸ ILR (1948) 1 Cal 512 (DB).

¹⁶⁹ AIR (Vol. 23) 1936 Bom 99.

Infringement of a patent connotes a trespass upon some legal right of patentee. A patent that is invalid cannot be infringed. When one talks of infringement of a patent, one means infringement of the monopoly rights conferred by the patent.

“In *Rohtas Industries v Indian Hume Pipe*, it has been held that “in order to make out infringement, it must be established, to the satisfaction of the court, that the alleged infringer, dealing with what he is doing as a matter of substance, is taking the invention claimed by the patent; not the invention which the patentee might have claimed if he had been well advised but that which he has in fact and substance claimed on a fair construction of the specification”.¹⁷⁰

5.1.3. Types of Infringement

There are various types of patent infringement and of course each type is deemed a violation of current laws on patent infringement. In spite of the fact that the majority of the companies have researchers to avoid it but the ratio of its occurrence is increasing day by day.

Patent infringement is described as any type of unauthorized use, manufacturing, or sale of a patented product. Direct patent infringement is the most apparent and the most ordinary form of it. The utmost percentages of cases engaged in the direct kind of infringement. In the most fundamental definition, direct patent infringement denotes the marketing, sale, or commercial use of an exact patented good or product that performs considerably the identical function.

Indirect patent infringement is classified into two types, such as, patent infringement by inducement and patent contributory infringement.

Patent infringement by inducement is deemed when an action or an activity has been done when act of a third party is being made the cause of it. This may mean the sale of parts of a patent product that in rational evaluation can only be exercised for a previously patented invention.

Patent infringement by inducement can also contain licensing of an invention that has formerly been patented, or the sale of an invention which contains directions that when exercised particularly infringement on a previously patented invention. By inducement normally understands that the inducer knowingly and willingly aided in the infringement but he/she may or may not have specifically intended to violate it.

¹⁷⁰ AIR 1954 Pat 492 at 496.

Contributory patent infringement is in general defined as the trading of materials or components which have no additional commercial use than their proposed use by the patented invention. Contributory infringement is highly same to induced patent infringement. The essential difference between the two is the association of the particular intent. Contributory infringement occupies a superior level of culpable intention.¹⁷¹

5.2. Infringement of the Patented Invention

5.2.1. Modes of Infringement

In order to carry on infringement the alleged acts must tantamount to “making, using, exercising, selling or distributing” the invention. There are, therefore, different methods of infringing the patentee’s rights.

5.2.2. Inducing and Procuring Infringement

Inducing and procuring infringement amounts to infringement. But facilitating the doing of an act is obviously different from procuring the doing of the act.¹⁷²

5.2.3. Infringement of Process

If a product was produced as a direct result of using a process substantially the whole of which was the subject of a patent, the sale of that product constitutes infringement.¹⁷³

5.2.4. Purchase of Infringing Articles

Where a person buys an article manufactured by an infringer, he gets possession of that article, and thereby is able to use it for the purpose for which it was intended that the patentee alone should use it during the term of the patent. It makes no difference whether he has manufactured it himself or whether he has purchased it from some person as a ready-made article.

A patentee is entitled to restrain any person in whose hands he finds an article which infringes his patent from infringing such patent, unless the defendant can show a title direct or derivative from the patentee to use patent.¹⁷⁴

¹⁷¹ <http://www.toppatentinfringementlawyers.com>.

¹⁷² *Belegging-en B.V. versus Witten* (1979) FSR 59 at 64-66 (CA) quoted and applied in *Dow Chemical versus Spence Bryson* (1982) FSR 598 at 628-630.

¹⁷³ *Beecham Group Laboratories versus Bristol Laboratories* (1977) FSR 215; (1978) RPC 153 (HL).

¹⁷⁴ *British Tube Co. Ltd. versus Hyde Imperial Rubber Co. Ltd.* (1901) 18 RPC 374.

5.2.5. Sale of Articles Made by Patented Process

Where the patent is not for the article produced, but for the method by which the article explained is brought into being, the trade by the defendant of articles produced by the plaintiff's process is an infringement whether produced within the jurisdiction or elsewhere. Hence a person who trades articles aware of the fact that they have made by a machine which is de facto, vividly he is infringing the patent.¹⁷⁵

5.2.6. Sale of Parts of Patented Machine

If a person trades the patented machine in pieces which are so produced as to be assumed to be put together, he trades in matter the whole patented machine. In *United Telephone Co. Vs. Dale*, person, J. in the course of the arguments stated: "if there was a patent for a knife of a particular construction and an injunction was granted restraining a defendant from selling knives made according to the patent, and he was to sell the component parts so that any School boy could put them together and construct the knife surely that sale would be a breach of the injunction". But if what is complained of is nearly the sale of someone or other of the parts not separately claimed of one or other of the patented article, it cannot constitute an infringement of the patents.¹⁷⁶

5.2.7. Sale of Articles Made by Patented Machine

What every person is prohibited from "doing or making, using or vending" the prohibited articles and that, of course, includes in the case of machinery the product of the machinery which is the subject of the patent it is that which is produced by the patent. Thus where the defendants soled nails manufactured by the patented machine.¹⁷⁷ It was held that they had infringed the patent rights.¹⁷⁸ It was held that wherein connection with the manufacture of an imported article, an apparatus, the subject of a patent has been used, the importation of the article is not necessarily an infringement, but that it is relevant to consider the nature of the invention and the extent to which its employment has played a part in the productions of the articles.¹⁷⁹

¹⁷⁵ *Smith Kline & French Laboratories versus Douglas* (1991) FSR 522 (CA of NZ).

¹⁷⁶ *Dunlop Pneumatic Tyre versus David Moseley* (1904) 21 RPC 274 at 280 (CA).

¹⁷⁷ *Townsend versus Howarth* (1879) Ch D 831 (Jessel, MR).

¹⁷⁸ *United Horse Nail versus Stewart* (1885) 2 RPC 122.

¹⁷⁹ *Wilderman versus F.W.Berk & Co. Ltd.* (1925) 42 RPC 79.

5.2.8. Carriers of Infringing Articles

An action for infringement of patent may be brought against carriers and others who had controlled of the infringing goods to restrain them being dealt with and upon the consignee of those goods being found out, to add them as parties.¹⁸⁰

5.2.9. Transport for Sale Abroad

“In *British Motors Syndicate Ltd. Vs Jhon Taylor & Sons Ltd.* the defendants alleged that they had forwarded a few of the infringing articles to their branch house in Paris, where they were sold and contended that they were not liable to pay damages in respect of them Stirling, J. Observed: “ in the present case the patented articles, when being transported from place to place in this country, were not serving the purpose for which they were patent, and in my opinion the defendants did not during the transporting exercise put in practice the patented invention. What the defendants did was to carry these articles out of the kingdom with a view to selling them; that is with the object of turning them to profitable account. In my opinion the transport in the United Kingdom of the articles made according to the Plaintiff’s patent under the circumstances which occurred in this case was indirectly at least making use of these articles within the meaning of the patent, and, consequently an infringement”.¹⁸¹

5.3. Measures to be taken after Infringement

5.3.1. Civil Remedies

The absolute value of a right must be calculated in terms of the remedy that is available for its enforcement. The extent of relief afforded by Civil Court for the security of property is broad and that is one of the most important consequences of distinguishing in patent, copyright, Trademark and the like as property. The types of IP now embodied in statue with a list of the form of remedy available and to some extent regulate the detailed law. The remedies which are available for an aggrieved patentee with complementary detail are discussed below.

5.3.2. Suit for Infringement

“The question of infringement is a mixed question of law and fact.”¹⁸² An action for infringement of a patent must be instituted by way of a suit along with an application for temporary injunction

¹⁸⁰ Washburn & Moen versus Cunard Steamship (1889)6 RPC 398 at 403.

¹⁸¹ United Telephone versus Sharples (1885)2 RPC 28 at 31.

¹⁸² AIR (V 23) 1936 Bom 99: 37 Bom LR 665: 60 B 261: 161 Ind Cas 393(2).

to restrain the defendant for further infringement, in any court not inferior to a District Court having jurisdiction to try the suit. Thus the suit must be filed either before a District Court or a High Court. Where the defendant filed counter claims for revocation of the patent, the suit along with the counter claim will be transferred to the High Court for decision. In almost all suits for infringement the defendant invariably filed counter claims for revocations. In practice therefore, a suit for infringement will generally be heard by a High Court only".¹⁸³

5.3.3. Jurisdictions

The jurisdiction of the Court for the reason of infringement suits is governed by the provisions of the CPC, 1908. The cause of action must have occurred in an area within the jurisdiction of the Court where the suit is to be submitted for infringement. It can also be instituted in a High Court where the High Court has ordinary original jurisdiction to entertain the suit.

"If the infringing goods of the defendant are distributed by their agents carrying on business within the territorial jurisdictions of a Court, that Court has jurisdiction to entertain a suit for infringement".¹⁸⁴

"A suit for infringement filed before a Court in which the defendant has pleaded in validity as a defence is maintainable even through a petition for revocation of the patent by the defendant is pending before another Court since the question of infringement is a separate and different issues".¹⁸⁵

5.3.4. Who may Sue for Infringement?

"Patentee includes assignee of patent whose name is entered in register of patents---such assignee can file a suit of infringement".¹⁸⁶

"The plaintiff has a right to sue for infringement belongs to the patentee, that is, the person for the time being entered in the register as the grantee or the proprietor of the patent; for it is he who in law is the owner of the rights conferred by the grant".¹⁸⁷

¹⁸³ Glass Beads Factory versus Dhar, AIR 1961 All 101 at 103.
2. Section 60, The Patent Ordinance, 2000.

¹⁸⁴ Neiveli Ceramics versus Hindustan Sanitaryware (1976) IPLR 66 at 72.

¹⁸⁵ Ibid.

¹⁸⁶ AIR1964 All 27s.

¹⁸⁷ Martin and the Miles Martin Pen versus Scrib (1950)67 RPC 127.

The CPC, 1908, empowered the holder of an exclusive license to bring a suit in respect of any infringement of the patent committed after the date of the license.

An assignee is entitled to sue for infringement if the application for registration of his name has been filed before the filing of the suit.¹⁸⁸

Until an assignee has had himself entered on the register, he is incapable of protecting the patent assigned to him by legal proceedings for infringement or of assigning it or granting license to it. Until registration, these powers, subject to equities, remain vested in the assignor as long as he remains on the register. The assignor, however, loses these powers as soon as the assignee has himself registered as the proprietor. It follows that the assignor until the registration of the assignee as proprietor, is a person who may be aggrieved by the subsequent registration.¹⁸⁹

5.3.5. Who may be Sued?

Any person who infringes the patent, that is to say, who exercises any of the monopoly rights confer by the grant, may be sued for infringement. Thus manufacturers, importers and dealers, their servants and agents and some times even users of the patented articles may be made defendants in a suit for infringement. A person who threatens to infringe may also be sued.¹⁹⁰

The consignees of the alleged infringing articles could be made a party to the action.¹⁹¹ Mere carrier or warehouseman is not an infringer.¹⁹²

A person may infringe a patent by making the patented article himself or through his agent. In such case action may be taken against the servants and agents individually or collectively along with their employer and principal.¹⁹³

5.3.6. Procedure before Court

A suit is instituted by the presentation of a plaint. The procedure to be followed in suits is contained in the CPC, 1908. The more important of these provisions which are relevant in respect of suits relating to patent are summarized below. "When a suit is filed before the High

¹⁸⁸ National Research versus Delhi Cloth AIR. 1980 Del 132 at 184. Laxmi Dutt Rupchand v Nankau AIR. 1964 All 27 at 30. V.B. Mohammed Ibrahim versus Alfred Sehafraneck AIR 1960 Mys 173 at 174. Hiralal Banjara case AIR Cal 365.

¹⁸⁹ AIR (Vol. 27) 1940 Cal 474; ILR (1940)1 Cal 551: 44 CWN 429: 191 Ind CAs 408.

¹⁹⁰ Briggs versus Lardeur (1885)2 RPC 13.

¹⁹¹ Washburn and Moen versus Cunard Steamship (1889)6 RPC 398.

¹⁹² Smith Kline and French Laboratories versus R.D. Harbottle (Mercantile)1980 RPC 363.

¹⁹³ Rohtas Industries versus Indian Hume Pipe AIR 1954 Pat 492 at 497.

Court, these provisions will apply subject to any rules made by the High Court. **Parties to Suits.** all persons may be joined in one suit as plaintiffs in whom any right to relief in respect of or arising out of the same act or transaction or series of act of transactions is alleged to exist, whether jointly, severally or in the alternative where, if such persons brought separate suits, any common question or law or fact would arise. All persons may be joined as defendants against whom any right to relief in respect of is arising out of the same act or transaction or series of acts or transaction is alleged to exist, whether jointly, severally or in the alternative where, if such persons brought separate suits, any common question or law or fact would arise”.¹⁹⁴

“One person may sue or defend on behalf of all in the same interest. Hence, one or more of the co-owners of a patent may sue on behalf of all the co-owners. **Pleadings,** Every pleading should contained a statement in a concise form of the material facts on which the party pleading realize for his claim or defence, as the case may be, but not the evidence by which they are to be proved. There is no special form prescribed for use in pleadings. Although pleadings must be concise and précised. All necessary particulars must therefore be stated in the pleadings. The Court may at any stage of the proceedings order to be struck out or amended any matter in any pleading which may be unnecessary or scandalous or which may tend to prejudice, embarrass or delay the fair trial of the suit”.¹⁹⁵

5.3.7. Particulars to be stated in plaint

The plaint shall contain inter alia under Order 7 Rule 1 of the CPC, 1908, the following; namely:

- a. The name of the Court in which the suit is brought;
- b. The name, descriptions and place of residence of the plaintiff(s);
- c. The name, descriptions and place of residence of the defendant(s), so far as they may be ascertain;
- d. The facts consisting the cause of action and when it arose;
- e. The facts showing that the Court has jurisdiction; and
- f. The relief which the plaintiff's claim.

¹⁹⁴ P. Narayanan, *Patent Law*, Estern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, nd., 442-445.

¹⁹⁵ Ibid.

Here it is important to note that in Messrs the Mont Blanc Industry (RECD.)-Plaintiff versus Abdul Aziz-Defendant and praying (1) for handing over the machine to the plaintiff, (2) for account of profits, (3) for awarding a decree for restraining the defendant from the use of the said patented machine, (4) from passing off the produce of the said patent, and (5) for a temporary injunction in the like terms pending the final disposal of the suit.¹⁹⁶

The plaintiff should mention in his plaint the following essential facts too:

- a. Particulars of the patent grant and the nature of his title to it, number and date of the patent;
- b. Whether a certificate of validity of the patent has been obtained in a previous action;
- c. A statement that the patent is valid and subsisting;
- d. Particulars of the place and the time of the infringement. This is necessary to determine the jurisdiction of the Court;
- e. Particulars of any correspondence relating to the infringement exchanged between the plaintiff and the defendant prior to the filing of the suit; and
- f. The plaintiff should alleged infringement of a patent or a threat to infringe after the date of the accepting of the complete specification, as otherwise it would not disclosed a cause of action and the statement of claim might be ordered to be struck out.¹⁹⁷

5.3.8. Defenses against Infringement

Generally, in a suit of infringement of patent rights, the defendant may provoke the question of the soundness of the patent, which is subsequently come to a decision by the court. The defendant may also endeavor to declare that what is being happened does not form infringement. Infringement is ascertained principally by the wording of the claims of the patent and, if what the defendant is producing does not come in the wording of any of the claims of the patent, therefore it does not come in the ambit of infringement.¹⁹⁸

¹⁹⁶ 1980 CLC 396 Lahore.

¹⁹⁷ P. Narayanan, *Patent Law*, Eastern Law House, Pvt, 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, nd. , 445.

¹⁹⁸ <http://inventors.about.com/od/patentinfringement/a/Infringement.htm>.

“Counter-claim for revocation may be made by the defendant in his written statement instead of a separate petition for revocation”.¹⁹⁹

“To contest a claim of infringement, a charged infringer usually will declare one or more of the following:

- a. The patent, and particularly the individual claims stated against the infringer, are invalid because there were not novelties, or were apparent in view of the state of the art, at the time patented. Frequently this is happened by furnishing evidence not initially deemed by the patent office that the invention had been openly disclosed or was in use formerly it was patented;
- b. The patent is invalid by reason of some other collateral fault to make the patent worthless or unenforceable;
- c. The technology under consideration does not actually practice the patent;
- d. The charged infringer has acquired a license to the patented technology; and
- e. The patent holder is infringing patent rights belonging to the accused infringer (this is not an actual defense to the infringement claim but it is an awfully ordinary legal strategy that frequently results in a cross-licensing agreement rather than an infringement lawsuit).”

Counter claim for revocation may be made by the defendant in his written statement instead of a separate petition for revocation. Where the defendant has counter claim of infringement of his patent by the plaintiff, the one is on the defendant to put forward evidence to show that he has an arguable case of infringement.²⁰⁰ Defendant can apply for revocation of patent and can take every ground available for revocation, as defence of suit.²⁰¹

5.3.9. Amendments of Pleadings

The amendments of pleading will be made under the provisions of the Code of Civil Procedure, 1908, which is as follows,

¹⁹⁹ Shining Industries versus Shri Krishna Industries AIR 1975 All 231 at 232.

²⁰⁰ P. Narayanan, *Patent Law*, Eastern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing, Industry 50, Sitalatala Lane, Calcutta, nd., 449.

²⁰¹ AIR 1967 Mad 215.

The Court may at any phase of the proceedings permit either party to modify or alter his pleadings in such way and on such conditions as may be just and all such modifications shall be done as may be essential for the reasons of ascertaining the actual question in debate stuck between the parties.²⁰²

5.3.10. Interrogatories and Discoveries

Under the provisions of the CPC, 1908, the plaintiff or defendant in any suit, with the approval of the court may submit interrogatories in writings for the assessments of the opposite party or parties. Discovery will not be ordered if it is not essential for summing up the suit or for saving cost. **Discovery and experiments.** In appropriate case, the plaintiff may be inquired to conduct certain experiments or repeat them. Discovery of papers with regard to the process used in the production or relating to the invention of the patent is a suit including research and development work, along with to the date of advertisements of the patent may also be directed where appropriate.²⁰³

5.3.11. Inspection of Documents, Machines and Processes

The procedure for inspection of documents is contained in Order 11 Rule 15 of the CPC, 1908. Inspection will be granted only of documents cited to in the pleadings and affidavits. The Court may, in its discretion, order for the inspection of a machine or process. There is no inherent right to have discovery or inspection which could not assist the plaintiff. The right to examine is a right to be given at the discretion of the Court to be exercised with a judicial discretion and with due regard to the interest of the parties concerned in the litigation. **Time of Inspection.** Inspection of the machine in the possession of the defendant may be ordered even before the plaintiff has delivered his statement of claim if it is shown that the plaintiff has bona fide reason to believe that the mechanism is an infringement of the patent and inspection is necessary to give particulars of the infringement.²⁰⁴

²⁰² Rules 17, Order 6 of the Code of Civil Procedure, 1908.

²⁰³ P. Narayanan, *Patent Law*, Eastern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, nd., 461.

²⁰⁴ *Ibid.*, 470.

“In a case of infringement of patent it is vital for the court of for experts deputed by it to inspect the original machines and the alleged counterfeit machines in order to determine whether there is sufficient similarity to constitute infringement and sufficient novelty to uphold the patent”.²⁰⁵

“In a suit of infringement the burden of proving infringement is on the plaintiff”.²⁰⁶ “He must also prove that he is either the registered proprietor of the patent or the registered exclusive licensee”.²⁰⁷

5.3.12. Evidence

The number of witnesses and the procedure for the purpose of proving a fact is given in the Evidence law even the testimony of, but one witness is sufficient, if that witness can be believed.²⁰⁸ Expert witnesses’ duties and responsibilities are as followed.

Expert evidence submitted to the Court must be, and must be seen to be, the self-determining merchandise of the skilled uninfluenced as to shape of content by the exigencies of litigation.²⁰⁹

A skilled witness should construct it obvious when a specific query or issue falls out side his expertise. He should also convey faults or suppositions upon which his opinion is based. He should also not skip to judge substance facts which could take away from the ended view held as probable.²¹⁰

Where there is no expert evidence able to be contacted to the Court to the effect that in the opinion of the expert, it is practically impossible for the product manufactured by the defendant to have been manufactured or arrived at in any manner without adopting the patented process of the plaintiff. An arguable case of infringement of the plaintiff’s process can be made out by a chain of circumstances which are in themselves sufficient to indicate a high degree of probability that the defendant has been using the patented process of the plaintiff.²¹¹

²⁰⁵ Anasar Chinna Dastagiri Saheb versus Madduleti Buggappa AIR NUC 5672 (Mad).

²⁰⁶ Farbwerke Hoechst versus Unichem Laboratories AIR 1969 Bom 255 at 261.

²⁰⁷ Bombay Agarwal versus Ramchand AIR 1953 Nag 154 at 157.

²⁰⁸ P. Narayanan, *Patent Law*, Eastern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, Printed by P.C. Roy of Blue Line Printing, Industry 50, Sitalatala Lane, Calcutta, nd., 470.

²⁰⁹ Ibid.

²¹⁰ P. Narayanan, *Patent Law*, Eastern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing, Industry 50, Sitalatala Lane, Calcutta, nd., 473.

²¹¹ ILR (1948) 1 Cal 512 (DB).

“The onus is on the plaintiff to show that his patent rights have been infringed, and initially there is no necessity for the defendant to disclose the process by which the goods complained of were manufactured. But the situation will change if the defendant has admitted that his act constitutes an infringement of the plaintiff’s patent rights. If the defendant fails to explain his admission or to show that the plaintiff’s process was not in fact used, the court is entitled to draw an inference against the defendant”.²¹²

“In an action for infringement of patent the onus as to the invalidity of the patent the grounds of insufficiency of description, want of novelty, absence of inventive steps and want of utility is on the defendant”.²¹³

5.3.13. Relief

The reliefs available to a successful plaintiff in a suit for infringement consist of,

- a. An injunction
- b. Either damages or an account of profits

The ordering of these reliefs is discretionary. This follows from the use the word “may”. The injunction may be under the terms as the Court may consider fit to inflict. In all cases it will be bounded to the terms of the patent. There are various legal recompenses for an invasion of a right accessible to patent owners in the event of infringement. These legal recompenses for an invasion of right contain financial relief, evenhanded relief and costs and attorney's fees.²¹⁴

“In an action for infringement of patent, mere delay is no bar to the granting of relief by way of perpetual injunction at the hearing of suit, unless there is something more than mere delay which has caused prejudice to the defendants”.²¹⁵

5.3.14. Injunctions

An injunction is a precautionary relief. The universal rule administering the award of injunction in so far as patents are concerned is contained in CPC, 1908, and SR Act, 1877. A perpetual injunction can only be awarded by the decree made after the listening of both the parties, the

²¹² (1947) 51 CWN 90.

²¹³ AIR 1978 Delhi 1: Rajhani LR 440: ILR (1977) 2 Delhi 412 (DB).

²¹⁴ P. Narayanan, *Patent Law*, Eastern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, Printed by P.C. Roy of Blue Line Printing, Industry 50, Sitalatala Lane, Calcutta, nd.,476.

²¹⁵ AIR 1969 Bom 255 (259,260).

justification of the suit and the defendant is thus continually enjoined from the declaration of a right or from the performing of an action or function, which would be different to the rights of the plaintiff. There is no concept of perpetual injunctions in the suit of infringement because all injunctions will be bounded to the time period of the patent.²¹⁶ Injunctions are of three kinds:

- a. Temporary Injunction
- b. Perpetual Injunction
- c. Mandatory Injunction

Temporary injunctions are of the kind of injunctions which are as to carry on up to a particular time, or up to the advance order of the Court. They are also awarded at any phase of a suit, and are controlled by the provisions of the CPC, 1908.

In order to get an interim injunction in a suit for infringement of patent rights it is essential for the plaintiff that he ought to establish that,

- a. He has an arguable case with sufficient evidence which would guide the Court in reaching to the assumption that the patent is legitimate patent.
- b. He should establish by the first impression of the evidence that there is presence of an infringement on the actions or function of the defendant.

And, that the balance of convenience is in his favor. It is a rule of practice that if a patent is a new one, a mere challenge at the bar would be quite sufficient for the refusal of an interim injunction, but if the patent is sufficiently old and had been worked, the Court would for the purposes of considering an application for temporary injunction, presume that the patent to be a valid one. "The cases show that if the patent is more than 6years old and there has been actual user, it would be safe for the Court to proceed upon the last-mentioned presumption".²¹⁷

"It is well settled, both in India and Pakistan that where the patentee is the holder of patent, which has been well established, either by time or by his having been granted a certificate or validity questioned in previous litigation, provided the facts clearly showing a prima facie case

²¹⁶ P. Narayanan, *Patent Law*, Estern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing Industry, 50, Sitalatala Lane, Calcutta, nd., 477-478.

²¹⁷ (1948) 52 CWN 253 (DB).

of infringement are shown, he will normally be entitled to an interlocutory injunction till the decision of his suit for infringement. This will be so even though at the final hearing of the suit, the defendant may succeed by showing the patent to be invalid”.²¹⁸

“If there is a substantial dispute on the question of the validity of the patent, no doubt no injunction should be granted. Where the validity of a new patent is disputed that circumstance of itself would be sufficient to justify refusal of the application for an interlocutory injunction but if the patent is more than 6 years old then there is a prima facie presumption of validity. In such a case it is not enough for the defendant simply to assert that he disputes the validity of the patent, he must show by an affidavit some grounds which suggest that he may succeed in impugning the patent’s validity”.²¹⁹

“The provisions of the Code of Civil Procedure empower the court to grant a temporary injunction and in case of disobedience to commit the person guilty thereof to the civil prison and order that his property be attached and sold. Section 151 of the Code of Civil Procedure, 1908, provides that nothing in the Code shall be deemed to limit or otherwise affect the inherent power of the court to make such orders as may be necessary for the ends of justice or to prevent abuse of the process of the court. And it has been held that the court has powers under section 151 to grant injunction in cases not falling within Order 39 Rule 1 & 2”.²²⁰

The plaintiff may at the commencement of the action move for an interim injunction to restrain the defendant for committing the acts complained of until the hearing of the action for further order. The Court has discretion in granting interlocutory injunction. Where a certificate of validity of the patent was granted in a proceeding, a temporary injunction for a short period was granted by the Court of appeal to give the plaintiff an opportunity of applying to the trial judge to hear the case. Interlocutory injunction has been granted on ex-party motion where a prima facie case of infringement was established.

Final injunction granted after hearing upon the merits of the suit will be bounded for the period of the patent. Injunction will be conferred not only where substantial infringement is established

²¹⁸ ILR (1948) 1 Cal 512 (DB).

²¹⁹ (1947) 51 CWN 90.

²²⁰ Manohar Lal versus Seth Hira Lal 1962 Supp. (1) SCR 450; AIR 1962 SC 527; Natinal Research Development Corporation of India versus Delhi cloth & General Mills AIR 1980 Del 132.

but also where a danger to infringement has been ascertained. In a case in which the life of the patent has been ended prior to the proper proceedings of the suit then there is no query of injunction comes up. In this situation the remedy which is available for the plaintiff can claim the remedy to claim the damages or account of profits gaining from the illegal actions or functions were performed prior to the end of the patent. Refusal of injunctive may be restored to if important public need for invention was frustrated by patentee failure to practice it.²²¹

5.3.15. Assessment of Damages

“In assessing damages the sole question is what is the lost sustained by the patentee by reason of the unlawful sale by the defendant of the patented goods. The loss must be the natural and direct consequence of the defendant’s acts”.²²²

“When a patentee elects to claim the profits made by the unauthorized used of his machinery, it is material to ascertain how much of his invention was actually appropriated in order to determine what proportion of the net profits relied by the infringer was attributable to its use. It would be unreasonable to give the patentee profits which were attributable to its use. It would be unreasonable to give the patentee profits which were not earned by the use of his invention; but the case is altogether different when the patentee of machinery who does not grant license’s claims damages from an infringing manufacturer who competes with him by selling the same class of goods in the same marker. In that case the profit made by infringer is a matter of no consequence. However large his gains, he is only liable to nominal damages so long as his illegal sale do not injure the trade of the patentee; and however great his loss, he cannot escape from liability to make full compensation for the injury which his competition may have occasioned”.²²³

“In the case of infringement of patent, an alternative remedy at the option of the plaintiff exists by way of an account of profits made by the infringer. There are two essentials principles in valuing that claims, first that the plaintiff have the burden of proving their lost; second, that the

²²¹ P. Narayanan, *Patent Law*, Eastern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing, Industry 50, Sitalatala Lane, Calcutta, nd., 447-496.

²²² *United Horse Shoe versus Stewart* (1888)5 RPC 260 at 266, 267(HL).

²²³ *Ibid.*

defendant being wrong doors, damages should be liberally assessed but that the object of this is to compensate the plaintiff and not punished the defendants”.²²⁴

“In case of patents of invention belong to manufacturers, who exploits the invention to make articles or products which they sell at a profit. The benefit of the invention in such cases is realized through the sale of the article or product. In these cases, if the invention is infringed, the effect of the infringement will be to divert sales from the owner of the patent to the infringer. The measure of damages will then normally be the profit which would have been realized by the owner of the patent if the sales had been made by him”.²²⁵

Other patents of inventions are exploited through the granting of licences for royalty payments. In these cases, if an infringer used the invention without a license, the measure of the damages he must pay will be the sums which he would have paid by way of royalty if instead of acting illegally, he had acted legally.²²⁶

Several patents of inventions belong to manufacturers who sell the articles produced out of their inventions for a profit. In these cases the measure of damages against the infringer would be the profit which would have been realized by the owner of the patent if the sales had been made by him.²²⁷

“That is so far regarding a patentee who manufactures. But the position is different in cases where the patentee, exploits not by manufacture but by granting license for Royalty payments. In these cases, the infringer who uses the invention without license must pay damages of the royalty which he would have paid if he acted loyally”.²²⁸

The damages for the infringement of rights attached to patent shall not be granted in a situation where a defendant who is charged an infringer establishes that the time of the occurrence of the infringement he was unaware of the subject matter of the patentable product or process. There

²²⁴ Pneumatic Tyre versus Puncture Proof Pneumatic Tyre (1899) 16 RPC 209 at 215.

²²⁵ United Horse Shoe versus Stewart (1888)5 RPC 260 at 266, 267(HL).

²²⁶ <http://www.law.cam.ac.uk/restitution/archive/englcases/ludlow.htm>.

²²⁷ Ibid.

²²⁸ (1984)2 An. W.R.90.

was no equitable basis on which someone could suppose that the product or process has been patented.²²⁹

5.3.16. Certificate of Validity

The certificate of validity is certificate granted by a court on the basis that a suit for infringement was filed before a High Court. It was properly heard by the judges of that court and pleaded by the councils of the choice of the parties. The judges in the conclusion was determined that it is valid patent and having contained no errors therein. The judges in front of those the suit was pleaded and contested may certify that the validity of that claim was contested in that proceeding and was upheld. It is necessary to mentioned here that the certificate can only be awarded in a suit of infringement where the validity of the patent came into question in an originating petition for revocation or on a counter claim in a suit for infringement, and not when the validity was attacked nearly as a ground of defence in an infringement suit. Moreover, the encircle of the certificate is very limited to those claims which were contested and resulted to be valid by the Court. It may also be granted where the concealment with regard to the evidence has been done by the defendants in view of the weight of evidence. It is worth able to mention here that the value of “certificate of validity” is not a judgment or order and no appeal will lie against the grant of such certificate.²³⁰

5.3.17. Cost

The matter relating to the cost is dealt under the provisions of Section 35 of the CPC, 1908. The awarding of cost in any suit is in the acumen of the Court. It is subjected to the circumstances described in CPC, 1908. Ordinarily, the rule is that the cost shall follow the event unless the Court otherwise orders.²³¹

5.3.18. Appeal

“The appeal lies against the orders, decisions or directions made or issued under this Ordinance by the Federal Government or from any act or order of the Controller with certain exceptions.”²³²

²²⁹ Sec. 62, the Patent Ordinance, 2000.

²³⁰ P. Narayanan, *Patent Law*, Eastern Law House, (Pvt.), 54 Ganesh Chunder, Calcutta 700 013, P.C. Roy of Blue Line Printing, Industry 50, Sitalatala Lane, Calcutta, nd. 507.

²³¹ *Ibid.*, 511.

²³² Sub-section (3) of Sec. 69 of the Patent Ordinance, 2000.

The appeal shall be in writing and shall be made within three months from the date of the decision, order or direction of the Controller”.²³³

“The appeal shall lie to the High Court from any decision, order or direction of the Controller or the Federal Government.”²³⁴ Every appeal before the High Court shall be by petition and be in such a form and contain such particulars as may be specified by rules made by the High Court. It shall be heard by a single judge of the High Court. The judge of the High Court, if he thinks fit, refers the appeal at any stage of the proceedings to a larger Bench of the High Court. It shall also be heard as expeditiously as possible and endeavor shall be made to decide the appeal within a period of twelve months from the date on which it is filed”.²³⁵

²³³ Sub-section 4 of Section 69 of the Patent Ordinance, 2000.

²³⁴ Ibid.

²³⁵ Section 70 The Patent Ordinance, 2000.
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CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

6.1. Conclusion

The concept of IP and IP law to the world is not a new but a very well understood concept in its foundation. It was conceived in the period of Aristotle. It is also called a loose cluster of laws which is developing even today and shall continue to do so as the human beings progress by exploiting knowledge. It has many types, and each one has its own area and scope of application. Today, the economy of world is moving around it. For this fact it has got vital importance. As it is stated that every flower of this bunch has its importance but the patent has its own importance and utility.

The patent and its related rights include “making, using, selling, offering for sale, and importing” the patent invention. The concept of patent, patent rights and its related right are understood in the same way all over the world. There is no other concept about patent rights because as it is mentioned above that there are two international organizations in the world for the promulgation of not only patents rights but also other IP rights, such as, Copyright, Trademark, etc. They are not only promulgated but also protected, enhanced, and provide guidance on different legal issues. One of such organization is World Intellectual Property Organization and other is WTO. The purpose of WIPO is to provide complementary work for the understanding of the intellectual property with other functions. The TRIPS agreement provides the minimum standards for the procedure and protection of intellectual property. Thus, no member is allowed to promulgate laws below these standards.

The act or acts of making, using, selling and offering for sale are called exploitation of patent rights that could be legal or illegal. The legal exploitation of patent is done by two ways: by patent holder; though it the first and true owner, license holder, assignee and transferee and by the Government in case of “extreme emergency, urgency and public non-commercial use”, by compulsory licenses, parallel importing, anti-competitive practice The patent rights can also be used by government in the matter of health and nutrition. The exploitation of patent rights for the purpose of earning money is called the commercial exploitation of patent rights. There is no definition of exploitation of patent in any law. The illegal mode is infringement. The rules and procedure are available through Patent laws all over the world. The punishment may be varied

from country to country but the concept remains the same. The remedies which are available for the aggrieved person are only civil and administrative. They are very helpful for reducing the infringement of patent rights.

There was a time when the procedure for curtailing the infringement was very feeble. The infringement of patent rights was very common. It was also in practice that the countries intentionally had given immunities to the infringers. But after the implementation of the TRIPS agreement, this practice has slowed down. Under The Patent Ordinance, 2000, there are number of measures for curtailing the infringement. In these matters, the Ordinance, 2000 is complying with the provisions of the TRIPS agreement.

Merits of Signing WTO Agreement

The benefits which Pakistan has been accruing by signing the WTO agreement are:

- I. establishment of IPO;
- II. courses on awareness, administration and judiciary within and outside Pakistan;
- III. grant for conducting awareness programs;
- IV. finance for IP academy;
- V. investment from multinational companies in Pakistan;
- VI. participation of Pakistan in International Organizations (especially WIPO) on the issues of IP developing trends;
- VII. equality and fairness in Government bidding and tenders;
- VIII. enhanced public and partnership contracts;
- IX. opportunities for Pakistani investors outside the country; and
- X. protection of Pakistani products in developed countries' markets.

Demerits of Signing WTO Agreement

International opposition to the WTO is growing on day by day. There are various reasons for such opposition. Some are as follows

The WTO is undermines Local Development and penalizes poor countries

The WTO's "Most favored Nation" provision requires all WTO member countries to treat each other equally and to treat all corporations from these countries equally regardless of their track record. Local policies aimed at rewarding companies who hire local residents, use domestic materials, or adopt environmentally sound practices are essentially illegal under the WTO.

The WTO is increasing inequality

Free trade is not benefiting the majority of the world. During a most recent period of rapid growth in global trade and investment inequality has increased both internationally and within countries. The UN Development Program reports that the richest 20 percent of the world's population consume 86 percent of the world's resources while the poorest 80 percent consume just 14 percent.

The WTO undermines National Sovereignty

By creating a supranational court system that has the power to economically sanction countries to force them to comply with its rulings, the WTO has essentially replaced national governments with an unelected, unaccountable corporate-backed government. For the past nine years, the European Union has banned beef raised with artificial growth hormones. The WTO recently ruled that this public health law is a barrier to trade and should be abolished. The EU has rollback its ban or pay stiff penalties. Under the WTO, governments can no longer act in the public interest.

The WTO would privatize essential services

The WTO is seeking to privatize essential public services such as education, healthcare, energy and water. Privatization means the selling off of public assets to run to profit rather than the public good. The WTO's GATs, includes a list of about 160 threatened services including elder and child care, sewage, garbage, park maintenance, telecommunications, construction, banking, insurance, transportation, shipping, postal services and tourism. Those least able to pay for vital services, that is, the working class communities are the ones who suffer the most.

The WTO hurts poor, small countries in favor of rich powerful nations

In the WTO many important decisions get made in a process whereby poor countries' negotiators are not even invited to close door meetings. And then agreements are announced that poor countries did not even know were being discussed.

Many countries do not even have enough trade personnel to participate in all the negotiations or to even have a permanent representative at the WTO.

Many countries are too poor to defend themselves from WTO challenges from the rich countries, and change their laws rather than pay for their own defense.

There was ample time for making arrangements to coup for unseen difficulties but unfortunately Pakistan could not avail that transitionally period to her benefit. The reasons for not utilizing the transitional were due to unstable political environment, political visions, and trap with bureaucracy.

6.2. Recommendations

6.2.1. I.P. courses for Judges and Lawyers

The IP is a very technical subject and so is the IP law. The IP law cannot be understood in isolation. To properly comprehend this subject it is not enough to understand the law only. One cannot be a successful IP lawyer until and unless it has good understanding about the area in which he is applying the law. To get understanding about the IP laws it is necessary that the interested person must have a base regarding science subjects.

The cases regarding IP especially patent are more complicated in their nature. Thus, in implementing the patent rights the judges as the advocates face problems. The problems are mostly arises at the stage of constructing the specification and claims of patent in cases of infringement which awarding damages. Why do these problems arise because the lawyer and advocates have no background regarding I.P. laws? The advocates do not convey the actual position of infringement and damages to the judges and the judges due to insufficient knowledge of IP do not ascertain the actual loss which was faced to the patent holder. So, it is necessary that the short IP courses must be arranged for judges and advocates.

6.2.2. Establish I.P. Courts

In continuation of my first recommendation, it is also important to establish IP courts which can help decide IP matters with efficiency and adequate accuracy. When there will be special IP

advocates and judges hearing the cases, there will be consistency of decisions, better interpretation of legal provisions, and most of the entire victim will get the remedy quickly.

In every matter there is a place from where that matter is discussed. If it is discussed at other places, you will not get the real benefits. So, for getting actual benefits you must go the place that is most suitable for the concerning matter. For example, FIR is registered in the Police Station. If someone wants to register an FIR and he goes to Civil Court, can he register FIR there? Of course not, why because it is not actual place for the registration of FIR. So, he must go to Police Station. A court can help him in guiding but not registers the FIR. As there are special courts for special laws, such as, Drugs Courts, Banking Courts, Anti-Terrorist Court, same as the IP law is a special law and for the implementation of that there must be IP Courts.

In *Jwala Prasad-Defendant-Appellant versus Paghbir Prasad-Plaintiff-Respondent*, “in my opinion, in such circumstances, the Court which is bound to determine and to determine finally and to dispose of questions arising in the partnership suit, cannot shirk its duty in deciding how the partners intended the patent rights to be dealt with, merely because special powers have been given to litigants to apply to another Court. The Special Court under the Patent Act would be bound, in deciding with the sections of the Patent Act, to decide the controversy with reference to what had been established by the findings of the Court in the dissolution of the partnership, which would be binding upon the parties, in my opinion, in any controversy under the Patent Act.”²³⁶

6.2.3. I.P. courses at bachelor and master level

The intellectual property is an important and well groomed subject in every time especially now a days. You can get your rights when you are well aware about your rights. No one is come to you to tell you about your rights. When you know the rights then you can implement these rights. For getting awareness about you rights in intellectual property, our education must include IP subject in their syllabus so that the young jurists get the fundamental knowledge about this subject during their bachelors and if they have developed any interest in it then specialize in it at the master level. This will also help in improving the quality of service at the litigation level or during in-house counseling.

²³⁶ *Jwala Prasad versus Raghbir Prasad*, Allahabad High Court. Second Civil Appeal No. 146 of 1921 July 7, 1922, Vol. LXX of 1922, 833.

6.2.4. Awareness Programs

The industrialists and businessmen in Pakistan are not very familiar with the concepts of IP. They do develop certain things or produce certain things on behalf of their foreign partners but do not focus much on its adequate protection and enforcement. There is a need to create awareness among the business community. There are also other society members who are contributing in the IP work but are not aware of the process their work can be protected. For example there are people who are not professionally doctors but they cure the patients with herbal medicines. They have very effective ways to cure the patients but they are not aware of the benefits they can get by registering their medicines or get patents on them. So, it is necessary for the Government and universities to conduct seminars on important IP issues and specialized short courses for business tycoons.

6.2.5. Establishment of I.P. Academies/Centre of excellence

It is necessary for the Federal Government and Provisional Government to establish IP academies/centre of excellence for research students, to start with, in metropolitan cities of the country. Generally the books on Patent and other IP laws are very costly. Individuals do not have the capacity to purchase these books. Currently only one IP academy is working in Intellectual Property Organization, Islamabad. But it is passing through its initial life, hope after soon it will get mature and deliver at international standards.

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