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### **An Immediate Panacea for Patentee: Establishment of Prima Facie Case**

*by*

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#### **INTRODUCTION**

The progress of the society largely depends upon its advancement, whether technical or social. Both of the headway requires a certain kind of thought process, mechanism, and a dispute-resolving outlook whenever the problem arises. The codification of the Patents Act, 1970 mirrors a similar target of advancing progression in the general public.

The Act clearly lays down that the unauthorised use i.e., any usage of a patented product or process would lead to infringement and violation of such right of the patentee bestowed upon him by virtue of his acquisition of the patent. The 'exclusive rights' are the negative rights and exclude other parties or persons from using it without the due consent of the patentee. However, there are exceptions to the existing doctrine of exclusive rights. These exceptions include usage by government<sup>1</sup>, for experiment or research to educate the masses, of a medicine, on a foreign vessel<sup>2</sup>, or for acquiring further knowledge.<sup>3</sup>

When an infringement occurs like the one which takes away the exclusive rights of the patentee, the remedies and reliefs sought are given in the pretext of Specific Relief Act, 1963. The possible reliefs that exist are injunctions, award of damages or account of profits. The essentials required to be considered before the grant of an injunction are whether the plaintiff-patentee, in whose favour balance of convenience lies, makes out a prima facie case and an irreparable injury might be possibly caused to the plaintiff-patentee. With the establishment of a prima facie case, the decision on the suit becomes relatively easy but granting away of an injunction on that basis must be done only after analysing the positions of both the parties. The problem at hand stands on two counts:

I The presumption taken on the validity of grant of patent must not lead the court into believing that the plaintiff-patentee has a prima facie case.



II Vagueness with regard to what constitutes a serious question to be tried to establish a prima facie case must be interpreted in a clear manner.

#### **SUPPOSITION ON THE GRANT OF PATENT**

When the patent is an old one, which has been serving public interest for a while and has established its standing, utility, and goodwill in the market, the only question that remains to be looked into by the court is how the infringement of rights has taken place. Whereas a patent which is relatively new can be refused an injunction before its validity is established.<sup>4</sup> This ground for refusal to grant an injunction no longer subsists when the improper registration of the patent is the only plea that the defendant has been raising.<sup>5</sup>

The strength of the defence's case is a concern which requires due regard before tapping into any course of action. The court must have held not only the strength of

the claim but the strength of the defence in arriving at a temporary conclusion.<sup>6</sup> The remedy is a measure of flexibility and discretion and therefore any hard and fast rules are avoided that can pull down its stature.<sup>7</sup> Any usage after the registration of the patent results in a clear cut violation of the rights of the patentee. Since patentee has exclusive right after the grant of patent, it would not be wrong to say that a monopoly is created over such an invention over which patent has been obtained.<sup>8</sup>

In *National Research Development Corp of India v. Delhi Cloth and General Mills Co Ltd.*<sup>9</sup>, the court observed that a previous trial that held the validity of the patent or an enjoyment of patent over the years relieves the patentee from the onus of proof. In the circumstances of the matter, the patent was six years old and a *prima facie* case was made out on the basis of the longevity of the patent acquisition.

A shift has been seen in determining the patentability of the subject matter which only happens now when an expert opinion is taken over the subject matter of the dispute, opportunity of being heard is given per se along with an abiding provision of appeal which allows window to question the supposition made on the validity of patent.<sup>10</sup> The co-existence of the design that can be patented and its infringement by the defendant is a rudimentary requirement.



A mere possession of a registered patented design cannot be said to be a *prima facie* evidence of its validity. A substantial question comes to light when the patent is recently registered and the court would not prefer to interfere.<sup>11</sup>

Nonetheless, it is not for the courts to try their hands at this stage of litigation and dive into mature considerations or an all-inclusive argument. These are matters which would only be considered on the merits of the case and do not require looking into when a *prima facie* case needs to be established. A good arguable case can be said to be the stipulation and a go for the court to proceed with the matter.<sup>12</sup>

### **Gripping the Concept of Prima Facie Case**

*Prima facie* case means that the conclusion of the suit would be similar to that of the one brought up by the plaintiff.<sup>13</sup> A case need not be proven completely but can be established if evidence led in its support is found worthy of reliance.<sup>14</sup> Probability of plaintiff's win must be comparatively higher<sup>15</sup> based on the fair question raised by him.<sup>16</sup> Existence of a bona fide contention between the disputed parties is essential to seek relief.<sup>17</sup> The intention behind considering these essentials before the grant of injunction is to meet the multitude of circumstances that could arise as a result.<sup>18</sup> A comprehensive understanding of the submissions of both the parties is required in deciding a *prima facie* case to justify the issuance of any injunction on that basis.<sup>19</sup>

### **Explicit establishment of prima facie case**

The standard equity test includes analysing plaintiff's potential win at the patent litigation and the injuries that might surface if an application for an injunction on *prima facie* case is refused.<sup>20</sup> Per contra, in patent cases many courts believe that a monopoly created over by the patentee and a lapse on the same thereby is a reasonable cause for bringing an action against defendant.<sup>21</sup> The inflexibility of this approach could be relieved by many courts if the defendant could just show that the plaintiff would not endure the damage until



the last trial-for instance, by demonstrating that the encroachment did not hurt the plaintiff in the way he was using his monopoly. The defendant can then save his part by offering for cost of damages incurred.<sup>22</sup> However, at such an early stage of proceeding the courts have entrusted upon themselves the task of immediately addressing any grievance, which might lead the patent holders into an abyss of dismay. Therefore, the grant of injunction because of mere establishment of a prima facie case sometimes comes as a boon and other times, as a bane.

The establishment of a prima facie case requires a twofold process to dive into a case of an ordinary grant of injunction. However, the scenario stands differently when it comes to patent remedies. While seeking an injunction against any defendant and as part of establishment of a prima facie case he must construct two foundations. Firstly, the validity of the patent must be established unquestionably, secondly, he must state that a credible and sustainable infringement has occurred on the patented product or process. The problem arises while establishing the validity of the patent. In most of the cases, since the judges are not the experts in the matters involving intricacies of the subject, an injunction is granted without too much consideration given to the fact that a mere grant of patent cannot be taken as a presumption of its validity.

### **Need to avoid solicitude towards patentee**

It is an established principle of the legal regime that the plaintiff need not necessarily ascertain his righteous title. What is required is that the plaintiff must show a fairness of the question of law involved and infringement of his right thereby in relation to such question accompanied with an urgency to protect the property and maintain its status quo until the finality of the suit.<sup>23</sup> Prima facie case must not be confused with a title that needs establishment of its prima facie capacity. It is rather a substantial question which requires a due inquiry by the court of law.<sup>24</sup>

For the dispensing of justice, parties must crucially be directed to give away all the details of pleadings with particulars. If a prima facie case is established, the person defying the title-holder's rights will have the burden of proving it otherwise. He must place before court all the relevant documents that will augment his resistance.<sup>25</sup> Some technicalities must be kept in view while filing for the prima facie case, mere pleading or averment does not suffice to indicate a prima facie case while seeking injunction. Only when a case



is proved by affidavit or otherwise, the court gets the power to order temporary injunction in exercise of its discretion.<sup>26</sup>

In patent litigation, the suits are frequented with the possibility where a defendant might highlight that there are weighty grounds for contesting the validity of the patented product or process and any action or operation of his does not truncate the rights of the patent holder. In such ensuing state of affairs, courts would disallow the grant of temporary injunction. The onus of proof in such a scenario falls on the shoulder of the patentee which is passably a heavy one. The situation then turns around and the defendant here lies in an easier position to establish the case otherwise.<sup>27</sup>

### **PRECEDENTIAL APPROACHES TOWARDS PRIMA FACIE CASE: AMERICAN CYANAMID AND ITS AFTERMATH**

Developing a prima facie case was a procedural requirement in patent cases before

1975, but this apparatus changed in *American Cyanamid Co. v. Ethicon Ltd.*<sup>28</sup>. The House of Lords replaced the mandate of establishing a prima facie case for the grant of interlocutory injunction with a set of guidelines which included:—

- I Presence of a serious question is to be tried,
- II Balance of convenience between the parties,
- III Presence of special factors, and
- IV To see if an award of damages would be the adequate remedy.

To make a prima facie case, a plaintiff was required to present evidences on affidavit and these evidences were cross-examined. So, if the plaintiff could successfully prove that the damage which would be suffered by him could not be compensated by the award of damages and the prima facie case is made out, then the injunction was granted.

In *American Cyanamid*<sup>29</sup>, the House of Lords decided that it was no longer necessary for a prima facie case to be made out at the interim proceedings in order to obtain injunction, as long as there is a serious question to be tried since the purpose of interim injunction is to preserve a party's position until trial. The only test that needed to be satisfied now was that of balance



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of convenience between the parties, which would be tested primarily based on adequacy of damages. If such balance is not clearly made, then the status quo would be maintained. The House of Lords also opined that in individual cases, special factors have to be examined but these special factors were not specified.

But, because of this approach the claims often do not get an opportunity to reach trial and are disposed of at preliminary stage as the parties against whom interim injunctions are granted lose their spirit and withdraw the case, partly because of the proceedings being so expensive.


The principles of *American Cyanamid* have gone through various changes over the years, by the way of statutory provisions. The first amendment came under the Trade Union and Labour Relations (Consolidation) Act, 1992. The next major modification to these principles was made under Human Rights Act, 1998<sup>30</sup> when it was observed that an interim injunction sought to restrain publication before the trial might affect the right to freedom of expression protected under Article 10 of the European Convention on Human Rights. Therefore, § 12 of the Act provides that publication before trial should not be restrained unless the court is satisfied that the applicant is likely to establish that publication should not be allowed.

Two important areas of interim injunction - search orders and freezing injunction have specifically developed since the *Cyanamid* case. These were previously known as the *Anton Piller*<sup>31</sup> and *Mareva*<sup>32</sup> orders. The *Anton Piller* order<sup>33</sup> permits a claimant to enter the defendant's premises and inspect the elements which can be presented as evidence. The Freezing order<sup>34</sup> prevents the defendant from moving or otherwise disposing of the invention.

The applicability of these principles was yet to be tested by the judges in the later cases. In *Fellowes & Son v. Fisher*<sup>35</sup>, the majority view of the court was to refuse an injunction on the pretext of preventing a breach of a restrictive covenant in an employment contract, on the ground of balance of convenience. Lord Denning however, refused injunction because no prima facie case was made out. He opined that the *American Cyanamid* case cannot be applied in the case because the facts of the case make it fall within the exceptional cases mentioned by Lord Diplock in the

American Cyanamid case where special factors had to be considered.

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In *Hubbard v. Pitt*<sup>36</sup>, Lord Denning again sought a different approach from the rest of the court; he again argued that a prima facie case was required because the case fell outside the American Cyanamid case because of the application of the special factors.

In more recent cases, *Covanta Energy Ltd. v. Merseyside Waste Disposal Authority*<sup>37</sup> and *NATS (Services) Ltd. v. Gatwick Airport Ltd.*<sup>38</sup>, the English Courts have somewhat relinquished the American Cyanamid case. They not only kept the automatic suspension in place but also ordered an expedited trial.

The Indian stratagem on the same issue continues to be vague. The courts in several cases<sup>39</sup> have relied upon the American Cyanamid test in stating that balance of convenience needs to be looked at before the establishment of a prima facie case. Even if the reliance is being placed on the reasoning adopted in American Cyanamid, the reason remains ambiguously established.<sup>40</sup> In a recent decision<sup>41</sup>, the Supreme Court clarified that a serious question that needs to be tried must be something more than a 'triable issue'. The stance in this case clarified that for the establishment of a prima facie case, the prerequisites must be whether it is a frivolous case or not and the potentiality of winning in the suit. Since the judiciary specially at the lower rung does not stand in the capacity to investigate the topic at hand, it shies away from giving an idea as to whether an act of defendant really prompts an infringement. Therefore, in cases of patent infringement, it is basic and imperative to rely on an expert's supposition.

#### **DOVETAILING PATENTEE'S INTEREST & PUBLIC INTEREST**

Public interest is one of the material considerations that must be paid heed before permitting the grant of an injunction or rejecting it. The guardedness of the court must be ensured by calling upon the plaintiff to file up a bond in case of failure of his suit, which can be used to compensate the defendant. Otherwise, it lies within the power of the court to compensate the defendant even when he stands as a person who breached the obligations in some or the other manner.<sup>42</sup> Where some inconvenience is caused to the public at large due to the reconstruction of sewage, and an injunction is endowed against the infringement via violation of such facility, courts might prefer giving away patent rights holder some damages. The task of the court here is not to choose one interest over the other but to harmonize any such existing divergent remedial

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measures. What is germane is to understand that the non-grant of an injunction to the plaintiff can be substantiated with the award of damages if there is no loss in the overall monopoly of the plaintiff or a follow up can be done through award of reasonable royalty, as long as the public interest in the end stands protected. That surely does not mean that the public interest has become a tool in the hands of the vexatious defendants, even handedness is required to be arrived at.

Regardless of what has been the practice of courts in allowing an injunction based

on the plaintiff's suffering, the court must be vigilant in allowing such reliefs now.<sup>43</sup> The remedy sought must be granted at a slower pace while gauging all the aspects that would fall for consideration specially when the interest of public at large is caught up as against the private proprietary interest or of a handful of individuals.<sup>44</sup> Where plaintiff failed to justify his case on the prima facie consideration to restrain defendant from proceeding with the television show that mooted the contaminants in the content of milk, the court allowed the airing of the show as it was in the larger public interest<sup>45</sup>.

The establishment of a prima facie case facilitates the plaintiff's move to confiscate the infringing articles or at least the allowance to discover such evidences, which could prove to be infringing his rights. Such orders are famously called Anton Piller orders. The appraisal is given to the existence of the reasonable cause and the seriousness of damage that might occur to the plaintiff. In addition, a strong infringing piece of evidence must exist with the defendant, which abridges the plaintiff's right.

### **CONCLUSION: A PLAUSIBLE TEST**

The question that precedes the court when an infringement case is brought is to discover the legitimacy of the patent<sup>46</sup>. A six year rule as a matter of practice is trailed by court<sup>47</sup> before granting an injunction against the encroachment done to the patent. The rule does not find its origin in the legal domain but is practiced in essence. The court was confounded at the decision where they found that such governance somewhat demonstrated a difficulty and demoralization to the innovators. In *F. Hoffmann LA Roche Ltd. v. Cipla Ltd.*<sup>48</sup>, court highlighted its aim to depend on the establishment of the prima facie case as an adaptable technique, which must be



practiced sensibly instead of giving understanding through some numerical recipes. The establishment of a prima facie case and then granting of interlocutory injunction on such basis is the fastest remedy available at the disposal of the court.

Although a fit-in-all apparatus to determine what constitutes a prima facie case or how a genuine infringement has occurred does not exist, the authors have tried to come up with certain suggestions that can streamline the process.

Firstly, the grant of a patent must not be taken as a first sight evidence of its validity. What is important to remember here is that the patent offices in India are relatively new in comparison to its international counterparts. They haven't gone through as much jurisprudential situations as the other national or international offices. So when a patent is granted, it does not necessarily mean that it might be valid and there lies no legit question that can be raised on its novelty, non-obviousness and industrial utility. The grant of patent has increased significantly but so has the number of suits that have similar factual matrices to determine the validity of the patent and then establishment of infringing acts by the defendant. The level of examination must be reconsidered before the grant of patent in order to allow only the best of apparatus and processes to be considered as innovative.

Secondly, an amelioration in the basis and the standards on which patent is granted must be done. This would avoid the influx of the suits where the courts had to determine even the validity of the patent repeatedly, as it eats up on the precious time of the courts. Therefore, the most veritable arrangement would be to raise the standard of the grant of the patent which must be strictly scrutinised in the patents controller's office itself. It would lead to a lot of savings of both resources and time.

Thirdly, a prima facie case whether stands when the patentee comes to a court

while seeking injunction against the defendant or not, must be determined on the basis of the patentee's past records. The courts must quickly see if there were too many oppositions against the patent before its grant or afterwards. If that appears to be the situation, the onus of proof must heavily lay on plaintiff-patentee to establish the veracity of his claims. Not only the weight of the onus of proof must be progressively substantial, the court must prefer a more holistic approach when it finds that even the defendant's claims are worthy as opposition. It furthers the objective of only allowing such suits, which legitimately would lead to the determination of rights of the parties while avoiding those, which engage in such actions either to bring down the goodwill or to buy time to establish themselves as competitors in the market.

Fourthly, in cases where some specialised subject matters are involved, the courts must divulge the burden of determining the same by appointing an expert. The persons who have propelled themselves in the respective fields for



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example, pharmaceutical industries, biochemistry, integrated manufacturing and so forth must be called upon to determine the fate of the suit. They must be specifically asked about the prior usage of the patent, if any, followed by the question as to what would exactly constitute an infringement in a certain case. Sometimes, what would constitute an infringement in a manufacturing process would differ from what it would constitute in a product patent. Once such determination has been done, the court would itself be directed to the answer whether there is any actual case of infringement while avoiding any frivolous suits on the same. On the off chance, if court trusts that there is none, the grant of injunction could be avoided while saving a lot of time. The suggestion is to include a panel of experts of the subject matter who might break down the entries made by the patentee while the procedures in the court are directed.

Thus, a mechanism for the determination of the test for establishing the prima facie case can be said to be arrived at when the courts have simplified the approach towards the establishment of what constitutes a serious question for determination. Such arrival can only be made when court has verified the validity of the patent and as an added cherry to it has the experts by its side at every stage of the litigation to understand the obscurity of the matter.

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<sup>1</sup> The Patents Act, 1970, s. 47.

<sup>2</sup> *Ibid* s. 49.

<sup>3</sup> *Ibid* s. 107-A.

<sup>4</sup> *Hindusthan Lever Ltd. v. Godrej Soaps Ltd.*, 1996 SCC OnLine Cal 145 : (1997) 17 PTC 756, 771.

<sup>5</sup> *Schneider Electric Industries SA v. Telemecanique & Controls (India) Ltd.*, 2000 SCC OnLine Del 917 : 2000 PTC 620.

<sup>6</sup> *Hubbard v. Vosper*, (1972) 2 QB 84 : (1972) 2 WLR 389 : (1972) 1 All ER 1023, 1029.

<sup>7</sup> *Fraser v. Evans*, (1969) 1 QB 349 : (1968) 3 WLR 1172 : (1969) 1 All ER 8.

<sup>8</sup> *Telemecanique & Controls (India) Ltd. v. Schneider Electric Industries SA*, 2001 SCC OnLine Del 1227 : (2002) 24 PTC 632, 644.

<sup>9</sup> 1979 SCC OnLine Del 206 : AIR 1980 Del 132, 136.

- <sup>10</sup> *American Cyanamid Co v. Ethicon Ltd.*, 1975 AC 396 : (1975) 2 WLR 316 : 1975 RPC 513, 539 (HL).
- <sup>11</sup> *Smith v. Grigg Ltd.*, (1924) 1 KB 655 : (1924) 41 RPC 149.
- <sup>12</sup> *Möelnlycke AB v. Procter & Gamble Ltd.*, (1992) 1 WLR 1112 : 1992 RPC 21 (CA).
- <sup>13</sup> Bryan A Gamer (ed), *Black's Law Dictionary* (9th edn, 2009) 435.
- <sup>14</sup> *Martin Burn Ltd. v. RN Banerjee*, AIR 1958 SC 79.
- <sup>15</sup> *Gujarat Electricity Board v. Maheshkumar & Co.*, 1982 SCC OnLine Guj 29.
- <sup>16</sup> *Saroj Jasuja v. Signature Infracon (P) Ltd.* CS No. 175/13 (10/12/2014).
- <sup>17</sup> The Code of Civil Procedure 1908, Order 39 r 1 and 2.
- <sup>18</sup> *Dalpat Kumar v. Prahlad Singh*, (1992) 1 SCC 719 : AIR 1993 SC 276.
- <sup>19</sup> *Shiv Shanker Goyal v. Municipal Council, Ajmer*, 1997 SCC OnLine Raj 10 : AIR 1997 Raj 176.
- <sup>20</sup> James L. High, *A Treatise on the Law of Injunctions* (4th edn, 1905); *Poimeroy, Equity Jurisprudence* (5th edn, 1941); McKean, 'The Balance of Convenience Doctrine' (1935) 39 Dick L Rev 211.
- <sup>21</sup> *Hussey v. Whitely*, 12 Fed Cas 1067 (No. 6950) (CCSD Ohio 1860); *Ely v. Monson & B Mfg Co.*, 8 Fed Cas 604 (No. 4431) (CCD Mass 1860).
- <sup>22</sup> *American Middlings Purifier Co. v. Christian*, 1 Fed Cas 683 (No. 307) (CCD Minn 1877).
- <sup>23</sup> *Adani Exports Ltd. v. Hindustan Organic Chemicals Ltd.*, 2000 SCC OnLine Guj 489 : (2000) 41 (3) GLR 2759.
- <sup>24</sup> *Mokkapati Harihara Prasad v. Nalakuditi Nageswara Rao*, 1993 SCC OnLine AP 485 : (1993) 3 ALT 76.
- <sup>25</sup> *Maria Margarida Sequeira Fernandes v. Erasmo Jack De Sequeira*, (2012) 5 SCC 370.
- <sup>26</sup> *Unique Alliance Industries v. Anupama Agencies*, 1994 SCC OnLine Ker 85 : AIR 1995 Ker 52.
- <sup>27</sup> *Carroll v. Tomado*, 1971 RPC 401, 405.
- <sup>28</sup> 1975 AC 396 : (1975) 2 WLR 316.
- <sup>29</sup> *Ibid.*
- <sup>30</sup> The Human Rights Act, 1998, s. 12 (UK).
- <sup>31</sup> *Anton Piller KG v. Mfg Processes Ltd.*, 1976 Ch 55 : (1976) 2 WLR 162 : (1976) 1 All ER 779.
- <sup>32</sup> *Mareva Compania Naviera SA v. International Bulkcarriers SA*, (1975) 2 Lloyd's Rep 509.
- <sup>33</sup> Senior Courts Act, 1981, s. 37 (UK).
- <sup>34</sup> *Ibid.*
- <sup>35</sup> 1976 QB 122 : (1975) 3 WLR 184.
- <sup>36</sup> 1976 QB 142 : (1975) 3 WLR 201.
- <sup>37</sup> 2013 EWHC 2922.
- <sup>38</sup> 2014 EWHC 3133.
- <sup>39</sup> *Power Control Appliances v. Sumeet Machines (P) Ltd.*, (1994) 2 SCC 448.
- <sup>40</sup> *Wander Ltd. v. Antox India (P) Ltd.*, 1990 Supp SCC 727.
- <sup>41</sup> *M. Gurudas v. Rasaranjan*, (2006) 8 SCC 367 : AIR 2006 SC 3275.
- <sup>42</sup> *Mahadeo Savlaram Shelke v. Pune Municipal Corp.*, (1995) 3 SCC 33.
- <sup>43</sup> *Ramniklal N Bhutta v. State of Maharashtra*, (1997) 1 SCC 134.
- <sup>44</sup> *Daulatshinhji Savanthsinhji Solanki v. Executive Engineer*, 1996 SCC OnLine Guj 120 : AIR 1997 Guj 64.



<sup>45</sup> *Mother Dairy Foods & Processing Ltd. v. Zee Telefilms Ltd.*, 2005 SCC OnLine Del 81 : AIR 2005 Del 195.

<sup>46</sup> *Bishwanath Prasad Radhey Shyam v. Hindustan Metal Industries*, (1979) 2 SCC 511 : AIR 1982 SC 1444.

<sup>47</sup> *V. Manicka Thevar v. Star Plough Works*, 1964 SCC OnLine Mad 314 : AIR 1965 Mad 327.

<sup>48</sup> 2008 SCC OnLine Del 382 : (2008) 148 DLT 598.

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